

**REDEVELOPMENT AGENCY OF
THE CITY OF SANGER**

Dear Applicant:

Thank you for your interest in the Sanger Redevelopment Agency's First-Time Home Buyer Downpayment Assistance Loan Program. This program is intended to promote home ownership among persons of low to moderate income, as defined by the State of California Department of Housing and Community Development.

The following documents include the Program Guidelines, Document Checklist, and the Program Application. Please note that the application consists of three parts – the Buyer's Portion, the Lender's Portion, and the Real Estate Agent/Developer Certification. All three parts of the application must be completed and submitted together with other supporting documents. Incomplete applications cannot be accepted. Please be sure to include the Good Faith Estimate from your Lender along with the Preliminary Title Report.

Program applications will be accepted on a first-come, first-served basis until all funds have been committed. Applicants have 90 days from the date their application is approved to complete their home purchase.

Please contact me directly if you have questions regarding the program or if you need assistance completing the application – (559) 876-6300, Ext. 1520, or dspears@ci.sanger.ca.us. We look forward to serving you on the purchase of your new home.

Sincerely,

Dan Spears

Dan Spears, Manager
Economic Development & Redevelopment

REDEVELOPMENT AGENCY OF THE CITY OF SANGER

PROGRAM OVERVIEW AND GUIDELINES

The Downpayment Assistance Program (DAP) is designed to assist income eligible home buyers own their own home.

Qualified home buyers can apply for a no interest DAP loan to assist them with the down payment and/or eligible closing costs associated with home purchase. The DAP loan may be used to acquire existing owner-occupied residences and newly constructed single-family homes. Eligible properties must be located within the City limits of Sanger.

PROGRAM FUNDING

The Down Payment Assistance Program is funded by the Sanger Redevelopment through its 20% Low and Moderate Income Housing Set-Aside Fund.

PURPOSE

The Downpayment Assistance Program contained herein is intended to provide no interest rate loans to income eligible first-time home buyers or buyers who have not bought a home in the past 3 years to cover part of the cash down payment or non-recurring closing costs associated with home purchase.

ELIGIBLE APPLICANT

The applicant shall meet the following criteria in order to be eligible for loan funds:

- Has not owned an interest in a home within the last three years
- Must use the home to be purchased as principle place of residence.
- Must qualify for a home mortgage through a private lender.
- Must have gross annual household income that is no more than 120% of the median income for Fresno County.

LOAN LIMITS AND TERMS

The maximum DAP loan shall not exceed \$15,000 or 5% of the maximum purchase price which at this time is \$300,000.

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The DAP loan shall have a payment schedule that will begin within 30 days after recordation of the deed restriction. The loan shall be a no interest rate loan amortized over a 20 year period (240 months). The loan shall be due and payable at the time of the property's sale or transfer, or when the acceleration clause in the Promissory Note and Agency Deed of Trust is triggered. The Agency Note and Deed shall be subordinate to the primary "first" loan only and shall be binding for a term of twenty years. Future subordination of Note and Deed may be considered only when the borrower is applying for a no-cash out refinancing to obtain a lower mortgage interest rate.

ELIGIBLE COSTS

DAP loan funds may be used for the down payment and for reasonable and customary non-recurring closing costs, in accordance with policies and procedures of the primary lender.

ELIGIBLE PROPERTY

DAP loan funds can be used to purchase either an existing single-family residence or a newly constructed single-family residence. Previously owned single-family residences must be in compliance with housing codes and standards.

PURCHASE PRICE

The purchase price of the home cannot exceed \$300,000.

LOAN SECURITY

DAP loans shall be secured by the execution and recordation of the following legal documents: 1) Loan Agreement; and, 2) Deed of Trust. These documents will establish a Lien against your property until the DAP Loan is repaid. All persons holding title to the subject property are required to execute the loan documents.

RESALE RESTRICTIONS

Properties purchased with the assistance of a DAP loan shall have the following resale restrictions:

1. DAP loan may be assumable to qualified moderate income and lower income households.

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2. At all times the Subject Property must remain the primary residence of the borrower. Property that is sold or transferred shall cause the principle DAP loan amount to be due and payable at the time of sale or transfer of ownership. Property that is leased or rented shall also cause the principle DAP loan amount to become immediately due and payable.

