



Imagine What Down Payment Assistance Can Do for YOU!

GSFA “Assist-to-Own” Down
Payment Assistance Program
For Employees of County of Shasta

Employee Presentation



02/01/2023

Program Sponsored by Golden State Finance Authority (GSFA)

Relationship of County to GSFA



- California Joint Powers Authority (Public Entity)
 - Formed in 1993
 - Consists of 40-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



\$660.9 Million in Down Payment Assistance Provided



85,400+ Homebuyers Assisted To-Date

Benefits of Homeownership

- Impact on Families/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
 - Median Homeowner 38X more net worth

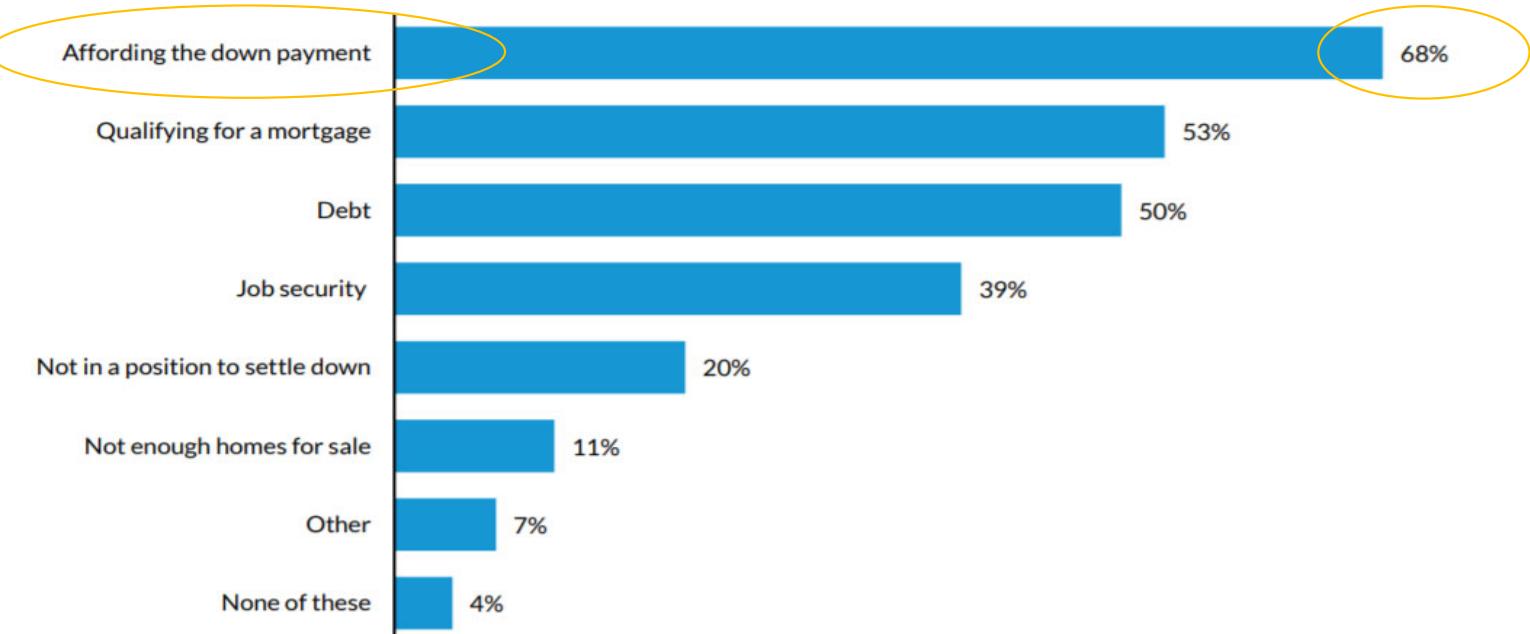
Homeownership Status	Median Net Worth ⁽²⁾
Owns a home	\$396,200
Doesn't own a home	\$10,400

(1) 2016 study by the National Association of Realtors®

(2) Federal Reserve 2022 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 Shasta
- 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 available to employees of GSFA Member Counties



See the Impact of Down Payment Assistance

(Example #1 | Maximum Mortgage Loan from GSFA)

