

## **HOOP Program Guidelines**

### Introduction

Community HousingWorks has created the Home Ownership Opportunity Program (HOOP) to provide 100% financing for first-time homebuyers who qualify as low-to moderate-income wage earners and are purchasing a home within the target area served by the Organization.

### Eligible Borrowers

- First-time homebuyers as defined by HUD
- Qualifying income is below 120% AMI as defined by HUD annually.

### Eligible Properties

- One to four units, including condominiums, manufactured homes on permanent foundations and planned urban developments (PUDs) located within the County of San Diego.

### Loan Terms

- 20 or 30 years depending on income and fund source
- 6.50% (effective 8/1/06)

### 1<sup>st</sup> Mortgage Allowable Loan Programs

- Fully amortizing conventional or government loans
- 30yr plus fixed rate
- No I/O excluding fixed rate loan (i.e. Cal-HFA 35yr, 5yr I.O.), adjustable rate or negative amortization shall be combined with CHW loan programs.

### Maximum Loan Amount

- 20% LTV

### Lien Position

- HOOP loans must be placed in: 2<sup>nd</sup> position

### Maximum Sales Price

- The maximum sales price shall be adjusted according to the qualifications of the Area Median Income and Debt Ratios.

### Maximum LTV

- The LTV shall not exceed 100% of purchase price, CLTV limit of 105%.

### Maximum Ratios

- Brokered Loans: Debt-to-income ratios up to 45% (no exceptions)
- Bank Partner Loans: DTI approved by 1<sup>st</sup> mortgage (45%-48%)

### Owner Occupancy

- Borrowers must occupy the property as their primary residence.

### Minimum Borrower Contribution

- All borrowers participating in the HOOP program will be required to pay a minimum of \$500 deposit/down payment.

### Fees

- Participating lenders agree to charge fees not to exceed 2% of the purchase price, not including third party fees and without back-end YSP.
- HOOP Loan fees total \$1,450 (includes \$350 HBE, \$250 Application, \$450 Underwriting, \$350 Processing, \$40 Doc Prep, and \$15 Credit Report if applicable), fees not to exceed 5.99% of loan amount.

### Prepayment Penalty

- None of the loans provided under the HOOP program will have a prepayment penalty

### Assumption

- None of the loans provided under the HOOP program would be assumable.

### Refinancing

- If the borrower decided to refinance with cash-out, all SDNHS liens will have to be paid off, rate and term refinances of the first mortgage will be allowed.

### Subordinations

- Rate and Term only unless cash out is being paid by escrow to a creditor for debt consolidation or cash out is being paid by escrow or a free SDNHS escrow account to a contractor for property repairs or improvements. (no cash on hand to borrower)
- Lender not to exceed 2 points total for origination and fees, front end only unless by exception approved by SDNHS.
- Escrow to fax estimated closing statement. Lender to fax a copy of the loan approval, 1008 and appraisal. Escrow must send completed subordination agreement with return envelop to SDNHS for signatures and notary.
- *See SDNHS Subordination Requirements for transaction requests.*

### Home Buyer Education

- All borrowers will be required to undergo a face to face home buyer education provided by CHW or another HUD-Approved counseling agency.
- A minimum of eight-(8) hours of a face to face pre-purchase education will be required.

### Other Terms

- Brokered loan transactions that do NOT involve CalHFA or another approved specialty first-time-homebuyer loan for the 1<sup>st</sup> mortgage will NOT qualify for any CHW deferred loan programs.

*Note: Please be aware that CHW advises that you do not enter into any contract dependent on CHW loan programs with out a written approval from our management team.*

## **CASH Program Guidelines**

### Introduction

Cost Assistance Support for Homebuyers (CASH) is a program designed to provide qualified applicants with second trust deed loans to be used toward closing costs when purchasing their first home.

### Eligible Borrowers

- First-time homebuyers as defined by HUD
- Qualifying income is below 120% AMI as defined by HUD annually.

### Eligible Properties

- One to four units, including condominiums, manufactured homes on permanent foundations and planned urban developments (PUDs) located within the County of San Diego.

### Loan Terms

- 10 years
- Payments are deferred for the first five years, with interest accruing during that time, with the re-payment amortized over the remaining five-years.
- 3% simple interest

### 1<sup>st</sup> Mortgage Allowable Loan Programs

- Fully amortizing conventional or government loans
- 30yr plus fixed rate
- No, I/O excluding fixed rate loan (i.e. Cal-HFA 35yr, 5yr I.O.), adjustable rate or negative amortization shall be combined with CHW loan programs.

### Maximum Loan Amount

- The maximum loan amount is \$7,500 for household size of 3 or more.
- The maximum loan amount is \$5,000 for household size of 2 or less.

### Lien Position

- CASH loans can be placed in: last position

### Maximum Sales Price

- The maximum loan shall be adjusted according to the qualifications of the Area Median Income and Debt Ratios.

