



Community Resources Agency
48 W. Yaney Avenue, Sonora
Mailing: 2 S. Green Street
Sonora, CA 95370
209 533-5633
209 533-5616 (fax)
www.tuolumnecounty.ca.gov

DOWN PAYMENT ASSISTANCE PROGRAMS **AVAILABLE IN TUOLUMNE COUNTY**

Many potential homebuyers have difficulty saving for a down payment for a home and are looking for resources that can assist with down payment and closing costs. There are a number of programs available in Tuolumne County that can help.

PLATINUM DOWN PAYMENT GRANT

The Golden State Finance Agency, formerly known as the California Homebuyers Fund is a sister organization of the Rural County Representatives of California (RCRC) of which Tuolumne County is a member. They offer a number of assistance programs for homebuyers and homeowners who reside in RCRC member counties.

The Golden State Finance Agency Platinum Program helps low-to-moderate income homebuyers purchase a home by providing a non-repayable grant for down payment and/or closing costs.

- Grant sized up to 5% of the primary loan amount,
- Program NOT limited to first-time homebuyers,
- Home will be the primary residence,
- Household income does not exceed program income limits, The homebuyer must apply for the Program through a CHF Platinum Participating Lender, and
- Conventional, FHA, VA, and USDA 30-year mortgages are allowed.

This program can assist a wider segment of clients because the borrower does not have to be a first-time homebuyer and the income limits are much higher than for other assistance programs. As of January 27, 2015, the maximum household income for borrowers in Tuolumne County was \$78,315 (please visit their website for current maximum income information).

A number of local lenders participate in this program. For more information, you can visit the program website at <http://www.chfloan.org/> or call toll-free (855) 740-8422.

MORTGAGE CREDIT CERTIFICATES

Mortgage Credit Certificates (MCC) are issued to first-time homebuyers who can then file for a tax credit on their federal income taxes equal to a portion of the annual mortgage interest paid. It is a dollar-for-dollar reduction in federal income tax liability.

The program is offered through the Golden State Finance Agency and is available in Tuolumne County because the County is a member agency of the Rural County Representatives of California (RCRC) which is a sister organization.

The MCC rate for this Program is 20%, which means that 20% of the annual mortgage interest paid can be taken as a tax credit. (The remaining 80% of mortgage interest paid can still be taken as an itemized tax deduction).

For example, if a borrower secures a \$200,000 loan at 4.5% interest, he or she would pay approximately \$9,000 in interest in the first year. The tax credit would equal 20% of this interest. The homeowner would receive an annual tax credit of \$1,800.

The MCC remains in effect for the life of the mortgage loan, so long as the home remains as the principal residence. The amount of the annual mortgage credit is calculated on the basis of 20% of the total interest paid on the mortgage loan for that year.

Homebuyers apply for the MCC Program through a participating lender (see program website for a list of lenders). The participating lender will perform an initial qualification and assist the homebuyer in completing the MCC submission forms. The lender then submits the MCC application at the same time the loan application is submitted for approval.

The four basic qualifications are:

1. The homebuyer must be a "first-time" homebuyer (cannot have owned a home within three years; other exceptions are listed on the program website),
2. The total household income must fall within the program income limits (As of January 27, 2015 the maximum income range was \$68,100 to \$81,720 - maximum income varies by household size and location),
3. The home being purchased must fall within the program purchase price limits (Maximum as of January 27, 2015 was between \$324,000 and \$396,000, depending upon location), and
4. The home must be the primary residence.

An MCC can help the borrower qualify for a larger initial mortgage loan, because the tax savings can be factored into the borrower's available income.

An MCC can be obtained with a variety of mortgage loans, including conventional, FHA, and VA loans. An MCC lender helps the homebuyer apply for the MCC at the same time he/she applies for a mortgage loan.

A number of local lenders participate in this program. For more information, including up-to-date income and sales price limits, you can visit the program website at <http://www.chfloan.org/> or call toll-free (855) 740-8422.

