

# Fact Sheet

## City of Citrus Heights

### First-Time Homebuyer

#### Program Guidelines

<b>Product Type</b>	2nd mortgage loan for down payment assistance
<b>Lien Position</b>	2nd position
<b>Minimum Loan Amount</b>	\$5,000
<b>Maximum Loan Amount</b>	\$40,000 The maximum loan shall not exceed the required amount of subsidy needed to make the unit affordable to the homebuyer.
<b>Interest Rate</b>	3.0% fixed rate, simple. Principal and interest shall be deferred for the term of the loan.
<b>Term</b>	30 years deferred payments
<b>Max CLTV</b>	The loan-to-value ratio for the Citrus Heights loan program, when combined with all other indebtedness to be secured by the property, shall not exceed one hundred (100) percent of the sales price plus a maximum of up to five (5) percent of the sales price to cover actual closing costs.
<b>Use of Funds</b>	Funds may be used for down payment, mortgage assistance. Interest rate buy downs are not allowed.
<b>Refinancing</b>	Refinancing may be allowed subject to NeighborWorks® HOCSR subordination policy.
<b>Repayment</b>	Loans shall be repayable upon sale or transfer of the property, when the property ceases to be owner-occupied, or upon the Loan maturity date.
<b>Eligible Properties</b>	Single-family residence, Condos *Tenant occupied properties & duplexes are NOT eligible.
<b>Maximum Sales Price</b>	The maximum allowable sales price of the assisted unit cannot exceed the current median sales price of a single family home in Citrus Heights. ( <b>\$230,000</b> )
<b>Occupancy</b>	Owner-occupied only.
<b>First-Time Homebuyer</b>	The applicant must be a first-time homebuyer which means a borrower(s) who has not owned a home during the three-year period before the purchase of a home with Citrus Heights assistance.
<b>Credit</b>	FICO = 620. All open collections to be paid prior to closing.
<b>Fee to NWHOCSR</b>	None
<b>Borrower's Min Investment</b>	1%
<b>Household Income</b>	80% Area Median Income. All adults in the household must be included in the income calculations.

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<b>Eligibility vs Lender Income</b>	<p>For program eligibility, the total annual income includes income of all adult members of the household.</p> <p>For underwriting purposes, the lender shall use standard industry methods for determining the borrower's annual gross income. Note that the gross income figure calculated for income-eligibility purposes may vary substantially from the annual income a lender will use to underwrite the first mortgage.</p>
<b>Housing Debt Ratio</b>	36/42 <b>*Front ratio shall be no less than 28%.</b>
<b>Underwriting</b>	<p>The first mortgage lender will perform the underwriting using established credit guidelines for the particular program. NeighborWorks® HOCSR will provide oversight of this function and may require credit explanations or payoff of collections if deemed necessary and prudent.</p> <p>There may be no outstanding unpaid judgments or involuntary liens at the time the loan is recorded.</p>
<b>First Mortgage Restrictions</b>	<p>Borrower shall obtain the maximum first lien mortgage loan with a term and interest rate from a mortgage lender consistent with affordable housing costs outlined above.</p> <p>The term of the loan shall be 30 years fixed rate. Mortgage loans shall not include provisions for negative amortization or principal increases. The first mortgage may be an FHA loan, conventional loan, or Cal HFA financing.</p> <p>The first mortgage lender is required to collect and manage impound accounts for payment of taxes, assessments and hazard insurance according to the lender's requirements.</p>
<b>Escrow Prohibitions</b>	Cash transactions and oral agreements outside of escrow are prohibited. Cash out of escrow to the borrower is limited to \$250 maximum.
<b>Homebuyer Education</b>	<p>Homebuyer must attend homebuyer education classes. The homebuyer education requirement may be met by taking the following classes from NeighborWorks® HomeOwnership Center Sacramento Region:</p> <ul style="list-style-type: none"><li>Preparing for Homeownership Workshop.</li></ul>
<b>Geographical Area</b>	City of Citrus Heights
<b>Special Features</b>	<p>Must obtain full copy package from 1st mortgage lender.</p> <p>1st mortgage must be a 30 year fixed rate.</p> <p>*All junior liens must be deferred.</p> <p>*Property must meet the Housing Quality Standards (HQS) &amp; have a clear termite and home inspection. <b>HQS reports ordered through NeighborWorks®. No tenant occupied properties.</b></p>
<b>Application Procedure</b>	To apply for the program, please call Alicia Perez at (916) 452-5356 ext. 227 or <a href="mailto:alicia@nwsac.org">alicia@nwsac.org</a>