



# Imagine What Down Payment Assistance Can do for YOU!

GSFA "Assist-to-Own" Program  
for Employees of  
County of San Luis Obispo



# Relationship of County to GSFA



- California Joint Powers Authority (Public Entity)

- Formed in 1993
- Consists of 38-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)



FHA, VA, USDA and Conventional Mortgage Loan Financing



**\$647.3 Million** in Down Payment Assistance Provided



**84,400+** Homebuyers Assisted To-Date

# 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

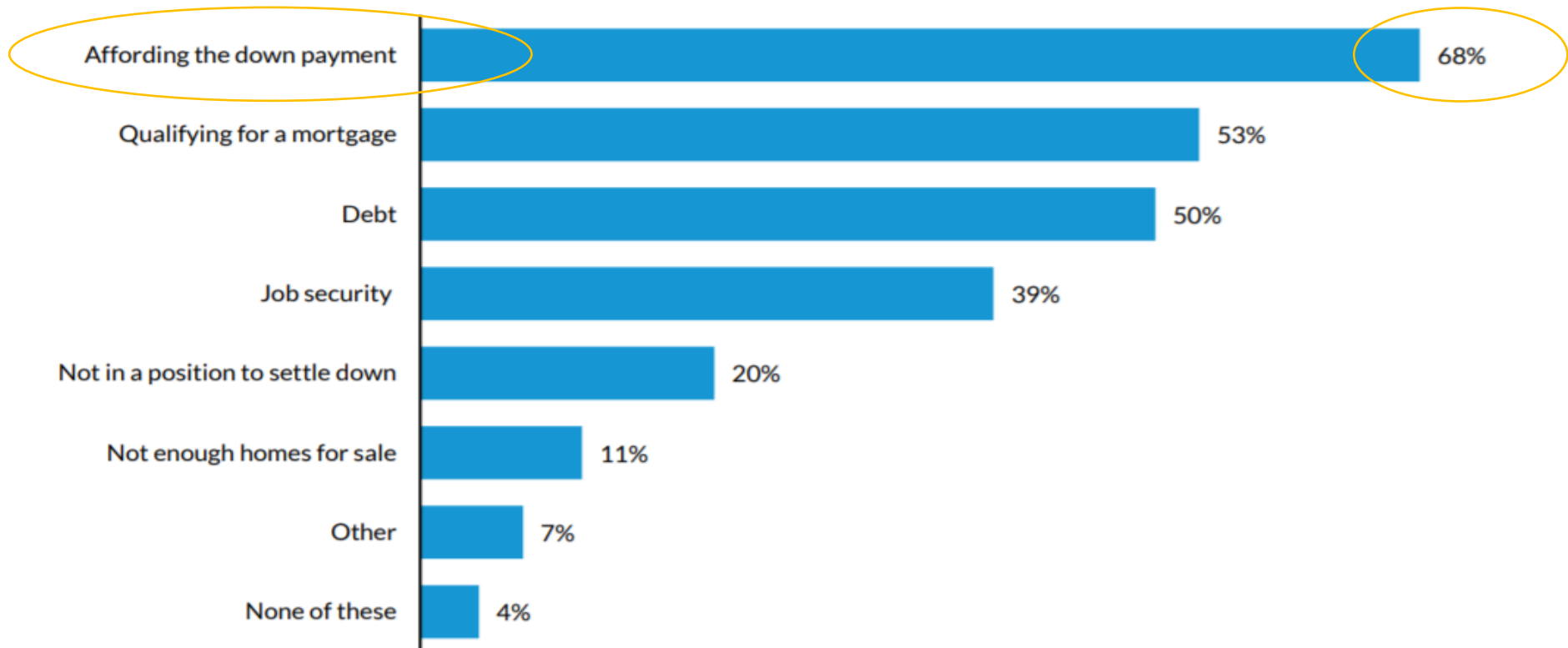
- Real estate is a large factor in net worth
- Median Homeowner 40X more net worth

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 County of San Luis Obispo
- 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 San Luis Obispo, a GSFA Member County

