



# Imagine What Down Payment Assistance Can Do for YOU!

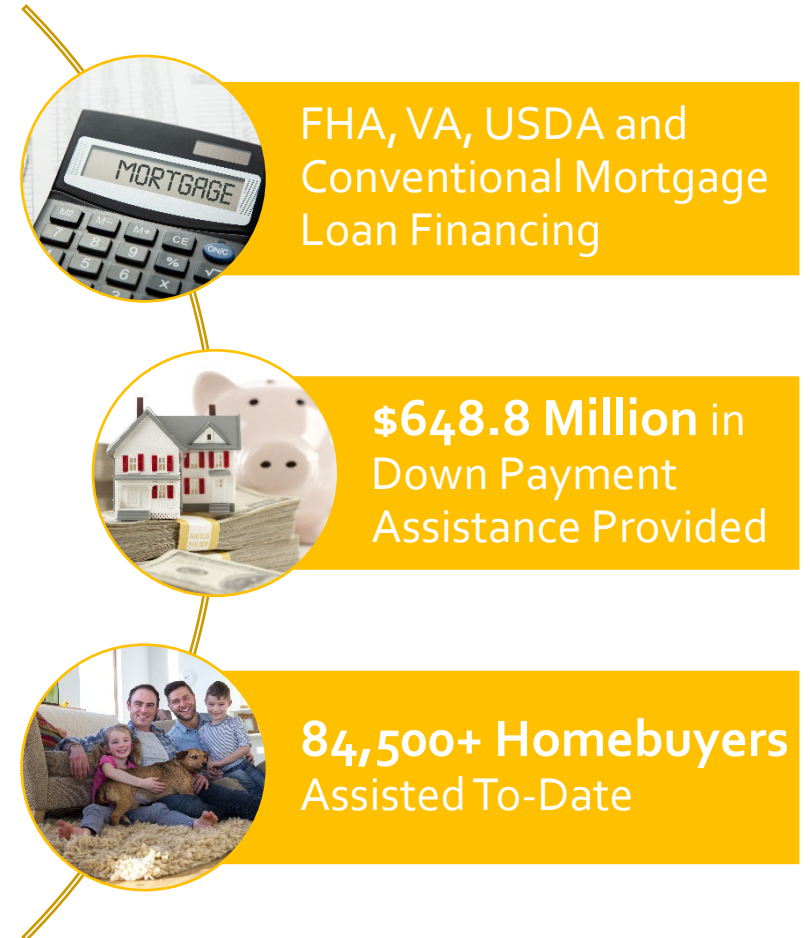
“Assist-to-Own” Down  
Payment Assistance Program



# Relationship of County to GSFA



- California Joint Powers Authority (Public Entity)
  - Formed in 1993
  - Consists of 39-Member Counties
  - County Supervisor on Board of Directors
- Mission:
  - Support affordable housing and social and economic well-being of CA residents
- Provide financing for:
  - Residential home purchases & refinances
  - Combine standard Mortgage Loans w/ Down Payment Assistance (DPA)



# The Benefits of Homeownership

## Positive Impact on Families and Communities(1)

- Improves stability in neighborhoods
- Increases educational achievement
- Increases civic engagement
- Improves physical and psychological health
- Correlates to crime reduction

