

Fact Sheet

NeighborWorks®

Down Payment Assistance

Program Guidelines

Product Type	A fully amortizing loan for down payment assistance & closing costs. Maximum 20% available for closing cost.
Lien Position	2nd position, behind an amortizing 1st mortgage
Minimum Loan Amount	N/A
Maximum Loan Amount	\$10,000
Interest Rate	5.5% fixed rate / 7.174% APR
Term	10 years
Max CLTV	105%
Use of Funds	Funds may be used for down payment, mortgage assistance. Interest rate buy downs are not allowed.
Refinancing	Refinancing may be allowed subject to NeighborWorks® HOCSR subordination policy.
Repayment	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.
Eligible Properties	1-4 units, SFR/Condo/PUD, Manufactured Homes must be on permanent foundations.
Maximum Sales Price	None.
Occupancy	Owner-occupied only.
First-Time Homebuyer	At time of closing, borrower must own no other real estate.
Credit	FICO = 650. All open collections to be paid prior to closing.
Fee to NWHOCSR	\$375 Processing Fee \$350 Underwriting/Document Prep Fee
Borrower's Min Investment	\$500
Household Income	N/A - Borrower must show financial need for DPA.
Eligibility vs Lender Income	No Adjustments

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Housing Debt Ratio	36/50
Underwriting	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. There may be no outstanding unpaid judgments or involuntary liens at the time the loan is recorded.
First Mortgage Restrictions	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.
Escrow Prohibitions	Cash transactions and oral agreements outside of escrow are prohibited. Cash out of escrow to the borrower is limited to \$250 maximum.
Homebuyer Education	Homebuyer must attend homebuyer education classes. The homebuyer education requirement may be met by taking the following classes from NeighborWorks® HomeOwnership Center Sacramento Region: Preparing for Homeownership Workshop.
Geographical Area	Greater Sacramento Region
Special Features	FHA requires 3.5% borrower cash investment Must obtain full copy package from 1st mortgage lender. *Approved behind FHA, CalHFA or Conventional Programs *Property must meet the Housing Quality Standards (HQS) & have a Clear Termite & Home Inspection
Application Procedure	To apply for the program, please call Alicia Perez at (916) 452-5356 ext. 227 or alicia@nwsac.org