



Imagine What Down Payment Assistance Can do for YOU!

Tehama County "Assist-to-Own" Program

Employee Presentation



Relationship of GSFA to Tehama County



- Rural County Representatives of California (RCRC)
- Founded in 1972
- 39-Member County strong service organization
- Champions policies on behalf of California's rural counties, at both the state and federal levels



- Formed by RCRC in 1993
- California Joint Powers Authority (public entity)
- 38-Member Counties
 - Members of RCRC also
 - Includes Tehama County
- Mission to support affordable housing and contribute to the social and economic well-being of California residents



Supporting Affordable Housing for 29 Years



Develops and administers financing programs for:

- Residential home purchases/refinances
- Commercial and residential energy efficiency improvements
- Multi-family housing construction and rehabilitation
- City and/or county infrastructure improvements



FHA, VA, USDA and Conventional Mortgage Loan Financing



\$645.5 Million in Down Payment Assistance Provided



84,200+ 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

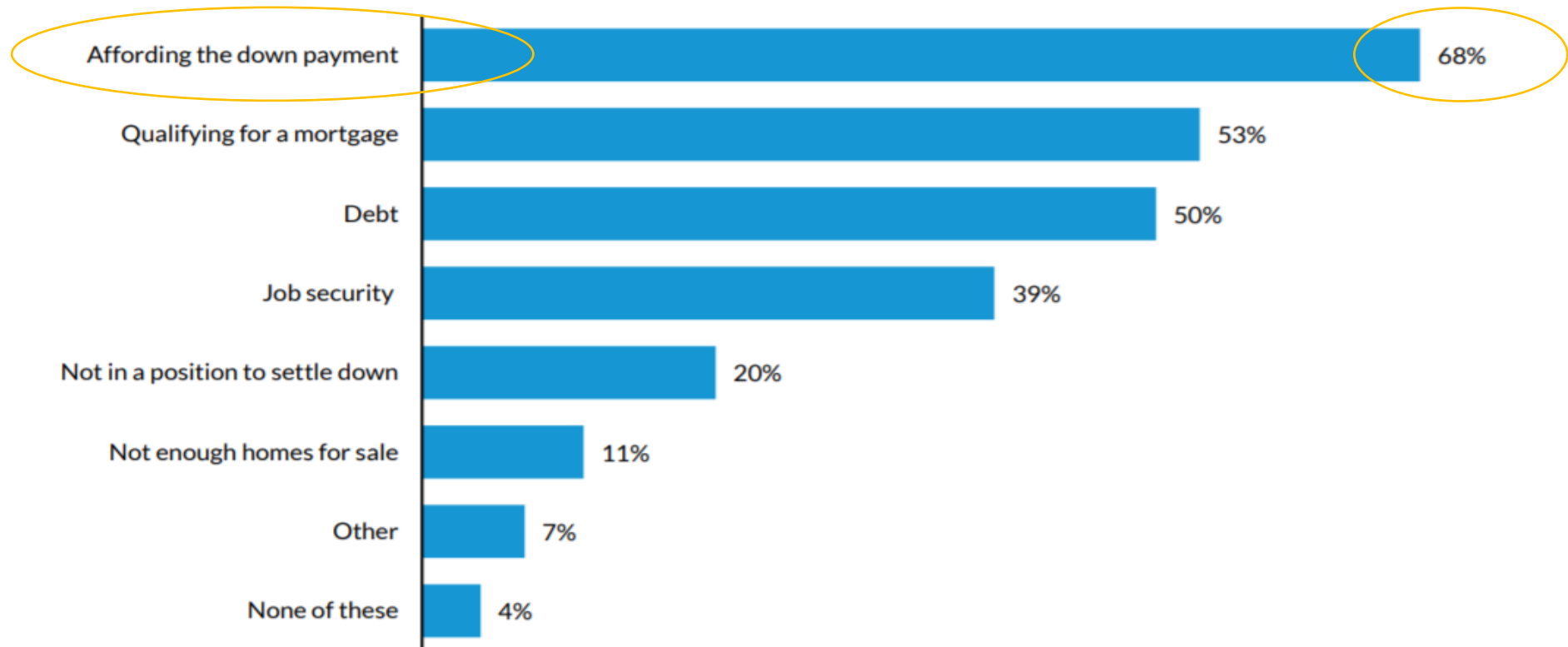
Homeownership Status	Median Net Worth ⁽²⁾
Owns a home	\$255,000
Doesn't own a home	\$6,300

