Employee Presentation

Imagine What Down Payment Assistance Can Do for YOU!



County of Lake
"Assist-to-Own" Program





Programs Sponsored by Golden State Finance Authority (GSFA)

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

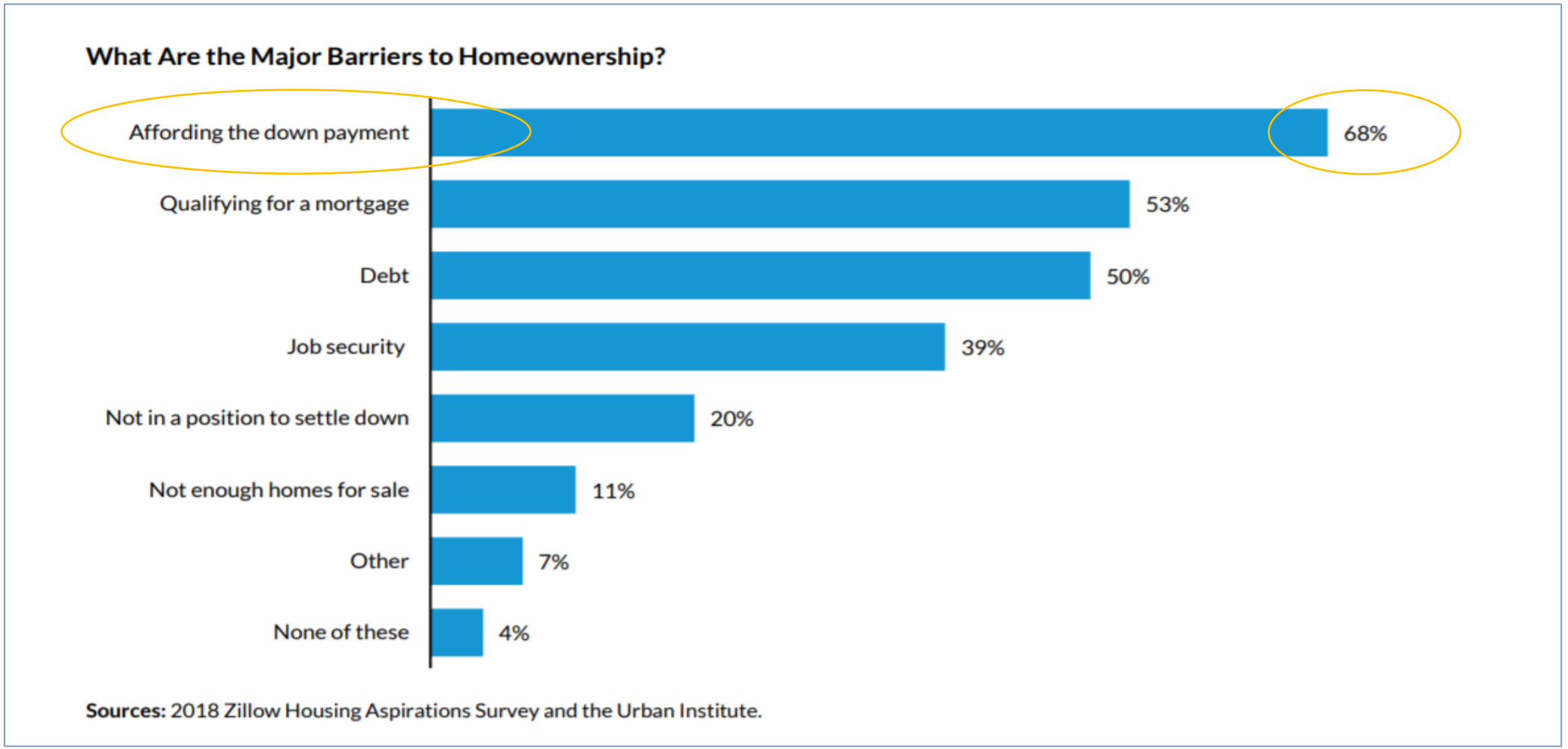
Financial Impact on Individuals

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

Homeownership Status	Median Net Worth(2)
Owns 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



Lake County "Assist-to-Own" Program



- For Employees of Lake 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 Lake, 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 1st Mortgage
(97% Loan-to-value)

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

$15,277
Primary DPA from GSFA
(3.5% of 1st Mortgage)

Up to $8,730
Additional DPA from GSFA
(Up to 2.0% of 1st Mortgage)

$24,007
(5.5% of 1st 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
1st 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
  - $647,200
  - 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 with FHA financing
- Eligible Properties
  - 1-4 units, townhomes, condos
  - Manufactured homes w/ FHA
- 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
FHA, VA loans	GSFA has no income limits
USDA Loans	GSFA follows Loan Agency guidelines
Conventional Loans 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: Lake, Tehama, Butte, Colusa & Mendocino Counties = $182,880 Note: Borrowers with income ≤ 80% AMI • More attractive pricing • Lower Mortgage Insurance Requirements/Cost