## Financial Impact on Individuals

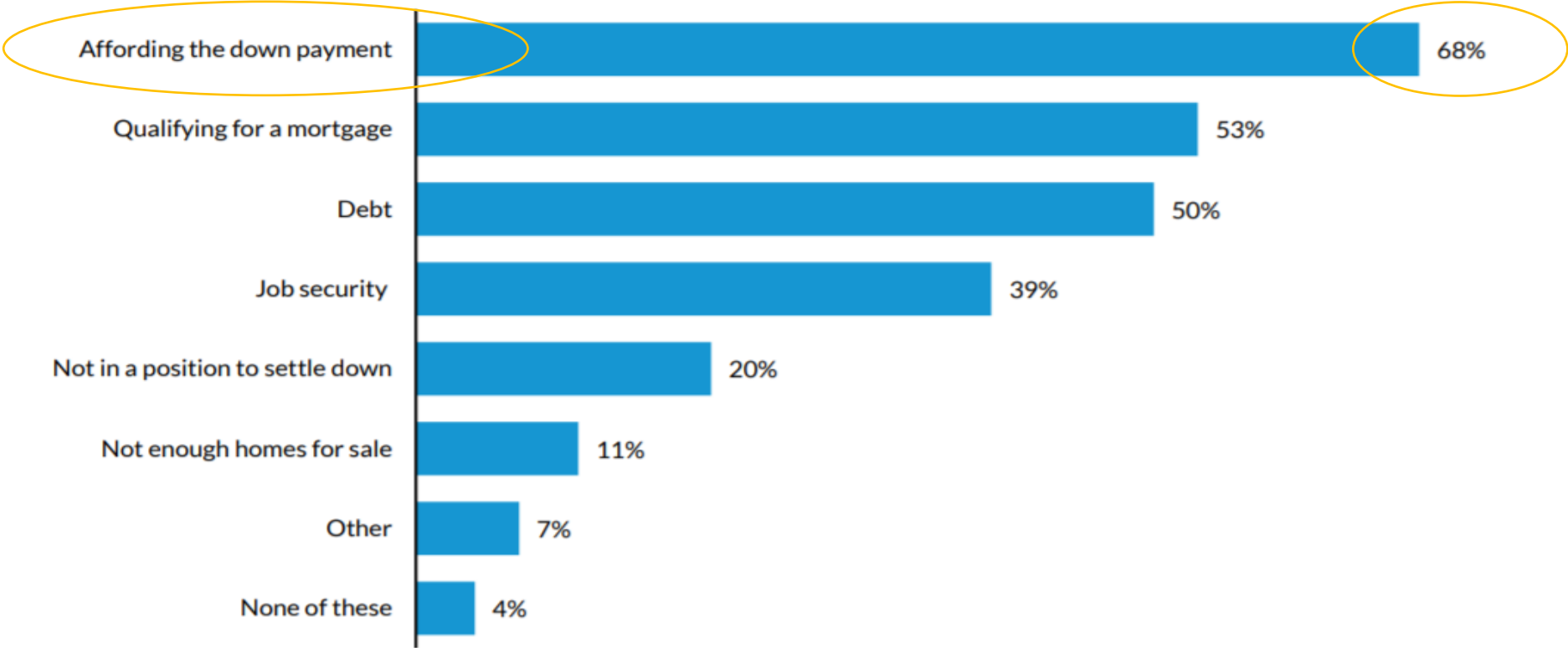
- Real estate is a large factor in net worth
- Median Homeowner 40X more net worth

Homeownership Status	Median Net Worth <sup>(2)</sup>
Owens a home	\$255,000
Doesn't own a home	\$6,300

(1) 2016 study by the National Association of Realtors® (2) Federal Reserve 2019 Survey of Consumer Finances

# Barriers to Homeownership

What Are the Major Barriers to Homeownership?



Sources: 2018 Zillow Housing Aspirations Survey and the Urban Institute.

# GSFA "Assist-to-Own" Program



- For Employees of Humboldt County
- Provides DPA up to 5.5%
- Qualifying is easy
  - Don't have to have perfect credit
  - Don't have to be a first-time homebuyer
- Purchase or refinance anywhere in California



Program Sponsored by:  
GSFA and County of Humboldt, a GSFA Member County

# Down Payment Assistance (DPA) – Amount & Terms

## Primary Assistance (3.5%)

*(To cover most, if not all, of the required down payment)*

- 3.5% of 1st Mortgage Loan Amount
- Deferred 2nd Mortgage Loan
  - No monthly payments
  - 0% note rate (accrues no interest)
  - Repaid upon sale, refinance or at end of 30-year 1st Mortgage Loan term

## Additional Assistance (Up to 2%)

*(Additional money, usually to help with closing costs)*

- Up to 2% of 1st Mortgage Loan Amount
- Form of a Gift
  - This portion does not have to be repaid
  - Subject to market availability
  - Factored into rate of the 1st Mortgage Loan

*\*This presentation contains program highlights only. See GSFA or a GSFA Participating Lender for complete program guidelines, interest rates, APR and loan applications.*

# The Impact of Down Payment Assistance

Example  
(\$450,00 Sales Price)



**\$436,500**  
Conventional 1<sup>st</sup> Mortgage  
(97% Loan-to-value)

**\$13,500**  
Down Payment Requirement  
(3% of Purchase Price)

**\$15,277**  
Primary DPA from GSFA  
(3.5% of 1<sup>st</sup> Mortgage)

**Up to \$8,730**  
Additional DPA from GSFA  
(Up to 2.0% of 1<sup>st</sup> Mortgage)

**\$24,007**  
(5.5% of 1<sup>st</sup> Mortgage)

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# Use of DPA - Guidelines



- Eligible Uses for DPA Funds
  - Down Payment
  - Closing Cost
  - Applied toward the 1st Mortgage
- DPA can be combined with
  - Homebuyer's cash
  - Gift funds from family/friend
  - Other programs (subject to guidelines)