LEASING OF RESIDENCE

The borrower shall not rent or lease the residence during the term of the loan agreement. Any rental or lease in violation of the program, note, and deed is prohibited and shall constitute a default by the borrower

APPLICATION PROCESS

All eligible home buyers shall have an equal opportunity to apply to the DAP program for assistance.

Program staff shall mail an acknowledgement letter to those applicants who have submitted a complete program application. Incomplete applications shall not be processed. Applicants shall be notified in a letter of the incomplete status of their application and the information requested must be submitted prior to the end of the thirty-day application period.

APPLICANT CONFIDENTIALITY

All information and documentation submitted by the applicant or ordered on the applicant's behalf and retained in the loan application file shall be kept confidential by the Department of Development Services and shall not be for public review.

All information and documentation retained in the loan application file shall be the property of the City of Sanger. Release of any information and/or copies of documentation from the loan applicant's file shall only be permitted by specific written instructions of the applicant with the permission of the Redevelopment Agency Executive Director.

LOAN APPROVAL

All DAP loans shall be reviewed by the Loan Review Committee (LRC). The applicant is responsible to select a primary lender and an eligible property. Upon

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securing a lender and receiving acceptance of a home purchase offer, applicant shall submit the completed application for review by the Loan Review Committee. The lender shall complete the lender's portion of the application and determine and certify to the Redevelopment Agency the amount of funds necessary from the applicant to qualify for home purchase. Applicants shall be provided written notification of approval or denial. Reason for denial shall be provided to the applicant in writing.

LOAN REVIEW COMMITTEE

The Loan Review Committee shall consist of the following individuals: Director of Development Service, Economic Development & Redevelopment Manager, and the Administrative Services Director. These persons will review the application and decide, based upon the information provided, if the application is approved or denied.

LOAN DOCUMENT PREPARATION

Upon approval of the home Loan Review Committee the DAP loan documents shall be prepared for the applicant's signature. The documents shall include the following:

1. Third Party Escrow Instructions
2. Promissory Note
3. Loan Agreement, including Exhibits A, B, C & D
4. Deed of Trust
5. Disclosure Statement

DEPOSIT OF LOAN FUNDS

Upon completing the loan documents and receiving the necessary notarized signatures from Agency officials, a check shall be issued for the full Downpayment Assistance Loan amount. DAP loan funds shall be mailed to the Company managing the escrow, along with all DAP loan documents. All documents must be signed prior to close of escrow. A fully-executed copy of the loan documents, check and escrow instructions shall be kept in the applicant's loan file.

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RECORDATION OF LOAN DOCUMENTS

Loan documents shall be recorded against the property with the Fresno County Recorder's Office to coincide with the primary lender's recordation of the first trust deed.

LOAN PAYMENT COLLECTION

DAP loan recipients shall be made by mail or in person to 1700 7th Street, Sanger, CA, 93657.

LOAN RECONVEYANCE

The borrower may repay the loan at any time without penalty. At the time a loan is paid in full, the Agency shall issue a full reconveyance of the Agency's Deed of Trust and a release of the Agency's Loan Agreement. The reconveyance and release shall be signed by the Executive Director and forwarded to the borrower, who is responsible for recording such documents with the Fresno County Recorder. The Promissory Note shall be stamped "PAID" and mailed to the borrower, together with the original Deed of Trust and Loan Agreement.

FILES AND RECORD KEEPING

The Development Services Department shall establish and maintain all files for each DAP loan. Files shall be kept for the life of the loan. Original loan documents (e.g. Note, Deed, Loan Agreement, etc.) shall be forwarded to the City Clerk for filing in the city vault.



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**FIRST-TIME HOMEBUYERS
DOWNPAYMENT ASSISTANCE LOAN PROGRAM**

APPLICANT'S CHECK-LIST

A complete application must have attached all the information listed below before any loan consideration could be made. Information must be submitted for both applicant and any co-applicant(s). By submitting the requested documentation with your application, you could avoid unnecessary delays in the processing of your loan request.