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
  - 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

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 6)*	
Sales Price	$450,000
3% Down Required on a Conventional Loan	**$13,500**
If you saved $300 per month… length of time to save $13,500 =	45 months or 3.75 Years
Estimated Equity Increase(1) for 3.75 years	**$125,770**

(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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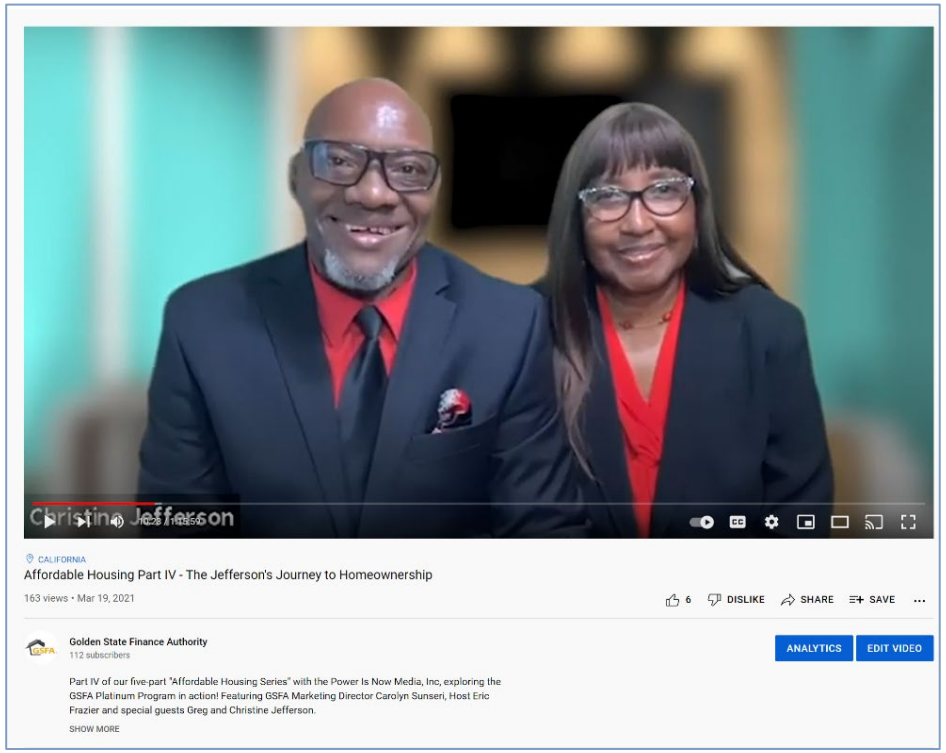
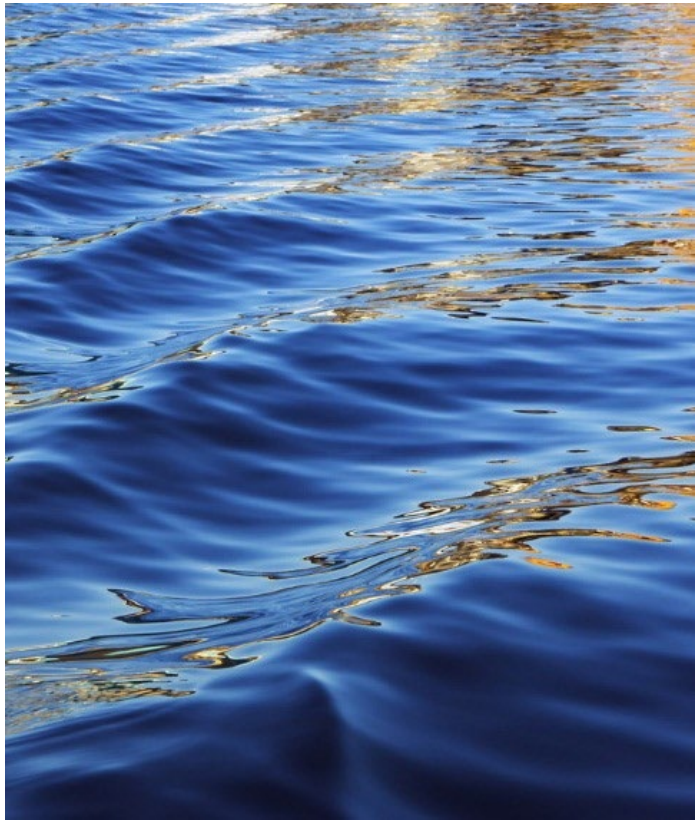




We Hope You've Enjoyed this Presentation



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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.

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