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

(2) Federal Reserve 2019 Survey of Consumer Finances

Barriers to Homeownership

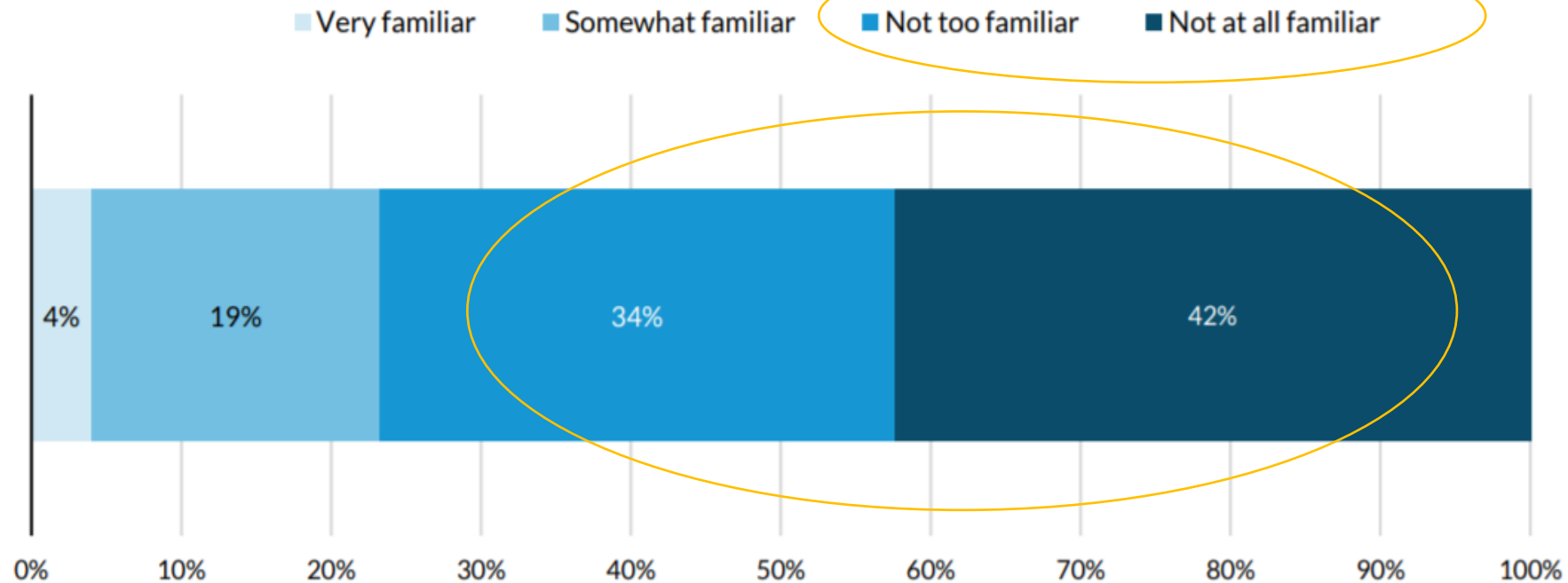
What Are the Major Barriers to Homeownership?



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

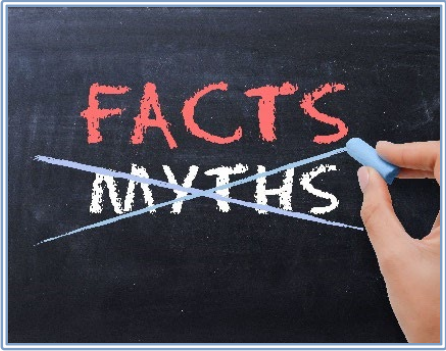
Ancillary Barrier: Lack of Information

How Familiar Are Consumer with Low-Down Payment Programs?