PLEASE CHECK OFF (✓) EACH ITEM AND ENCLOSE WITH YOUR APPLICATION COPIES OF THE FOLLOWING:		
	Copy Enclosed (✓)	Not Applicable (✓)
1. COPY of 2 most recent Income Tax Returns.		
2. COPY of most recent employment pay stub(s) for each applicant.		
3. COPY of award letter or check for other sources of income (i.e., SSI, SDI, Unemployment, etc.).		
4. COPY of completed and signed Uniform Residential Loan Application.		
5. COPY of executed Purchase Contract.		
6. COPY of bank statements for all accounts and/or copy of verification of deposits for the past 3 months.		
7. COPY of pre-qualification letter and/or copy of credit approval letter from lender.		
8. Good Faith Estimate from Lender		
9. Title Report and Escrow Information		



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**First-Time Home Buyers
Down Payment Assistance Loan Program
Application**

Instructions

*If more space is needed attach additional pages. Please print clearly or type. **DO NOT SUBMIT APPLICATION WITHOUT ALL SECTIONS COMPLETED.***

Applicant(s) name as it will appear on title:

Telephone Number:

Home: _____
Business: _____

Current Address of Applicant:

Street City Zip

Number of years lived at
this address?

Previous address (if Applicant lived less than 3 years
at current address):

Street City Zip

Number of years lived
at this address?

Name of all persons who will live in house:

Relationship to applicant(s):

Annual Household Income Information:

Applicant's Employer

Employer's Address

Gross Monthly Income

Co-applicant's Employer

Employer's Address

Gross Monthly Income

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Are all sources of income for all occupants listed above? _____ Yes _____ No (If no, please list other sources of income e.g., SSI, pensions, retirement, etc...)

Other Source(s) of Income _____

Per Month _____

Total cash on hand and other liquid assets \$ _____
(This amount should include but is not limited to all cash, funds in checking or savings accounts, stocks, bonds, fund shares or certificates of deposit. Do not include assets held in an IRA, or a defined benefit retirement plan, or funds already placed in escrow for this purchase).

Have you owned or had interest in real property over the past three years? Yes _____ No _____

Will the house you purchase be your principal place of residence? Yes _____ No _____

Real Estate Agent/Broker Name _____

Company Name _____

CERTIFICATION

I/We have read and understand the following conditions for receiving the First-Time Home Buyers Down Payment Assistance Program loan:

_____/_____ (Applicant(s) Initials)

- A) The house will be used as a primary residence by the owner(s) identified herein.
- B) A deed restriction shall be placed on the property that requires full repayment of the loan to the Sanger Redevelopment Agency if the property ceases to be your primary residence or is sold, transferred, or leased during the term of the loan.
- C) The principal loan amount will be repaid monthly during the 20 years following the recording date.
- D) The house shall be a single-family residence located within the city limits of Sanger.

I/We agree to participate in any annual surveys and/or audits conducted by the Agency?

_____/_____ (Applicant(s) Initials)

I/We understand that the purpose of the First-Time Home Buyers Down Payment Assistance Loan Program is to provide assistance to very-low, low- and moderate-income households, who would not otherwise be able to secure funds for a down payment or closing costs and/or who would not otherwise qualify for a loan to purchase a single-family residence.

_____/_____ (Applicant(s) Initials)

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I/We affirm that, by signing this form, we authorize the Redevelopment Agency and its representatives to verify all of the information contained in this application, and we further authorize the lender to provide the Agency a copy of my/our loan application and all other related documents; such as employment verification, tax returns and bank statements.

_____/_____/_____ (Applicant(s) Initials)

I/We certify that the provided information is complete and true, and I/We understand that any misrepresentation(s) may result in my/our disqualification from the program.

Signature of Applicant

Date

Signature of Applicant

Date

Signature of Applicant

Date

DO NOT SUBMIT PROGRAM APPLICATION and LENDER'S PORTION SEPARATELY

For Office Use Only (Do Not Complete)

Household Size: _____

Date Received: _____

Income Category:

Date Reviewed: _____

____ Very-Low ____ Low ____ Moderate

Date Approved/Denied: _____

Preliminary Recommendation: Approval/Denial

Loan Amount: _____



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First-Time Home Buyers Down Payment Assistance Program Lender's Portion

Please provide complete information. If more space is needed attach additional pages. Please print or type. DO NOT SUBMIT THIS SECTION WITHOUT BUYER(S) APPLICATION.

PROPERTY INFORMATION

Street address of house. New ____ Existing ____

Legal Description of subject property (from Preliminary Title Report).

