



**The Housing Trust of Santa Clara County (“HTSCC”)
Mortgage Assistance Program (MAP)**

Program Description: The Housing Trust of Santa Clara County’s Mortgage Assistance Program (MAP) is an amortizing second loan that is now available to assist in the purchase of your first home. The Housing Trust requires a minimum downpayment of 3% for this financing. At least 50% of the required downpayment must come from the borrower’s own funds. The total loan to value of the first and second loans combined cannot exceed 97%. The maximum loan amount is **\$50,000**. The loan is amortized over 30 years. The interest rate on the MAP loan is 1.5% above the rate on the first loan. There is a loan origination fee of 2%.

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 household 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. Income is the anticipated gross household income for the next twelve months. The HUD Part 5 Definition of Income will be used. Income includes salary, overtime, bonuses, tips, interest, dividend income, alimony, child support, net business income, IRA distributions, pensions and annuities, net rental income, royalties, partnership income, trust income, farm income, unemployment compensation, and Social Security Benefits.

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. For moderate-income households (80% to 120% of AMI) the monthly housing cost must be at least 28% of total monthly household income.

4. 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. Except for those obligations specifically excluded by state law, the debts of the non-purchasing spouse must be included in the borrower's qualifying ratios.
5. The borrower must make a minimum downpayment of 3% of the purchase price.
6. The borrower(s) must have a FICO credit score of 680.
7. The property must be located in Santa Clara County and will be the primary residence of the borrower(s).
8. The borrower(s)' primary lender is an HTSCC FTHB Loan Program Participating Lender/Broker.
9. The first mortgage loan must be a 30-year, fixed-rate amortizing mortgage.
10. The borrower(s) must have a signed purchase agreement (for the loan property).
11. 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 MAP loan is an amortizing second loan payable in full on the expiration date of the term (30 years), 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 MAP 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 MAP 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 statements from all asset accounts 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 of the loan 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 along 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.

Application Review Process: The Loan Application Packages are reviewed within three 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; 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.

Loan Underwriting: Once the application has been determined to be complete, the underwriting process will commence. The Housing Trust will approve or deny the application within five business days of the date of application completion.

When an application is complete, and the borrower and property have been determined to be eligible, the Housing Trust will issue a Loan Commitment Letter.

If the applicant disagrees with the decision of the Housing Trust, they have the right to appeal by requesting an appeal form from the Homeownership Program Manager.

The Housing Trust will not fund a MAP 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 Mortgage Assistance Program loan based on the Estimated Statement.

The Housing Trust Mortgage Assistance Program Loan will be subordinate to the First Mortgage, but in no case will the Housing Trust be in **less than second position**.

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