



**The Housing Trust of Santa Clara County (“HTSCC”)
Closing Cost Assistance (CCA) Program**

Program Description: The Housing Trust of Santa Clara County’s Closing Cost Assistance Program may be used for closing costs and/or other assistance allowed by your primary lender. The Housing Trust requires a minimum downpayment of 3% for this program. At least 50% of the required downpayment must come from the borrower’s own funds. Combined loan-to-value for this program cannot exceed 100%. The maximum loan amount is \$6,500. The loan term is 30 years. The interest rate on the loan is 3% simple interest per annum. Payment of principal and interest is deferred until expiration of the term, or sale, transfer, or refinancing of the property. The Closing Cost Assistance Program is funded by donations from local corporations, foundations, governments and citizens.

Eligibility Requirements:

1. The borrower(s) must be a first-time homebuyer. First-time homebuyer is defined as having NOT owned a home in Santa Clara County in the past three years.
2. The gross annual household income of the borrower(s) does not exceed 120% of the Area Median Income in Santa Clara County (see the chart below). Gross annual household income includes income of all persons 18 and older who will be living in the house.

Table of 120% AMI by Household Size							
1	2	3	4	5	6	7	8
\$86,950	\$99,350	\$111,800	\$124,200	\$134,150	\$144,050	\$154,000	\$163,950

3. The borrower’s total “Front-End” Housing Cost to Income Ratio cannot exceed 38%. Housing Cost includes all principal and interest payments, property taxes, insurance and private mortgage insurance premiums, if any. Total monthly Housing Cost must not be greater than 38% of the borrower’s total monthly household income. The borrower’s “Back-End” debt to income ratio cannot exceed 45%. This means that when all of a homebuyer’s debts are added up, including the Front-End Debts (including first and second mortgage principal and interest payments, property taxes, property insurance and Private Mortgage Insurance (PMI), if applicable), *plus* any car payments, credit card payments and

any and all other debts, loans, charge accounts, and business expenses, if applicable, etc., those total monthly payments added together must not be greater than 45% of the homebuyer's Total Monthly Household Gross Income.

4. The borrower(s) must have a FICO credit score of 620.
5. The property must be located in Santa Clara County and will be the primary residence of the borrower(s).
6. The borrower(s)' primary lender is an HTSCC FTHB Loan Program Participating Lender/Broker.
7. The first mortgage loan must be a 30-year, fixed-rate amortizing mortgage.
8. The borrower(s) must make a minimum downpayment of 3% of the purchase price.
9. The borrower(s) have a signed purchase agreement (for the loan property).
10. The close of escrow date is no more than 120 days and no less than 21 days from date of application.

Loan Repayment Terms: The CCA loan is a 3% simple interest deferred loan payable in full on the maturity date of the First Loan, or upon any sale, transfer, assignment or refinance of the first loan, whichever occurs first. There is no prepayment penalty.

Application Process: Borrower(s) who meet the eligibility requirements listed above can apply for a CCA Loan, as follows:

1. Meet with a Participating Lender or Broker to review the loan program requirements and the loan application process.
2. Complete and sign the CCA Loan Application Form.
3. The borrower(s) must submit the most recent three years of signed Federal Income Tax returns with W-2s, the two most recent paystubs for all household members over the age of 18, two most recent bank statements and an explanation of the source of funds being used for the downpayment.
4. The borrower(s) must submit written Verification of Employment forms for all household members 18 and over who are earning income.
5. The borrower(s) must submit a copy of the credit report.
6. Complete a Uniform Residential Loan Application (Fannie Mae Form 1003, available through your lender/broker), and have the lender/broker sign it. Submit Uniform Underwriting and Transmittal Summary (Fannie Mae 1008).
7. Submit a copy of the Automated Underwriting System (AUS) approval.

8. Submit a copy of the Preliminary Title Report for the loan property, and Wiring Instructions regarding the wire transfer of funds (from the Title Company).
9. Submit a copy of the signed Purchase Agreement for the loan property.
10. Submit a copy of the appraisal on the property.
11. Submit a copy of Deed Restrictions on the property, if any.
12. Submit a processing fee (check made payable to Housing Trust of Santa Clara County) in the sum of \$200.00 (**this is a non-refundable fee**).
13. Lender/broker packages the documents referenced in 2 - 11 above and submits with a check for the processing fee to HTSCC via mail or courier. NOTE: **The Loan Application Package must be submitted to HTSCC by the lender.**
14. The loan application package must be received at HTSCC no more than 120 days and no less than 21 days from close of escrow date.

Funding of Loans: The Loan Application Packages are reviewed within five business days of receipt by HTSCC staff. At the time of the Initial Review of the application package, the lender is notified by email that either a) the borrower(s) application package is complete, the borrower(s) meet all eligibility requirements, and a loan will be awarded (the dates for which the loan funding and the transfer of monies are scheduled is also provided); or b) the borrower(s) loan application is incomplete and application processing will recommence upon receipt of the missing documents/information; or c) the borrower(s) are ineligible and the application package is being returned. The Housing Trust will not fund a CCA loan without receiving a HUD-1 Estimated Buyer's Statement from the Title Company prior to funding. The Housing Trust reserves the right to reduce the amount of the Closing Cost Assistance Loan based on the Estimated Statement.

The Housing Trust Closing Cost Assistance Loan will be subordinate to the First Mortgage.

The Closing Cost Assistance Program is currently available throughout Santa Clara County. The Housing Trust will limit the amount of closing cost funds available in each jurisdiction in order to ensure geographic distribution of loans throughout the County.