



City of Vacaville CalHome First-Time Homebuyer Program Fact Sheet

40 ELDRIDGE AVENUE, SUITE 2 • VACAVILLE, CA 95688 • (707) 449-5675

Purpose		To provide assistance in the form of a deferred payment loan as 'gap' financing to eligible households in purchasing their first home. These loans are available for down payment and closing cost assistance to low income households.							
City Loan									
Term and Interest Rate		The loan term will be a minimum 30-year deferred payment loan. The interest rate shall be 0% per annum with the principal due and payable at year 30.							
Lien Position		Subordinate to the first deed of trust and is recorded as a second deed of trust. City must approve all senior financing.							
Use of Funds		Down payment and non-recurring closing costs. Non-recurring closing costs includes credit report, escrow, closing and recording fees, title report, title insurance, and title updates.							
Minimum Loan Amount		None							
Maximum Loan Amount		\$50,000							
Monitoring Agreement		<p>The monitoring period is 30 years; under special circumstances, an additional 15 – 30 years may apply.</p> <p>The City will monitor the loan agreement to ensure adherence to program requirements which includes, but is not limited to, the following:</p> <ul style="list-style-type: none"> • Owner-occupancy • Property Tax Payment • Hazard Insurance Coverage • Good Standing on Primary Loan • General Upkeep of Housing Unit 							
Ratios		<p>Front end ratio: 28% to 35%</p> <p>Back end ratio: 36% to 45%</p>							
Loan to Value		Combined with all other indebtedness shall not exceed 100 percent of the sales price plus a maximum of up to 5 percent of the sales price to cover actual closing costs.							
Homebuyer									
First Time Homebuyer		A household who has not had an ownership interest in a residence at any time within the last three years. Some exceptions with City approval.							
Buyer's Down Payment		Homebuyer must contribute a minimum investment of 1% of the purchase price towards the down payment.							
Homebuyer Education		Certificate required from a HUD-approved housing counseling agency.							
Occupancy		Owner-occupant, primary residence.							
Credit History		A good pattern of credit behavior. Negative reports must be explained.							
Income Requirements		Current State published "low-income" limits for Solano County. The income guidelines are published annually by the State of California Department of Housing and Community Development (HCD).							
Household Size	1	2	3	4	5	6	7	8	
2016 80% of AMI	\$43,800	\$50,050	\$56,300	\$62,550	\$67,600	\$72,600	\$77,600	\$82,600	

Property	
Eligible Properties	New or previously owned single-family detached homes, townhomes, or condominiums located within Vacaville city limits.
Purchase Price Limit	The value cannot exceed 95% of the HOME program area median purchase price maximum as follows: <ul style="list-style-type: none"> Existing: \$330,000 New: \$348,000
Condition	<ul style="list-style-type: none"> Must comply with local codes and health and safety requirements. Pest inspection with "Section 1" clearance required. Any deficiencies must be cleared prior to closing. If located within a 100-year flood zone; proof of flood insurance is required. Homeowner's warranty policy is encouraged, but not required.
Occupancy Requirements	Owner-occupied. Owner-occupancy to be certified annually.
Senior Loan	
Type	The loan shall be fully amortized and have a term "all due and payable" in no fewer than 30 years.
Loan Term and Interest Rate	Fully amortized, fixed interest rate that does not exceed the current market rate. A permanent loan buy-down is permitted as long as it does not cost more than 1% of the loan amount. Mortgage shall not include provisions for negative amortization, principal increases, balloon payments or deferred interest. Adjustable Rate Loans (ARM's) and Graduated Payment Loans (GPM's) are not allowed.
Impound Account	Required for hazard insurance and property taxes.
Application Process	
	<ol style="list-style-type: none"> Homebuyer applies with one of the participating lenders. Lender pre-qualifies buyer for primary mortgage and determines amount needed from the First Time Homebuyer Program. Lender sends the completed application packet to the City of Vacaville for review and loan approval. Upon approval, loan documents and funds will be sent directly to the title company.

To apply for the program, any of the lenders on the City approved lender list may be contacted. For additional information or questions call (707) 449-5675 or visit our website at www.cityofvacaville.com. Click on the Housing tab under Departments.