### Maximum LTV

- The LTV shall not exceed 100% of purchase price, CLTV limit 105% as this loan covers closing costs.

### Maximum Ratios

- Debt-to-income ratios up to 45% (or back-end up to 48% with compensating factors)

### Owner Occupancy

- Borrowers must occupy the property as their primary residence.

### Minimum Borrower Contribution

- All borrowers participating in the CASH program will be required to pay a minimum of \$500 deposit/down payment.

### Fees

- Participating lenders agree to charge fees not to exceed 2% of the purchase price, not including third party fees.

- CASH Loan fees may include any of the following: \$350 HBE, \$250 Application, \$450 Underwriting, \$350 Processing, \$40 Doc Prep, and \$15 Credit Report if applicable, with fees not to exceed 5.99% of loan amount.

#### Prepayment Penalty

- None of the loans provided under the CASH program will have a prepayment penalty

#### Assumption

- None of the loans provided under the CASH program would be assumable.

#### Refinancing

- If the borrower decided to refinance with cash-out, all SDNHS liens will have to be paid off, rate and term refinances of the first mortgage will be allowed.

#### Subordinations

- Rate and Term only unless cash out is being paid by escrow to a creditor for debt consolidation or cash out is being paid by escrow or a free SDNHS escrow account to a contractor for property repairs or improvements. (no cash on hand to borrower)
- Lender not to exceed 2 points total for origination and fees, front end only unless by exception approved by SDNHS.
- Escrow to fax estimated closing statement. Lender to fax a copy of the loan approval, 1008 and appraisal. Escrow must send completed subordination agreement with return envelop to SDNHS for signatures and notary.
- *See SDNHS Subordination Requirements for transaction requests.*

#### Home Buyer Education

- All borrowers will be required to undergo a face to face home buyer education provided by CHW or another HUD-Approved counseling agency.
- A minimum of eight-(8) hours of a face to face pre-purchase education will be required.

#### Other Terms

- Brokered loan transactions that do NOT involve CalHFA or another approved specialty first-time-homebuyer loan for the 1<sup>st</sup> mortgage will NOT qualify for any CHW deferred loan programs (*includes this program*).

*Note: Please be aware that CHW advises that you do not enter into any contract dependent on CHW loan programs with out a written approval from our management team*

## **CalHome Program Guidelines**

*Funds for this program are provided through the State of California's Housing and Community Development Department*

### Introduction

CalHome is a program designed to provide qualified applicants with second trust deed loans to be used toward down payment and/or closing costs when purchasing their first home.

### Eligible Borrowers

- First-time, owner occupant, homebuyers as defined by CalHome Regulation, Section 7716(m). Households whose income is 80 percent or less than the San Diego County area median income (AMI), as adjusted for household size. Gross income will be calculated based on the program guidelines stated below. To establish program eligibility, income of all household members 18 years and older must be taken into account. The borrower is required to provide all pertinent information requested by the first trust deed holder on behalf of Community Housing Realty and Lending if there is no income for any household member over 18 a certification must be signed by household member and all other borrowers to certify that is true and correct before or anytime prior to funding.
- Borrowers must be first time homebuyers or those who have not owned or held an interest in a primary residence in the last three years, except the following individual or individuals may not be excluded from consideration as a first time homebuyer under this definition:
  - A displaced homemaker who, while a homemaker, owned a home with his or her spouse or resided in a home owned by a spouse. A displaced homemaker is an adult who has not, within the preceding two years, worked on a full-time basis as a member of the labor force for a consecutive 12-month period and who has been unemployed or underemployed, experienced difficulty in obtaining or upgrading employment and worked primarily without compensation to care for his or her home and family; or
  - A single parent who, while married, owned a home with his or her spouse or resided in a home owned by the spouse. A single parent is an individual who is unmarried and has one or more minor children for whom the individual has custody or joint custody (buyer
    - must have child a minimum 51% of the time if joint custody as outlined in custody agreement).
    - There are no FICO or credit scoring requirements but a borrower must be able to qualify for a conventional or government first mortgage

### Eligible Properties

- One to four unit properties, SFR's including condominiums, planned urban developments (PUDs), manufactured housing (as long as it is considered real property and on a permanent foundation) located within the County of San Diego.

### Loan Terms

- 30 years deferred payment
- 3% simple interest

### Bankruptcies and Foreclosures

- Any borrower cannot have had a bankruptcy within the most recent 3 years prior to applying for CHWR & L CalHome funds
- Any borrower cannot have had a foreclosure within the most recent 3 years prior to applying CHWR & L CalHome funds (this will include a short sale, deed in lieu or CCC)

### 1<sup>st</sup> Mortgage Allowable Loan Types

- Fully amortizing conventional or government loans
- Fixed rate

### Maximum Loan Amount

- Adjusted according to funding availability. (2008: \$25,000 to \$38,000.) depending on family size (2 or less up to \$25K, 3 or more up to \$38,000.)

