Employee Presentation

Imagine What Down Payment Assistance Can Do for YOU!

GSFA "Assist-to-Own" Down Payment Assistance Program

For Employees of County of Sutter

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

$664.1 Million in Down Payment Assistance Provided

85,700+ Homebuyers Assisted To-Date

Benefits of Homeownership



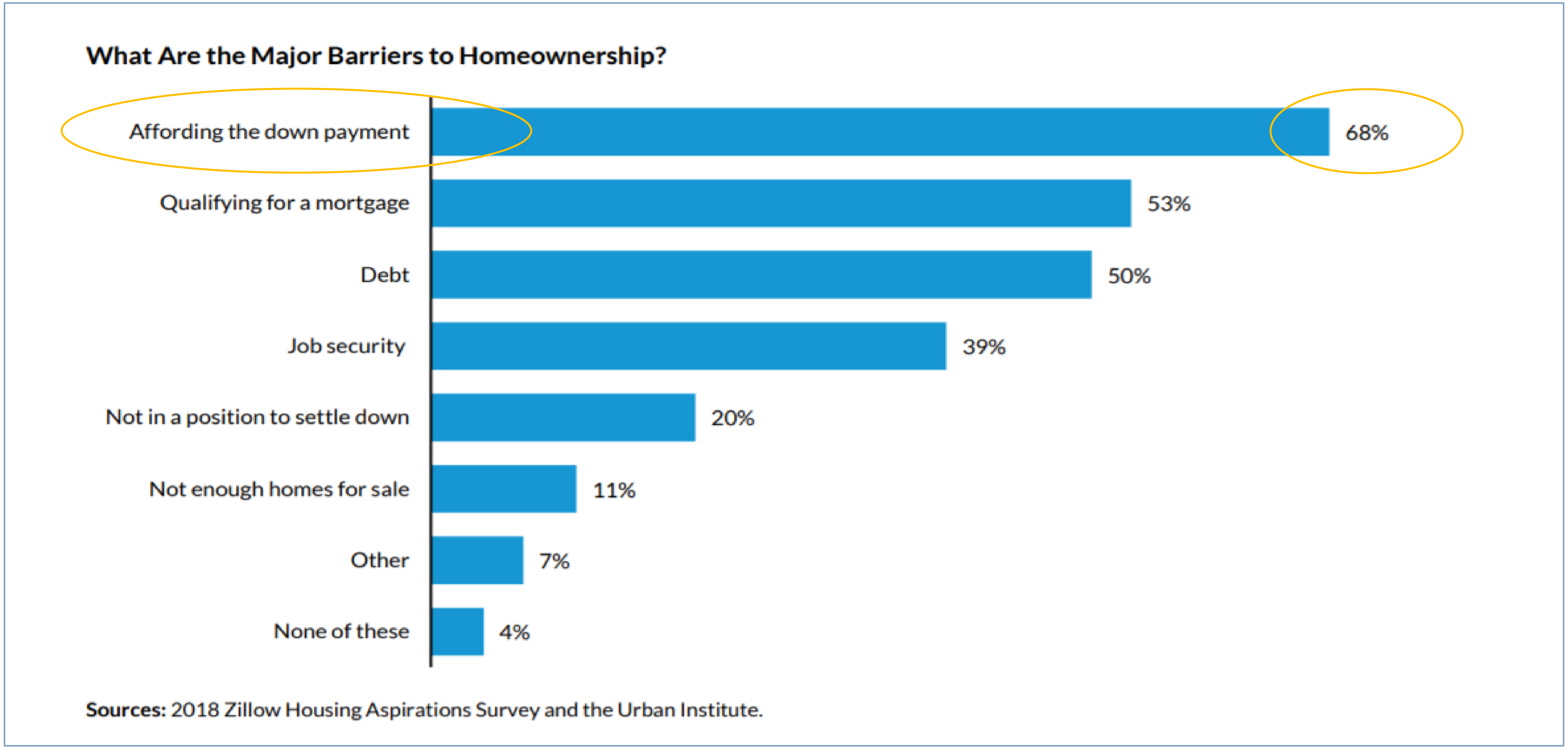

- Impact on Families/Communities(1)
  - Improves stability in neighborhoods
  - Increases educational achievement
  - Increases civic engagement
  - Improves physical and psychological health
  - Correlates to crime reduction