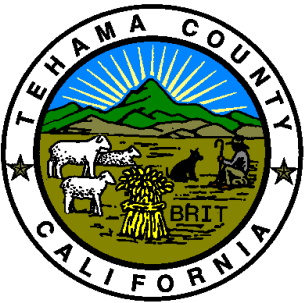
Sources: 2015 Fannie Mae American Housing Survey and the Urban Institute.

Common MYTHS about DPA



- Only for first-time homebuyers
- Harder to qualify
- Only for low-income borrowers
- Only for those with zero savings
- Only for those with exceptional credit
- Assistance accrues interest or always has to be repaid
- Interest rates make DPAs valueless
- Limited jurisdictions
- Create too much work for Lender/Realtor
- Take longer to close

Tehama County "Assist-to-Own" Program

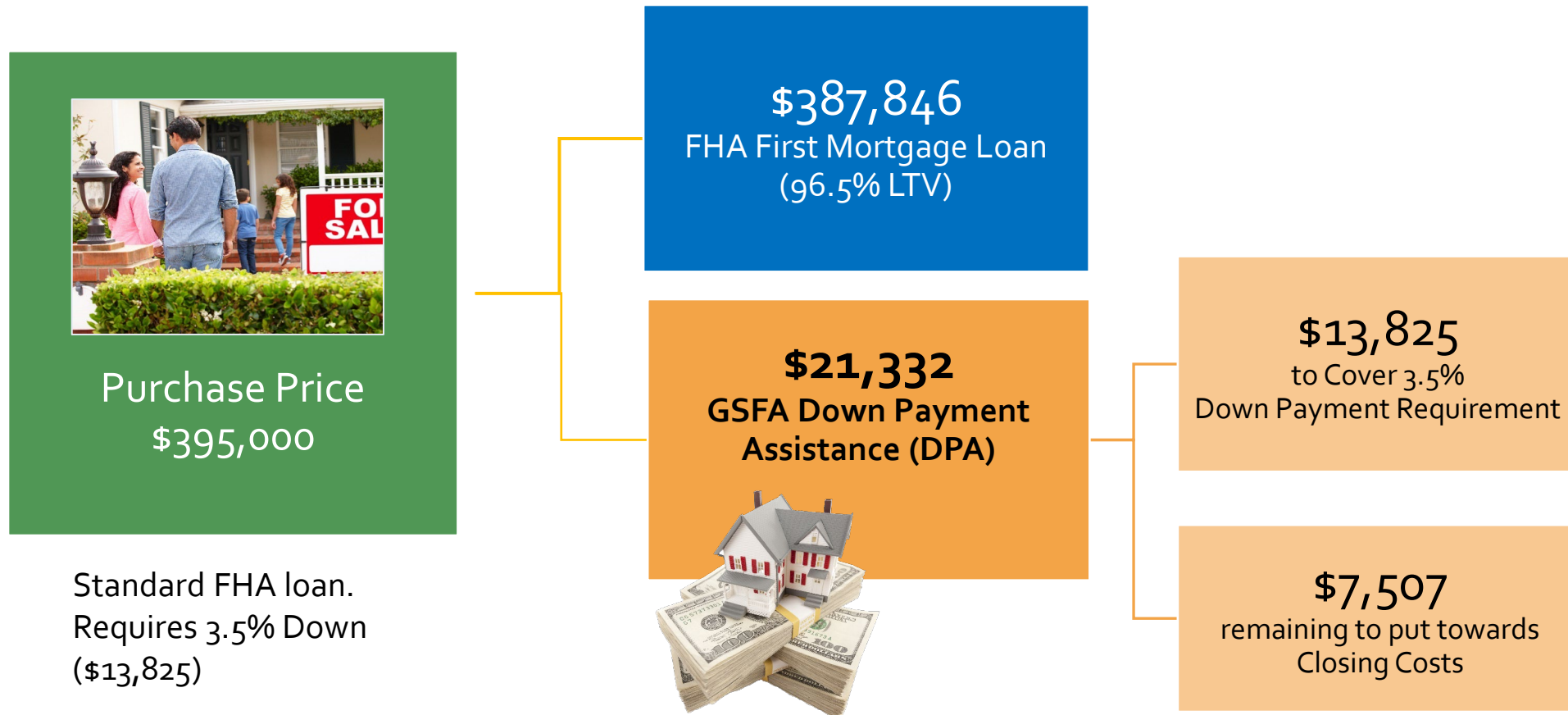


- For Employees of Tehama County
- Provides DPA up to 5.5%
- Qualifying is easy
 - Don't have to have perfect credit
 - Don't have to be a first-time homebuyer
- Purchase or refinance anywhere in California

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



Down Payment Assistance (DPA) – Bridging the Affordability Gap



**For example purposes only. Scenario is based on a GSFA Assist-to-Own Program FHA First Mortgage at 96.5% Loan-to-Value with upfront MI of 1.75% combined with DPA Assistance from GSFA, sized at 5.5% of the Total Loan Amount. The 5.5%-sized DPA = A 3.5%-sized Deferred Second Loan with a 0% interest rate + a 2%-sized gift.*



Tehama County “Assist-to-Own” – Guidelines

- Eligible Properties

- Owner-occupied, primary residences
 - 1-4 units, townhouse and condos
 - Manufactured homes allowed with FHA financing
- No second homes or rentals

