

Fact Sheet

City of Folsom

Down Payment Assistance

Program Guidelines

Product Type	2nd or 3rd mortgage loan for down payment assistant & closing costs
Lien Position	2nd or 3rd Position
Minimum Loan Amount	\$5,000
Maximum Loan Amount	\$20,000
Interest Rate	3% simple interest
Term	30-year deferred payments
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 the City of Folsom 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 City of Folsom Down Payment Assistance Loan maturity date.
Eligible Properties	Condominium units defined as "Affordable" Housing * Single-family homes considered on a case-by-case basis
Maximum Sales Price	As described in the Inclusionary Housing Agreement
Occupancy	Owner-occupied only.
First-Time Homebuyer	Yes.
Credit	FICO = 620. All open collections to be paid prior to closing.
Fee to NWHOCSR	\$375 Processing Fee
Borrower's Min Investment	1%
Household Income	80% Area Median Income. All adults in the household must be included in the income

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- Eligibility vs Lender Income** For program eligibility, the total annual income includes income of all adult members of the household.
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
- Housing Debt Ratio** 35/50 *Front end ratio shall be no less than 35%.
- 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 collections if deemed necessary and prudent. There may be no outstanding unpaid judgments or involuntary liens at the time of the City of Folsom loan is recorded.
- First Mortgage Restrictions** The 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** City of Folsom only
- Special Features** Must obtain full copy package from 1st mortgage lender.
*Approved behind Conventional 30 year fixed programs
*10 business days to process/close
- Application Procedure** To apply for the program, please call Alicia Perez at (916) 452-5356 ext. 227 or alicia@nwsac.org

Family Size	1	2	3	4	5	6	7	8
80%	\$40,950	\$46,800	\$52,650	\$58,500	\$63,200	\$67,900	\$72,550	\$77,250