

FIRST-TIME HOMEBUYERS MORTGAGE ASSISTANCE PROGRAM

PROGRAM DESCRIPTION

The City of Oakland's First-Time Homebuyers Mortgage Assistance Program operates jointly with participating lenders to assist lower-income, first-time homebuyers to purchase homes in the City of Oakland.



The City of Oakland will lend qualifying homebuyers the amount needed (as determined by a participating lender) up to \$75,000 to purchase a home. These loans are secured by a Deed of Trust on the property and require no monthly payments. The City provides these loans to create homeownership opportunities for low- and moderate-income households. The Mortgage Assistance Program provides loans with the following terms:

* **\$75,000 MAXIMUM ASSISTANCE:** The City provides up to \$75,000 to qualified homebuyers. The participating lenders determine the amount of assistance needed from the City. This amount will be calculated by subtracting the amount of the first mortgage and the borrower's downpayment from the purchase price.

The total of the City loan, the first mortgage and all other loans cannot exceed 100% of the appraised value of the property.



* **ONLY 3% DOWNPAYMENT:** A minimum downpayment of 3% of the purchase price from the borrower's own funds is required.

* **MORTGAGE CREDIT CERTIFICATES:** The City's loan may be combined with Mortgage Credit Certificates. Information on MCCs can be obtained by contacting a participating lender or the Alameda County MCC Hotline at (510) 670-5799.

* **NO MONTHLY PAYMENTS:** Repayment of the City's loan is deferred while the homebuyer lives in the home, i.e., there are **no monthly payments**. The City loan becomes due when the borrower sells, transfers, refinances the property (under certain conditions) or converts the home to rental property. **Three percent (3%) simple interest plus principal will be due upon sale, transfer or refinance (under certain conditions) of the home.**



ELIGIBLE BORROWERS

* Borrowers must be **first-time homebuyers**, meaning they have not owned their principal residence during the previous three years, or they qualify under one of the following exceptions:

- Individuals who worked primarily in the home, owned a principal residence with a previous spouse, and are currently unemployed;
- Single parents who owned a principal residence with a previous spouse; and
- Homebuyers who own or owned a mobile home or trailer, or house which requires repairs which exceed the cost of constructing a new home.

* Borrowers must be **lower-income households** based on the household's total gross income (or net income, if self-employed).

Maximum Allowable Household Income
80% Median Income

Household Size	Income	Household Size	Income
1 Person	\$46,350	5 People	\$71,550
2 People	\$53,000	6 People	\$76,850
3 People	\$59,600	7 People	\$82,150
4 People	\$66,250	8 People	\$87,450

* Borrowers must be **owner-occupants** (occupy the property as their principal residence).

ELIGIBLE UNITS

Any single-family residence in the City of Oakland, including detached homes, condominiums, townhouses, live/work units, and manufactured housing.

The maximum purchase price limit and maximum allowable appraised value for an eligible unit of any size is \$456,000.

HOME BUYER EDUCATION CLASSES FOR FIRST-TIME HOMEBUYERS

In conjunction with participating lenders, the City of Oakland offers free home buyer education classes for first-time homebuyers. These classes are designed to answer your questions and will help you find out if you are ready to buy a home. The City's home buyer education classes cover a wide range of topics including:

- budgeting to buy a home
- establishing a good credit history
- deciding how much you can afford
- the roles of professionals in the home buying process
- downpayments, closing costs and mortgage insurance requirements
- applying for a home loan
- responsibilities of being a homeowner

Attendance at a first-time homebuyers education class is a requirement to qualify for a Mortgage Assistance loan. If you have not already completed this training, call 510.238.7486 to reserve a space in a City-sponsored workshop **OR** contact one of the Home Buyer Counseling Services listed on the reverse side of this form.

APPLICATION PROCESS

1. Contact the City of Oakland's First-Time Homebuyers' hotline at 510.238.7486, or a lender, to reserve a space in a first-time homebuyers workshop.
2. **See your participating lender to get pre-qualified and to determine your eligibility for a City loan.** This will tell you the mortgage loan amount that lender can qualify you for, and the home price range you can afford. You can also request the lender to "pre-approve" you for a mortgage loan which will involve a more specific application process. The lender will assist in filling out the City's application.
3. Locate an eligible unit to purchase in the City of Oakland. To do this, you may want to make an appointment with a local realtor of your choice. Also, confirm with your lender that the purchase price does not exceed the loan amount you can afford with City assistance. Then, enter into a written contract to purchase an eligible unit.
4. The Lender will submit the completed Mortgage Assistance Program application to the City for approval. Loans are available on a first-come, first-served basis as the City accepts applications as long as funds are available. **Funds are limited.**
5. The City will verify the borrowers' eligibility for the loan.
6. If the application for a Mortgage Assistance Program loan is approved by the City, the homebuyer(s) will sign the City's loan documents (the Promissory Note and Deed of Trust) in escrow at the title company along with the first mortgage loan documents.
7. The City will provide the Mortgage Assistance Program funds to the title company. The funds will be applied toward the purchase price of the home.

FOR MORE INFORMATION

For more information, contact any of the participating lenders. The participating lenders are available to help you pre-qualify for a bank loan and to determine if you are eligible for a City Mortgage Assistance Program loan.

For additional Home Buyer Education Classes & Counseling Services, please contact one of the following organizations:

ACORN Housing Corp.
(510) 436-6532*

**The Unity Council
Home Ownership Center**
(510) 535-6943*

Lao Family Community Development, Inc.
(510) 533-8850

NID HOUSING COUNSELING AGENCY
(510) 562-6573

OPERATION HOPE
(510) 535-6700*

Home Buyer Assistance Center
(510) 832-6925

**Neighborhood Assistance Corporation
of America**
(510) 652-6622

*para Español

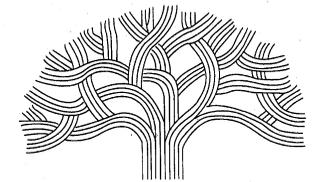


Participating Lenders
BANK OF AMERICA (510) 587-8322
CALIFORNIA BANK AND TRUST (510) 419-1800
CHASE MANHATTAN MORTGAGE CORP. (510) 547-9540
CITIMORTGAGE, INC. 800-431-1378
COUNTRYWIDE HOME LOANS, INC. (510) 663-7840 (925) 288-4704
UNITED COMMERCIAL BANK (415) 929-6081
WASHINGTON MUTUAL BANK (510) 452-6550 (510) 251-3560
WELLS FARGO HOME MORTGAGE, INC. (510) 267-1300 (510) 891-2240
WORLD SAVINGS BANK (510) 464-8877

MORTGAGE ASSISTANCE PROGRAM



For First-Time Homebuyers



Limited Funds Available

CITY OF OAKLAND

Website
www.oaklandnet.com/government/hcd
CEDAmap0905EN

04/07/05