# The Impact of Down Payment Assistance

## DPA Form & Terms

### 1) Primary DPA

- 3.5% of 1<sup>st</sup> 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

### 2) Additional DPA

- Up to 2% of 1<sup>st</sup> Mortgage Loan Amount
- In the form of a Gift
- Subject to market availability; factored into rate of the 1st Mortgage Loan

## Example (\$667,217 Sales Price)



**\$647,200**  
Conventional 1<sup>st</sup> Mortgage  
(97% Loan-to-value)

**\$20,017**  
Down Payment Requirement  
(3% of 1<sup>st</sup> Mortgage)

**\$22,652**  
Primary DPA from GSFA  
(3.5% of 1<sup>st</sup> Mortgage)

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

# Guidelines: Occupancy, Property and Use of DPA



- Occupancy
  - Owner-occupied only
  - No second homes or rentals
  - Non-occupant co-borrowers allowed with FHA financing only
- Eligible Properties
  - 1-4 units, townhomes, condos
  - Manufactured homes w/ FHA
- Eligible Jurisdiction
  - Anywhere in California
- Eligible Uses for DPA Funds
  - Down Payment
  - Closing Cost
  - Applied toward the 1st Mortgage
- DPA can be combined w/
  - Homebuyer's cash
  - Gift funds from family/friend
  - Other programs (subject to guidelines)

*\*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
  - \$647,200
  - No purchase price limits
- FICO Score Requirement
  - All Loan Types = 640
- Maximum Debt-to-Income (DTI) Ratios
  - Conventional/FHA
    - 45% max for FICOs below 680
    - Up to 50% for FICOs 680 and higher
  - VA/USDA = 45%

*\*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
<p><b>Conventional Loans</b></p> <p>Income Limits are VERY flexible (Low-to-moderate).</p> <p>Based on qualifying income only. Based on where the Property is located.</p>	<p>Approximately 180% of Area Median Income (AMI)</p> <p>County Examples:  <a href="#">San Luis Obispo = \$196,560</a>  <a href="#">Monterey, Santa Barbara, Kings, Kern , Fresno = \$182,880</a></p> <p>Note: Borrowers with income <math>\leq</math> 80% AMI</p> <ul style="list-style-type: none"> <li>• More attractive pricing</li> <li>• Lower Mortgage Insurance Requirements/Cost</li> </ul>

# GSFA DPA – Expectations AND Timeline



- ❖ FICO
- ❖ DTI
- ❖ Income Range
- ❖ Occupation of Borrower (with documentation)

- ❖ 200+ Lenders Participating
- ❖ Lender locks First Mortgage and reserves DPA at same time

- ❖ No additional compliance review by GSFA
- ❖ Lender closes escrow on Lender's timeline

# Don't Just Take Our Word...

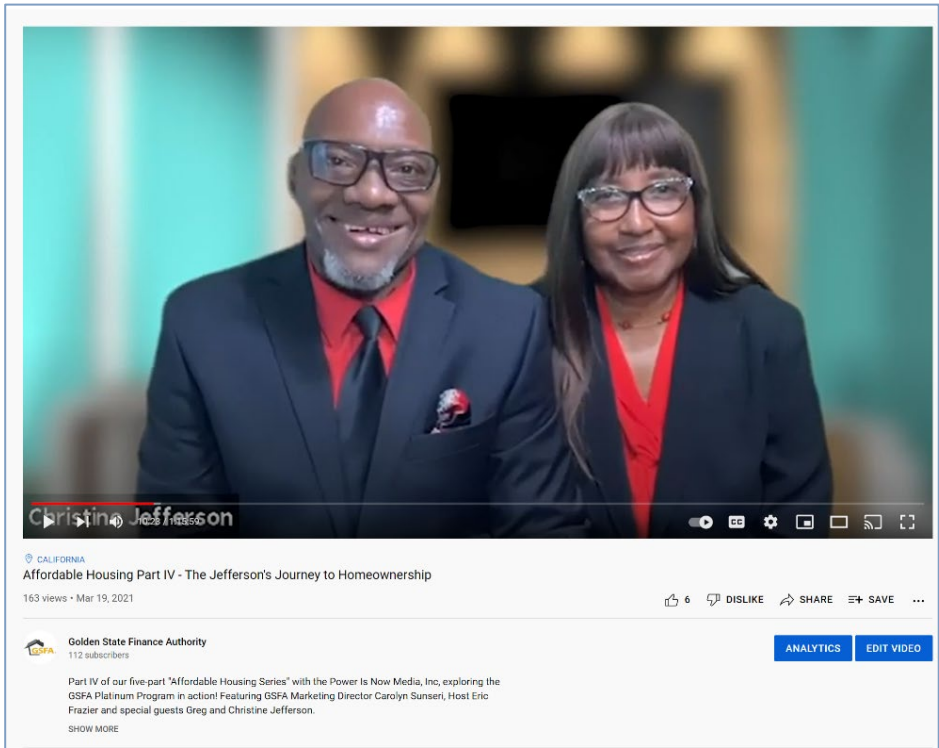
"It was almost impossible to afford a home in the Bay Area. We were paying \$2,100 for a 1-bedroom apartment in the San Jose area. With our 2 children, there just was not enough space! Your grant made our dreams come true.