WISH GRANT

The Federal Home Loan Bank (FHLB) Workforce Initiative Subsidy for Homeowners (WISH) Program provides down payment matching funds for first-time homebuyers participating in the County of Tuolumne's First Time Homebuyer Programs through grants secured by Oak Valley Community Bank and Union Bank on behalf of the County of Tuolumne.

The WISH program provides *up to* \$15,000 for each participating household, matching up to \$3 for each \$1 contributed by the homebuyer(s). The WISH Grant is a matching program. It does not replace the need for a down payment.

Requirements

- Borrower must be a first-time homebuyer,
- Household income falls below the program limits,
- Funds can be used toward down payment and closing costs, and
- Home must be primary residence.

The WISH Grant is forgiven after five years as long as the homeowner continues to own the home. If they sell the home during the five years, they repay the grant on a pro rata basis.

The WISH Program is only available to first time homebuyers who are participating in the County of Tuolumne's First Time Homebuyer Loan Programs and meet program qualifications. Participants cannot

earn more than 80% of the median income as adjusted for household size. Borrowers are required to provide a minimum down payment of 3%.

To apply, please contact Sheila Shanahan in the County of Tuolumne Community Resources Agency Housing Division at (209)533-6904 or sshanahan@co.tuolumne.ca.us. Information, including maximum household income, is also available on the County's website at www.tuolumnecounty.ca.gov.

CALIFORNIA HOMEBUYER'S DOWN PAYMENT ASSISTANCE PROGRAM (CHDAP)

The California Housing Finance Agency (CalHFA) offers a California Homebuyer's Down Payment Assistance Program (CHDAP) which provides a deferred-payment junior loan to the homebuyer in an amount up to 3% of the purchase price, or the appraised value, whichever is less. Funds are used for down payment and/or closing costs. This program may be combined with a CalHFA or non-CalHFA, first mortgage loan.

Requirements

- Be a first-time homebuyer (see CalHFA website for definition),
- Occupy the property as the primary residence,
- Complete homebuyer education counseling,
- Be income qualified,
- Meet the requirements of the lender, and
- Sales price of the home cannot exceed CalHFA's sales price limits established for the county in which the property is located.

Maximum income for the program depends upon household size and the type of primary loan the borrower is using. As an example, the maximum household income for a borrower securing an FHA loan who has four household members is \$76,000. That same household utilizing a USDA loan cannot make more than \$80,050. These maximums are current as of January 27, 2015. Please visit the program website for current information.)

Interest rates will vary depending on the borrower's financial circumstances, lender fees, and other factors. CalHFA does not lend money directly to consumers. CalHFA uses approved private lenders to qualify consumers and to make all mortgage loans. For more information or to find a loan officer please visit www.calhfa.ca.gov/homebuyer/programs/chdap.

0% DOWN PAYMENT LOANS

USDA Loans - The United States Department of Agriculture (USDA) offers two types of homebuyer loans to lower-income homebuyers living in rural areas. All areas of Tuolumne County qualify as rural. The USDA Guaranteed Loan is secured through a participating lender. Borrowers apply for the USDA Direct Loan directly through a USDA office. The USDA Direct Loan has a subsidy attached to it that reduces a borrower's monthly payment. Both loan products offer 100% financing. Because there is no down payment required, the program is in essence a down payment assistance program.

Borrowers can apply for a USDA Guaranteed Loan with local lenders. To apply for the USDA Direct Loan Program, please contact the USDA Fresno Office at (559) 276-7494 or visit the USDA website at www.rurdev.usda.gov

Specialized Loans – Eligible homebuyers can also take advantage of loan programs such as Veterans Administration (VA) Loans, The Department of Housing and Urban Development (HUD) HUD 184 Native American Loans, and other loans for certain professions such as teachers and health care workers.

For more information about down payment resources, you may wish to visit:

<http://downpaymentresource.com/>, and
<http://www.americandreamdownpaymentassistance.com/>.