## EXAMPLE ONLY

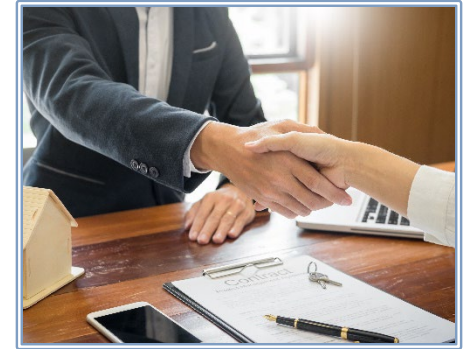
Sales Price	\$450,000
Gift from family	\$5,000
Borrower's Cash	5,000
GSFA DPA	24,000
Total Down	\$34,000
1 <sup>st</sup> Mortgage Loan	\$416,000

*\*Contains program highlights only. See a Participating Lender for complete guidelines, interest rates and APRs.*



# Guidelines: Mortgage Loans / FICO & DTI

- 30-Year fixed rate 1st Mortgage Loans
  - FHA, VA, USDA
    - Purchases only
  - Conventional Freddie Mac HFA Advantage
    - Purchase or refinance
- Maximum 1st Mortgage Amount
  - \$726,200
  - No purchase price limits



*\*Contains program highlights only. See a Participating Lender for complete guidelines, interest rates and APRs.*

# Occupancy and Property Guidelines

- Occupancy
  - Owner-occupied only
  - No second homes or rentals
  - Non-occupant co-borrowers allowed
- Eligible Properties
  - 1-4 units, townhomes, condos
  - Manufactured homes
- Eligible Jurisdiction
  - Anywhere in California



*\*Contains program highlights only. See a Participating Lender for complete guidelines, interest rates and APRs.*

# Guidelines: Mortgage Loans / FICO & DTI



- FICO Score Requirement
  - All Loan Types = 640 minimum
- Maximum Debt-to-Income (DTI) Ratios
  - Conventional/FHA
    - 45% maximum for FICOs below 680
    - Up to 50% for FICOs 680 and higher
  - VA/USDA
    - 45% maximum

*\*Contains program highlights only. See a Participating Lender for complete guidelines, interest rates and APRs.*

# Guidelines: Income Limits

Mortgage Type	Limit/Info
<b>FHA, VA loans</b>	GSFA has no income limits
<b>USDA Loans</b>	GSFA follows Loan Agency guidelines
<b>Conventional Loans</b>  Income Limits are VERY flexible (Low-to-moderate).  Based on qualifying income only. Based on where the Property is located.	Approximately 180% of Area Median Income (AMI)  Examples: <a href="#">Humboldt, Trinity and Mendocino Counties, = \$182,880</a>  Note: Borrowers with income $\leq$ 80% AMI <ul style="list-style-type: none"><li>• More attractive pricing</li><li>• Lower Mortgage Insurance Requirements/Cost</li></ul>

# How to Get Started



## Contact a GSFA Participating Lender

- Approved by GSFA
- Experienced in GSFA Programs
- Furnishes guidelines, interest rates and APRs
- Helps borrower determine which program/DPA is the best fit
- Processes applications
- Processes the loan

## ***Additional Resources***

- GSFA Website  
[www.gsfahome.org](http://www.gsfahome.org)
  - Program Information
  - List of ALL Participating Lenders
  - Educational Videos
  - Educational Events (Virtual & Live)
- GSFA Client Relations
  - M-F 8:00 AM – 5:00 PM PT
  - Toll-free: (855) 740-8422
  - Email: [info@gsfahome.org](mailto:info@gsfahome.org)

# Our Goal is to Help Employees Build Financial Security Now



## DPA, a Tool to Buy Now

- Home prices continue to rise
- Interest rates continue to rise
- Rents continue to rise
- How long will it take to save up for a cash down payment?

### GSFA DPA Example (from slide 7)

Sales Price	\$450,000
<b>3% Down Required on a Conventional Loan</b>	<b>\$13,500</b>
If you saved \$300 per month... length of time to save \$13,500 =	45 months or 3.75 Years
<b>Estimated Equity Increase<sup>(1)</sup> for 3.75 years</b>	<b>\$125,770</b>

(1) According to the California Association of REALTORS®, California's median home price is forecasted to rise 5.2 percent to \$834,400 in 2022, following a projected 20.3 percent increase to \$793,100 in 2021.