### Lien Position

- CalHome loans can be placed in 2<sup>nd</sup> or 3<sup>rd</sup> subordinate position to the performing mortgages on the property.

### Maximum Sales Price

The maximum purchase price shall be adjusted according to the Median Home Price according to HUD which will be adjusted periodically (2009- **\$451,250**)

- price paid for the property must be substantiated by a qualified licensed appraiser

### Maximum LTV

- The LTV shall not exceed 100% of purchase price, CLTV limit 105%.

### Maximum Ratios

- Debt-to-income ratios up to 45% (or back-end up to 48% with major compensating factors)

### Owner Occupancy

- Borrowers must occupy the property as their primary residence.

### Minimum Borrower Contribution

- All borrowers participating in the CalHome program will be required to contribute a minimum of \$500 of their own funds

### Fees

- Participating lenders agree to charge fees not to exceed 2% of the purchase price, not including third party fees
- CalHome Loan does not have borrower paid fees

### Prepayment Penalty

- CalHome loans do not have a prepayment penalty

### Assumption

- CalHome loans are not assumable

### Cause for Loan Acceleration

- The Deed of Trust contains an acceleration clause, which will call the entire loan due and payable upon certain events, including the following:

- In the event of a default under the Promissory Note(s) or the Deed(s) of Trust;
- Discovery of willful misrepresentation or fraud in connection with any aspect of the First Time Homebuyer CalHome Program
- In the event the Borrower ceases to occupy the property as their principal place of residence; or in the event of any sale, transfer, lease, or encumbrance of the property without the prior written consent of CHWR & L

#### Refinancing

- If the borrower decided to refinance with cash-out, all Community Housing Works Realty and Lending liens will have to be paid off, rate and term refinances of the first mortgage will be allowed ( a full loan package will be required)

#### Home Buyer Education

- All borrowers will be required to undergo home buyer education provided by CHW or any other HUD-Approved counseling agency.
- A minimum of eight-(8) hours of pre-purchase education will be required.

#### Other Terms

- All lenders must be certified by CHWR & L prior to loan submission
- Lenders must update their information periodically and are required to attend any training updates with CHWR & L as required
- Lenders are required to comply with all State and Federal RESPA, GFE and Safe Act lending laws
- All applications are on a first come first served basis, application must be a complete credit package initially but once credit approved client may make offers subject to loan limits and program guidelines with all property documentation (title, escrow, appraisal) to follow prior to funding. If no funds are available all certified lender partners will be notified.
- It is strongly recommended that the buyers obtain a full property inspection from a licensed residential property inspector to determine the condition of the property prior to the final sale CHWR & L will require a copy of that inspection
- All properties built prior to 1978 must have a lead based paint certification, which may be certified by any FHA approved appraiser or a Certified Lead Based Paint Inspector. If lead based paint is found it must be remediated as per the Certified Lead Based Paint inspectors recommendation with a clearance provided prior to the close of escrow.

#### **Applicant Eligibility Standards**

Co-Signers Co-signers who do not have ownership interest in the property are prohibited.

Documentation  If married: spouse must sign CHWR & L forms, disclosures and promissory note; regardless of vesting.

If unmarried: need copy of final divorce decree and judgment from the court. I

Death certificate for deceased spouse.

Non-US Citizen: copy of permanent alien registration card (green card)

Copy of driver's license or other photo ID for all borrowers and SSI card

#### **Income Standards**

Alimony and Child Support: Copy of divorce decree and/or court ordered child support agreement, with six months proof of payment.  
Disability Income: Copy of award letter from payer.  
Social Security Income: Copy of award letter from payer.  
Retirement or Pension Income: Copy of award letter or W-2 from payer.  
Workers Compensation Benefits: Copy of award letter from payer.  
Unemployment Compensation: Copy of award letter from payer.  
Financial Aid (student loans, etc.): Copy of award letter from payer.  
Interest or Dividend Income: Three years 1040s, copies of current statements verifying buyer's assets.  
Tax Returns: Three years tax returns, signed in blue ink.  
Salaried Borrowers: Most recent pay stubs covering minimum of one month's income. If paid monthly provide 2 months paystubs. If there are multiple employers, all pay stubs showing year-to-date earnings.  
Verification of Employment form is required from employers in the last two years  
Part-Time Employment: Recent pay stub, Verification of Employment from employer and letter stating likelihood of continuation.  
Bonus and Overtime: Income Must be documented on pay stub and Verification of Employment will be used if there is a two-year history and likelihood of continuation.  
Self-Employed: Signed current YTD profit and loss statement.  
Commission Only: Must be verified by employer and documented on tax returns for at least two continuous years prior.