- 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



Sutter County "Assist-to-Own" Program

- For Employees of Sutter 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 Sutter, a GSFA Member County

Down Payment Assistance (DPA) – Amount & Terms

Primary Assistance (3.5%)	**Additional Assistance (up to 2%)**

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
	To help with closing cost
	• 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.*

See the Impact of Down Payment Assistance

(Example #1 | Median Home Price in Sutter County, $465K)

$465,000
Purchase Price

$456,578*
FHA 1st Mortgage
Loan (96.5% LTV) + UFMIP

$25,112
GSFA DPA
(5.5% of the Loan Amount)

$16,275
To Cover 3.5%
Down Payment Requirement

$8,837
Remaining to put towards
Closing Costs

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. (448,725 + $7,853 Upfront MI of 1.75% (UFMIP) = $456,578*

See the Impact of Down Payment Assistance

(Example #2 | Maximum Mortgage Loan from GSFA)

$794,352
Purchase Price

$779,964*
FHA 1st Mortgage Loan (96.5% LTV) + UFMI

$42,898
GSFA DPA
(5.5% of the Loan Amount)

$27,802
To Cover 3.5% Down Payment Requirement

$15,096
Remaining to put towards Closing Costs

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 Upfront MI (UFMI) = $779,964*

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	
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.*

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

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Guidelines: Mortgage Loans / FICO & DTI

- 30-Year fixed rate 1st Mortgage Loans
  - FHA, VA, USDA, HUD-184 (tribal lands)
    - 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
  - All Loan Types = 640 minimum
    - HUD-184 = 660 FICO
- Maximum Debt-to-Income (DTI) Ratios
  - FHA/VA/USDA
    - HUD-184 = 43%
    - Manufactured home = 45% Max DTI
    - 45% maximum for FICOs below 680
  - Conventional
    - 1-2 Unit Properties = 50% maximum
    - 3-4 Unit Properties
      - 45% maximum for FICOs below 680
      - Up to 50% for FICOs 680 and higher

**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.	Income Limits are VERY flexible (Low-to-moderate income) Examples: Sutter, Yuba, Butte, Glenn, Colusa = $196,560 Yolo, Sacramento, Placer = $205,020 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
- 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…

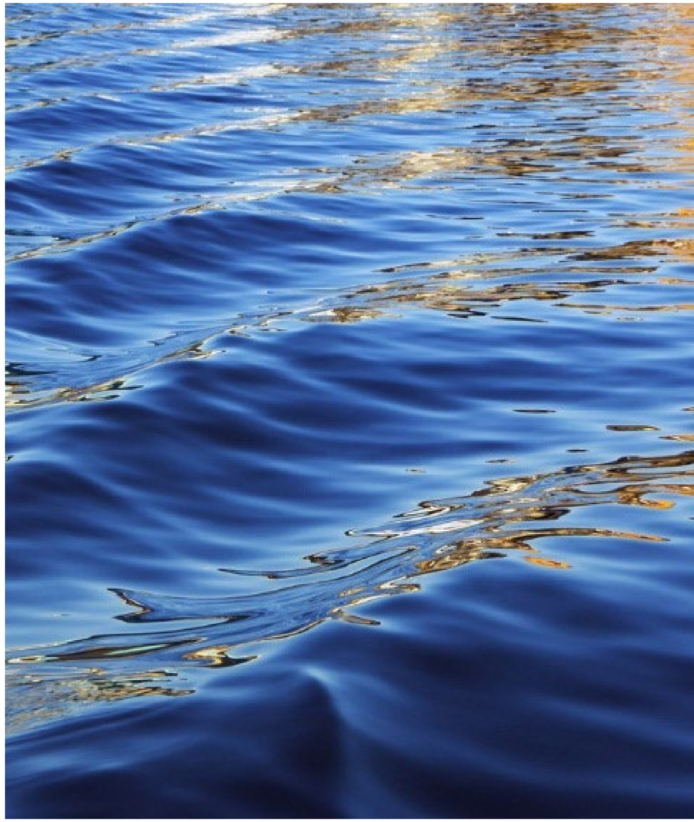
“Journey To Homeownership” Video Series

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



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- Sutter County

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