



FIRST TIME HOMEBUYER PROGRAM FREQUENTLY ASKED QUESTIONS

What is the Program?

This is a program designed to help make homeownership affordable for families who might not otherwise be able to purchase a home. The County offers a deferred loan and a WISH Down Payment Matching Grant.

Who is Eligible?

- Individuals and families who have not owned a home in the past three years
- Certain exceptions for displaced homemakers and single-parents
- Income qualified

What are the Income Qualifications?

The homebuyer must earn at or below 80% of the County median income. Current income figures per household size are listed in the Housing Program Income Qualifications hand-out.

What are the Terms of the Loan?

- 30 Year Term
- 3% simple interest
- No payments until you sell or transfer title to your home or no longer live there as your primary residence. If you sell, transfer title or move out of the home, your loan is fully due and payable.
- You may add a spouse or domestic partner to your title without needing to repay your loan.
- Funds may be used for acquisition and nonrecurring closing costs. They cannot be used for recurring closing costs.
- Borrowers may begin making voluntary payments during the term of the loan and they are applied to principal.

What is the WISH Grant?

The WISH program provides *up to* \$15,000 for each participating household, matching up to \$3 for each \$1 contributed by the homebuyer(s). WISH funds can be counted towards the borrower's down payment. If a homebuyer contributes \$5,000 for down payment and closing costs they would receive a forgivable grant in the amount of \$15,000. Please refer to the WISH Program hand-out for more information about this program.

What is the Maximum Amount of County assistance?

The maximum assistance amount is \$85,000 (County deferred loan + WISH Grant combined). County assistance cannot exceed 50% of total indebtedness. The actual amount is based on the difference between what you can afford to pay and the cost of the home.

Do I Need a Down Payment?

Yes. In order to participate in the program, borrowers must contribute a minimum down payment of 3% of the total purchase price. Please keep in mind that you will also need funds for closing costs. Your 3% contribution can come from savings, gift from family, or funds from a down payment assistance grant.

What is the Maximum Purchase Price of the Home?

The sales price of the home that you purchase cannot exceed **\$224,000 for an existing home** or **\$228,000 for a newly constructed home**. This figure is adjusted periodically. Please check for current maximums before you make an offer.

Do I Need a Primary Loan?

Yes. You must obtain a conventional, FHA, USDA, CHF, CalHFA or other 30-year or higher, fixed rate loan for the maximum amount that you can qualify for from your lender. The program also allows you to use FHA 203K Acquisition/Rehabilitation Loans and other types of loans that combine acquisition and renovation costs into one loan.

Am I Required to Take a Homeowner Education Class?

Yes, you will be required to take a homeowner education class covering topics such as how to purchase your first home, what to look for in a loan, escrow procedures, budgeting, credit, and home maintenance. You are encouraged to take the class as soon as possible but must have completed the course prior to making an offer on a home.

You must complete **one** of the following classes:

- Amador-Tuolumne Community Action Agency (ATCAA) First Time Homebuyer Class. Please register by emailing Jennifer Penrose at penrosehomes@gmail.com. This class is free.
- Online homebuyer class at homebuyerfunds.com. This is a free online class.
- NeighborWorks – They offer an online homebuyer education class. To take the online class, please go to <http://www.ehomeamerica.org/nwhocsr>. The cost is \$100.

What Homes Qualify?

- Must be located within the unincorporated areas of the County of Tuolumne.
- Can be new construction or previously owned single-family or town homes (attached or detached).
- Can be a manufactured home on a permanent foundation on a single-family lot.
- Must be a modest, lower-priced, starter home with a maximum of three bedrooms and two bathrooms on less than one acre of land. No in-ground pool or spa allowed.
- Must be owner-occupied or vacant at the time you make an offer.

What if the Home Needs Repairs?

If the home needs repairs you can work with your primary lender to secure a loan that will allow you to acquire and renovate your home. FHA 203K and USDA Direct are two loan products that combine acquisition and rehabilitation costs. Our program can be used with these types of loans where acquisition and renovation costs are combined into one loan.

How Do I Apply or Find Out More about the Program?

When program funds are available, assistance to homebuyers is on a first-come, first-served basis. To apply or to find out more about the program, please contact Sheila Shanahan in the Community Resources Agency Housing Division at (209)533-6904 or sshanahan@co.tuolumne.ca.us. If funds are not available when you contact us, we can place your name on a list of interested parties and contact you when funding becomes available.

When you apply, you will be asked to provide a pre-approval letter from a lender along with their loan application and a copy of your credit report. You will also fill out the County's loan application and provide back-up information about your income, assets and other data. In addition, you will need to provide proof that you have funds for the minimum down payment, which is 3% of the purchase price of the home.