- Eligible Jurisdiction

- Anywhere in California

- Eligible Uses of DPA Funds

- Down Payment
- Closing Cost
- Applied toward the First Mortgage

- Eligible Mortgage Loans

- 30-Year fixed rate loans
- FHA, VA, USDA
 - Purchase transactions only
- Conventional Freddie Mac HFA Advantage
 - Purchase or refinance transactions

- First Mortgage Amount

- \$647,200 max loan amount
- No purchase price limits

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

FICO / DTI and DPA Terms for “Assist-to-Own”

Features and Terms of Assistance*	
FICO Score Requirement	All Loan Types = 640
Maximum Debt-to-Income (DTI)	Conventional/FHA <ul style="list-style-type: none">• 45% max for FICOs below 680• Up to 50% for FICOs 680 and higher VA/USDA = 45%
Assistance Available	Up to 5.5% of the Total First Mortgage Loan Amount <ul style="list-style-type: none">• 3.5% DPA = Deferred Second Mortgage, 0% interest rate, repaid upon sale or refinance• Additional DPA, as a Gift, up to 2% available

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

Flexible 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)	Approximately 180% of Area Median Income (AMI) Examples: Tehama, Shasta, Trinity and Glenn County = \$162,180 Note: Borrowers with income \leq 80% AMI <ul style="list-style-type: none">• More attractive pricing• More DPA Options• Charter-level Coverage Mortgage Insurance (costs less)

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...