ESCROW/TITLE INFORMATION

Escrow Company: _____ Escrow Number: _____
Escrow Officer: _____
Escrow Mail Address: _____
Business Phone: _____ FAX: _____

*This the address where all DAP Loan Documents will be sent for buyer(s) signatures.

LENDING INSTITUTION INFORMATION

Lender Name: _____ Phone Number: _____
Loan Officer: _____ FAX Number: _____
Lender Mail Address: _____

Breakdown of loan costs:

Table with 2 columns: Item and Amount. Items include Cash Down Payment Required, Origination Fee, Escrow Fees, Tile Policy Fee, Hazard Insurance, Tax Impound, Loan Fees, Credit Report, Mortgage Insurance, and Other. Total is at the bottom.

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Has the applicant(s) been credit approved? Yes _____ No _____ Pre-approve Amt \$ _____

What is the purchase price of the house? \$ _____ Mortgage amount \$ _____

What is this household's total gross income for the past 12 months? \$ _____

What is the current gross monthly income of this household? \$ _____

What is the annual income amount being used by your lending institution to qualify the home buyer(s) for the loan? \$ _____

Is the information provided by the applicant(s) complete and correct? Yes ___ No ___

Are cash, gifts, or in-kind contributions being made towards the purchase price of the house, either before the close of escrow or on a monthly basis after the close of escrow, by any sources not listed on the application? Yes ___ No ___

What is the total amount of the household's verified liquid assets? \$ _____

What is the minimum amount of assistance needed by applicant? \$ _____

Maximum Income by Household Size

Household Size	1	2	3	4	5	6	7	8+
Maximum Income Allowed 2009	\$46,850	\$53,550	\$60,250	\$66,950	\$72,300	\$77,650	\$83,000	\$88,350

I certify on behalf of the above named lending institution that the provided information is complete and true, and I understand that any misrepresentation(s) may result in disqualification from the Down Payment Assistance Program.

I understand that the purpose of the Down Payment Assistance Program is to assist those very-low, low-, and moderate-income households who would not otherwise be able to secure funds for a down payment or closing costs and/or who would not otherwise qualify for the loan on a single-family residence. _____ (Lender's initial)

I further certify that the applicant(s) needs a Down Payment Assistance Loan because the applicant(s) cannot otherwise qualify for a mortgage loan due to insufficient assets to pay for closing costs and/or down payment, or has insufficient income to make higher monthly mortgage payments.

Signature of Lender

Date

Remember to submit the following information along with the application:

- | | |
|--|--|
| <ul style="list-style-type: none"> 1) Copy of completed & signed Residential Loan Application. 2) Copy of two most recent Income Tax Returns. 3) 3 months bank statements or verification of deposits | <ul style="list-style-type: none"> 4) Credit approval letter and/or Prequalification letter 5) Copy of executed Residential Purchase Agreement 6) Copy of Escrow Number and Contact Information |
|--|--|

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REAL ESTATE AGENT'S SECTION

I certify that the real estate information provided by the home buyer(s) is complete and true, and I understand that any misrepresentation(s) may result in my/our disqualification from the Down Payment Assistance Program.

I understand and have advised my client(s) that the purpose of the First-Time Home Buyers Down Payment Assistance Loan Program is to assist those very-low, low-, and moderate-income households who would not otherwise be able to secure funds for a down payment or closing costs and/or who would not otherwise qualify for the loan to purchase a single-family residence.

Signature: _____

Date: _____

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DEVELOPMENT COMPANY'S REPRESENTATIVE

Subdivision Name:	
Lot Number:	
Construction Start Date:	
Anticipated Date of Completion:	
Floor Plan Name:	
Square Footage of House:	

I certify on behalf of the subdivision developer named below that the provided information is complete and true, and understand that any misrepresentation(s) may result in the developer's disqualification from the Down Payment Assistance Loan Program.

I understand that the purpose of the Down Payment Assistance Loan Program is to assist those very-low, low-, and moderate-income households who would not otherwise be able to secure funds for a down payment or closing costs and/or who would not otherwise qualify for the loan to purchase a single-family residence.

Signature: _____

Date: _____

Name: _____

Company: _____

Address: _____

Telephone: _____

FAX: _____