#### **Assets Standards**

Checking and Savings Accounts: Two months most recent bank statements.  
Stocks and Bonds: Must be verified by brokerage firm or similar company and statement of account.  
Saving Bonds: Copy of bond.  
401K or Retirement Accounts: Copy of account statement for the most recent quarter, if using funds for downpayment or closing must verify proof of liquidation funds, if applicable.

#### **Liabilities Standards**

Alimony/Child Support: Include as debt if over six months remaining. Need copy of divorce decree.  
Installment Loans: May not include in debt ratio if less than 10 months remaining. U/W to include in ratios if installment account is a substantial payment regardless of months remaining.  
Revolving Accounts: Use payment stated on credit report or monthly statement. If payment cannot be verified 5% of the outstanding balance owing may be used.  
Student Loans: If loan can be verified that it will be deferred for at least 3 years or more, do not include as a monthly obligation. If less than a three year deferment or borrower making payments, include as a debt.

#### **Credit History Standards**

Credit Reports Must be a "three repository merged" credit report. Any items not belonging to borrower must be removed from the report. Credit report can not be dated more than 60 days from underwriting. Collections All unpaid collections must be paid prior to funding. No accounts can be past due at the time of loan funding.  
Bankruptcy General rule: a minimum of three years has elapsed since the bankruptcy was discharged with no derogatory rating since the discharge.  
Judgments, Garnishments and Involuntary Liens: No outstanding judgments, garnishments or involuntary liens are allowed.  
No or Limited Credit History Alternative credit history is required: Utility payment records (at least three months most recent statements), rental payments (past 12 months no lates) or other personal loans (past 12 months). Need three forms of credit history.

## **Home in the Heights Program Guidelines**

*The City of San Diego Redevelopment Agency has contracted with Community HousingWorks to administer this program.*

### Introduction

Home in the Heights is a program designed to assist all qualified first-time homebuyer residents of City Heights, with a priority given specifically to residents displaced by new public schools and redevelopment projects, and including all City of SD employees, as well as Police, Fire, Teachers and Non-profit employees working in City Heights, to purchase and occupy homes in City Heights Redevelopment Project Area

### Eligible Borrowers

- First-time homebuyers displaced by the San Diego Unified School District from new school sites, by the Redevelopment Agency as a result of redevelopment projects within the Project Area, as well as non-profit employees, teachers, fire, police, and city employees working within City Heights.
- Household income may not exceed 100% AMI

### Eligible Properties

- Single-family units, including condominiums, manufactured homes on permanent foundations and planned urban developments (PUDs) located within the City Heights Redevelopment Project Area.

### Loan Terms

- 20 years payments deferred
- 6% simple interest

### 1<sup>st</sup> Mortgage Allowable Loan Programs

- Fully amortizing conventional or government loans
- 30yr plus fixed rate
- No, I/O excluding fixed rate loan (i.e. Cal-HFA 35yr, 5yr I.O.), adjustable rate or negative amortization shall be combined with CHW loan programs.

### Maximum Loan Amount

- The maximum loan under this program is \$30,000.

### Lien Position

- Home in the Heights loans can be in last position.

### Maximum Sales Price

- The maximum purchase price shall be adjusted according to the qualifications of the Area Median Income and Debt Ratios.

### Maximum LTV

- The combined LTV shall not exceed 100% of purchase price.
- Home in the Heights LTV shall not exceed 20% of the purchase price.

### Maximum Ratios

- Debt-to-income ratios up to 45% (or back-end up to 48% with compensating factors)

### Owner Occupancy

- Borrowers must occupy the property as their primary residence, or the loan must be repaid.

#### Minimum Borrower Contribution

- All borrowers participating in the Home in the Heights program will be required to contribute a 3% down-payment, however SDNHS down-payment assistance programs can be applied to this amount.

#### Fees

- Participating lenders agree to charge fees not to exceed 2% of the purchase price, not including third party fees.
- *Home in the Heights Loan does not have borrower paid fees.*

#### Prepayment Penalty

- None of the loans provided under the Home in the Heights program will have a prepayment penalty

#### Assumption

- None of the loans provided under the Home in the Heights program would be assumable

#### Refinancing

- Refinancing the Home in the Heights loan is allowed if the refinance is used to improve the financial stability and health of the homeowner or property...

#### Subordinations

- Approval by Redevelopment Agency of San Diego.

#### Home Buyer Education

- All borrowers will be required to graduate 8-hour home buyer education provided by CHW at no cost to HITH applicants.

#### Other Terms

- Brokered loan transactions that do NOT involve CalHFA or another approved specialty first-time-homebuyer loan for the 1<sup>st</sup> mortgage will NOT qualify for any CHW deferred loan programs (*includes this program*).

*Note: Please be aware that CHW advises that you do not enter into any contract dependent on CHW loan programs without a written approval from our management team*