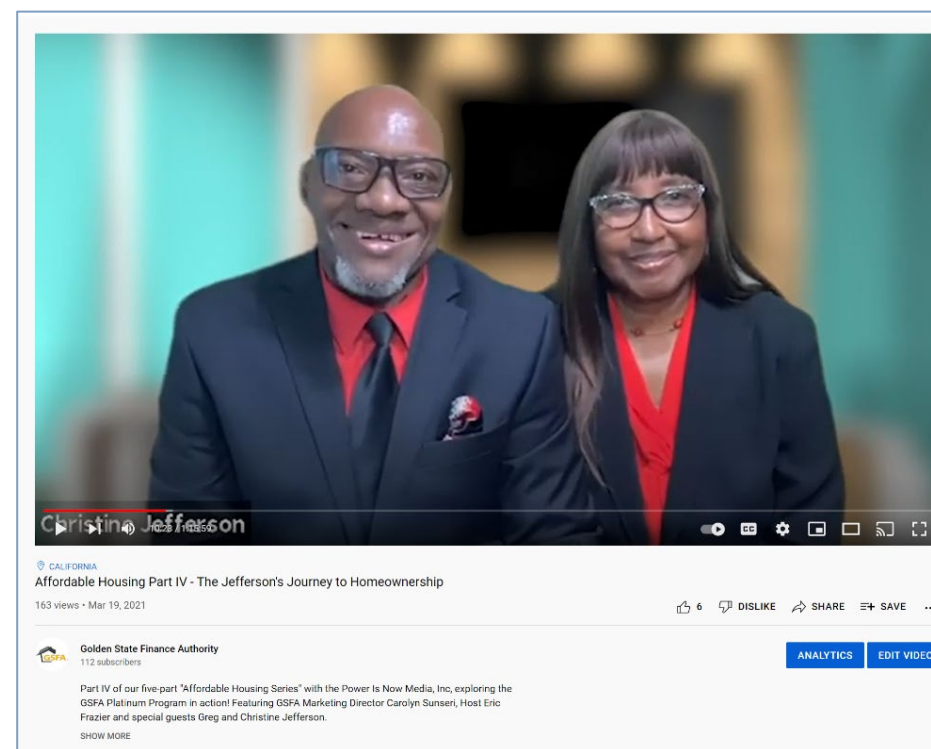
"It was almost impossible to afford a home in the Bay Area. We were paying \$2,100 for a 1-bedroom apartment in the San Jose area. With our 2 children, there just was not enough space! Your grant made our dreams come true.

— Edwin Miranda - San Joaquin County, Feb 2021



"Journey To Homeownership" Video Series

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Start Building Financial Security Now

Does Waiting Make Sense?

- 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 - FHA Loan Example (from earlier)

Purchase Price	\$395,000
DPA Provided by GSFA	\$21,332 (5.5%-sized DPA)
If you saved \$300 per month... length of time to save \$21,332 =	5.9 Years
Estimated Equity Increase of 5% Annually ⁽¹⁾ for 6 years	\$116,525

(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.

How to Get Started



Contact a GSFA Participating Lender

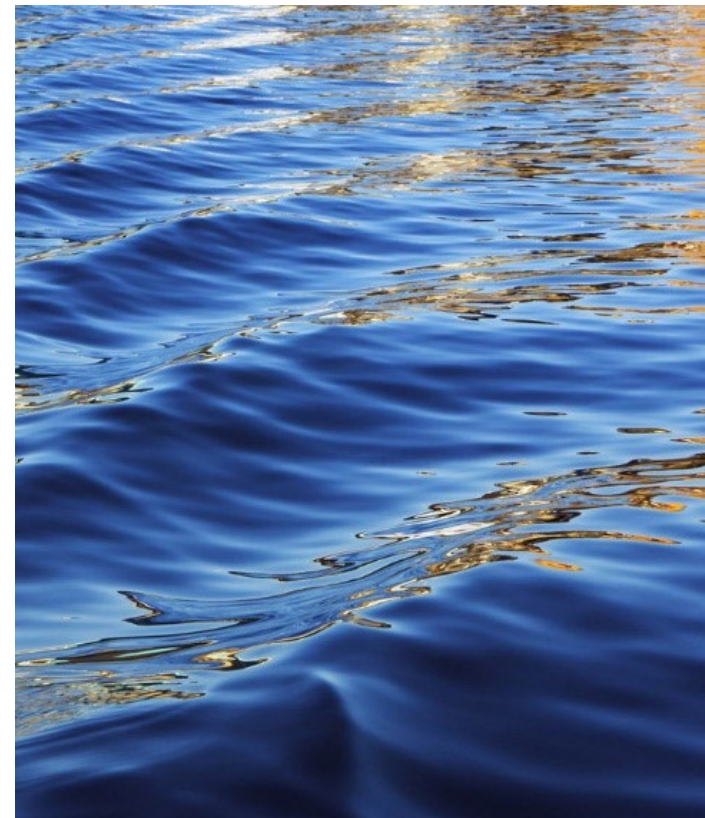
- Approved by GSFA
- Experienced in GSFA Programs
- Furnishes guidelines, interest rates and APRs
- Helps borrower determine which program/DPA is the best fit
- Processes applications
- Processes the loan

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



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.

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