# Don't Just Take Our Word...

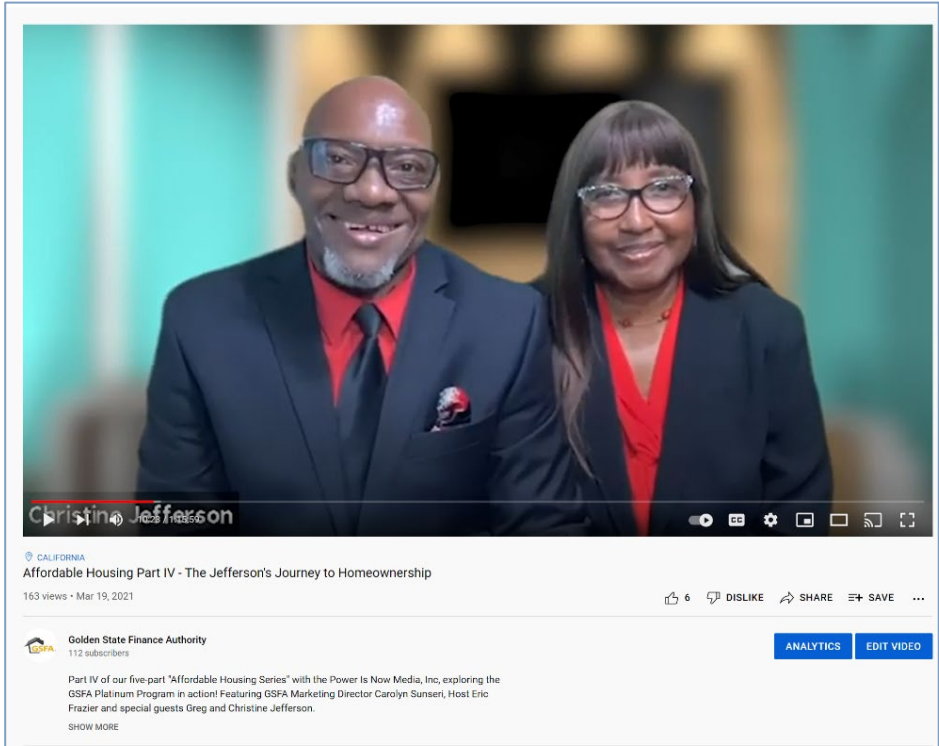
"It was almost impossible to afford a home in the Bay Area. We were paying \$2,100 for a 1-bedroom apartment in the San Jose area. With our 2 children, there just was not enough space! Your grant made our dreams come true.

– Edwin Miranda - San Joaquin County, Feb 2021



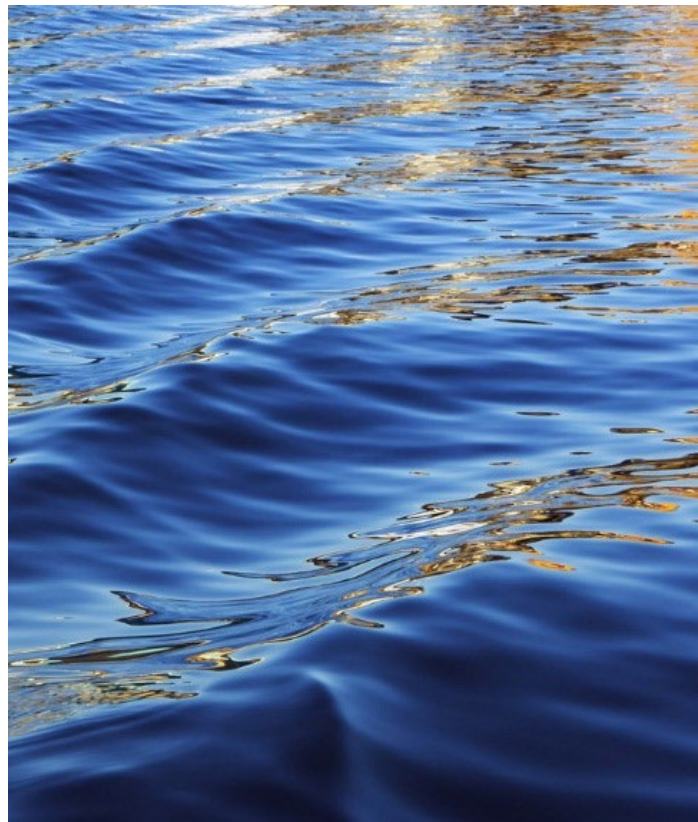
## "Journey To Homeownership" Video Series

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The “Assist-to-Own” Down Payment Assistance Program is sponsored by GSFA, a duly constituted public entity and agency, and managed by National Homebuyers Fund, Inc., a non-profit public benefit corporation and Instrumentality of Government under Internal Revenue Service code section 115.

**3005ATO- Humboldt County**



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