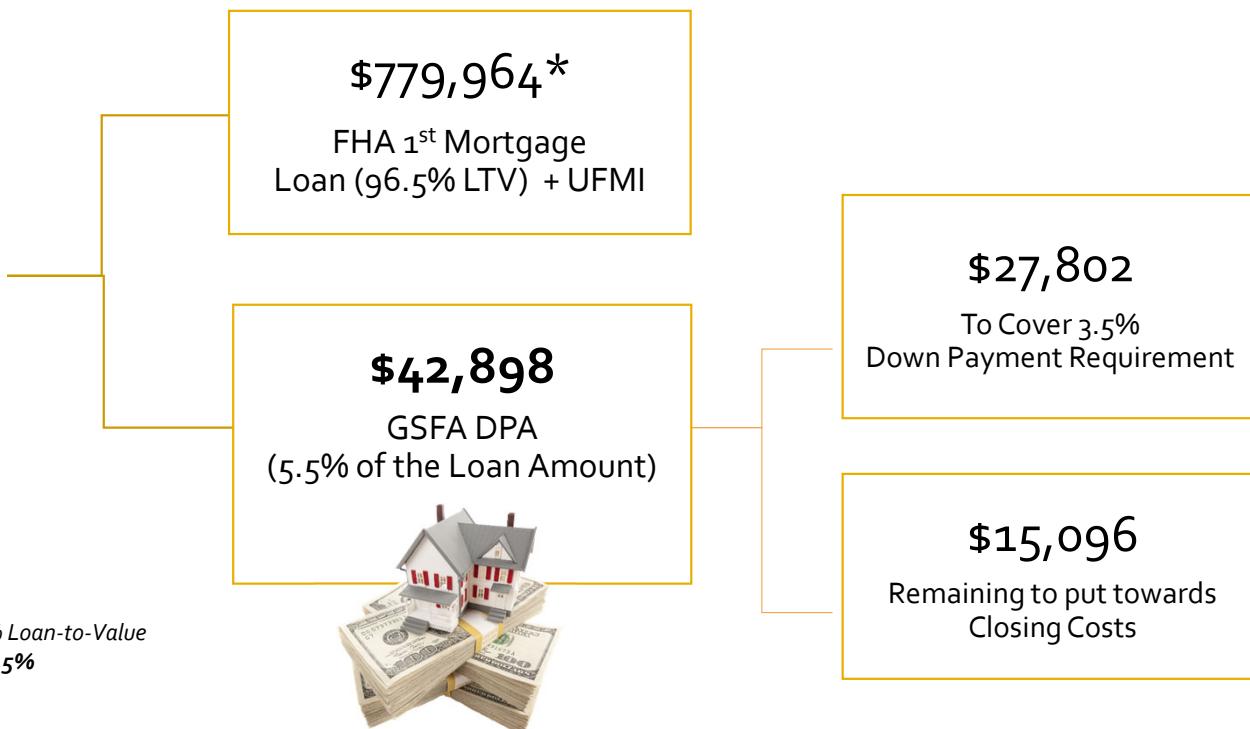


\$794,352
Purchase Price

For example purposes only.

Scenario is based on a GSFA FHA 1st Mortgage at 96.5% Loan-to-Value combined with DPA Assistance from GSFA, sized at 5.5% of the Total Loan Amount.

*Max Loan Amount for an FHA Loan under Assist-to-Own Program.
 $(766,550 + 13,415 \text{ Upfront MI (UFMI)}) = \$779,964$



See the Impact of Down Payment Assistance

(Example #2 | Median Home Price in Shasta County, \$370K)



\$370,000
Purchase Price

For example purposes only.

Scenario is based on a GSFA FHA 1st Mortgage at 96.5% Loan-to-Value combined with DPA Assistance from GSFA, sized at 5.5% of the Total Loan Amount.

*Max Loan Amount for an FHA Loan under Assist-to-Own Program.
 $(357,050 + \$6,248 \text{ Upfront MI of } 1.75\% \text{ (UFMI)}) = \$363,298$

\$363,298*
FHA 1st Mortgage
Loan (96.5% LTV) + UFMI

\$19,981
GSFA DPA
(5.5% of the Loan Amount)



\$12,950
To Cover 3.5%
Down Payment Requirement

\$7,031
Remaining to put towards
Closing Costs



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	\$752,539
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Gift from family	\$5,000
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Borrower's Cash	10,000
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GSFA DPA	26,339
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Total Down	\$41,339
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1 st Mortgage Loan	\$711,200
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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% interest rate (accrues no interest)
 - Repaid upon sale, refinance or at end of 30-year 1st Mortgage Loan term

Additional Assistance (Up to 2%)

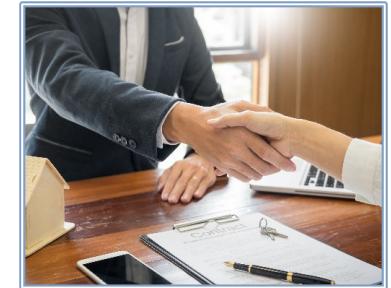
(Additional money, usually to help with closing costs)

- Up to 2% of 1st Mortgage Loan Amount
- In the 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.

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
 - \$766,550
 - Loan amount can include upfront MI on FHA transactions
 - No purchase price limits





Occupancy and Property Guidelines



- **Eligible Jurisdiction**
 - Anywhere in California
- **Eligible Properties**
 - Owner Occupied, Single-Family, 1-4 Unit Residences only, including
 - Agency approved condominiums
 - Planned unit developments (PUDs)
 - Manufactured housing
- **Properties NOT Allowed**
 - NO co-ops
 - NO investment properties
 - NO recreational, vacation, nor second homes

Guidelines: Mortgage Loans / FICO & DTI



- FICO Score Requirement = 640 minimum
- Maximum Debt-to-Income (DTI) Ratios
 - FHA
 - 45% maximum for FICO scores below 680
 - Up to 50% for FICO scores 680 and higher
 - VA/USDA = 45% maximum
 - Conventional
 - 1-2 Unit Properties = 50% maximum
 - 3-4 Unit Properties
 - 45% maximum for FICO scores below 680
 - Up to 50% for FICO scores 680 and higher



Guidelines: Income Limits

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



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 Example #2)

Sales Price	\$370,000
3.5% Down Required on an FHA Loan	\$12,950
If you saved \$500 per month...	25.9 months or 2+Years
length of time to save \$12,950 =	
Estimated Equity Increase ⁽¹⁾ for 2 years	\$48,880

(1) According to the California Association of REALTORS®, California's median home price is forecasted to rise 6.2 percent to \$860,300 in 2024.



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



Don't Just Take Our Word...



"Journey To Homeownership" Video Series

Meet Tia and Toulue Thao from Sacramento, California, who realized their dream of owning their own home during the global pandemic. Hear their incredible journey and what being homeowners means to them.

Learn about the ups and downs of their homeownership journey and how it has positively affected their lives, their family, and even their beloved dog.



Season 2 - Episode 3 | A Leap of Faith
Tia and Toulue Thao from Sacramento, CA.
October, 5, 2023.



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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