– Edwin Miranda - San Joaquin County, Feb 2021



## "Journey To Homeownership" Video Series

Follow Us   



# 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?

(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.

### GSFA DPA Example (from slide 6)

Sales Price	\$667,217
<b>DPA Provided by GSFA</b>	<b>\$22,652</b>
If you saved \$500 per month... length of time to save \$22,652 =	45 months or 3.77 Years
<b>Estimated Equity Increase<sup>(1)</sup> for 3.77 years</b>	<b>\$125,770</b>

# How to Get Started



## Contact a GSFA Participating Lender

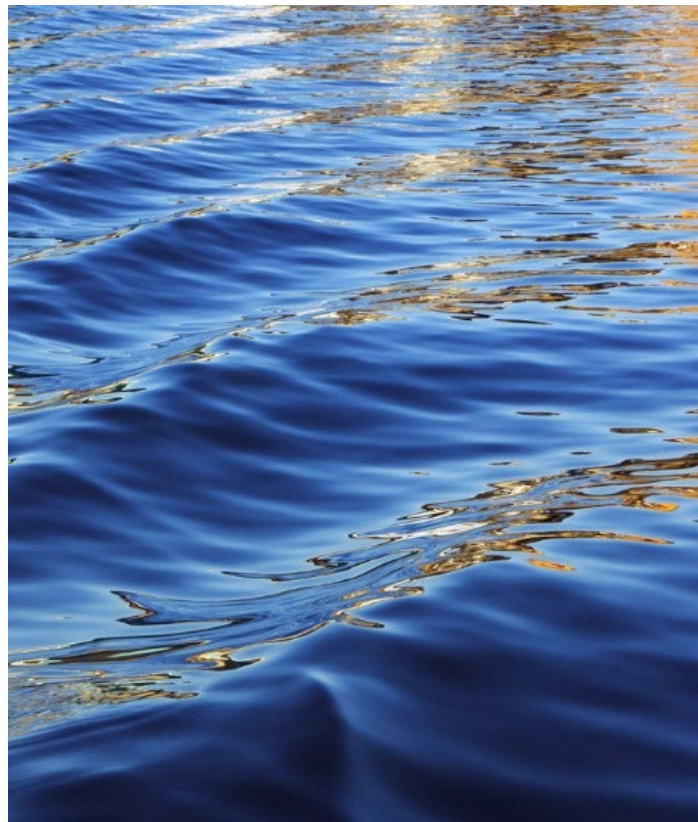
- Approved by GSFA
- Experienced in GSFA Programs
- Furnishes guidelines, interest rates and APRs
- Helps borrower determine which program/DPA is the best fit
- Processes applications
- Processes the loan

## ***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)



# We Hope You've Enjoyed this Presentation



Copyright© 2022 Golden State Finance Authority (GSFA). All rights reserved.

This presentation contains general program information, is not an offer for extension of credit nor a commitment to lend and is subject to change without notice. Complete program guidelines, loan applications, interest rates and annual percentage rates (APRs) are available through GSFA Participating Lenders.

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- for County of San Luis Obispo**



1215 K Street, Suite 1650  
Sacramento, CA 95814  
(855) 740-8422  
[www.gsfahome.org](http://www.gsfahome.org)