



## **PLHA First-Time Homebuyer Mortgage Assistance Program**

### **Program Features:**

- deferred payment loan secured by a deed of trust
- assistance is calculated at 20 percent of the purchase price to a maximum of \$50,000
- Minimum loan amount is \$10,000
- 1% simple interest – principal and interest are deferred for the term of the loan
- 30 year loan term (equal to the term of the first mortgage)
- loan is due upon sale or transfer of property, when the property ceases to be owner-occupied, or upon the loan maturity date – the loan is not assumable; refinancing may be allowed subject to Agency subordination policy
- funds may be used for down payment and mortgage assistance
- first mortgage must be a 30 year fixed rate loan and shall not include provisions for negative amortization, principal increases, balloon payments, or deferred interest.
- first mortgage may be FHA, conventional, or CalHFA financing.
- first mortgage must have an impound account for the payment of taxes, assessments and hazard insurance for the entire 30-year term

### **Eligible Applicants:**

Homebuyers who:

- meet PLHA underwriting guidelines for credit
- will have a monthly housing debt ratio of not less than 28% and not more than 38% , and a total debt ratio not exceeding 45%
- are first-time homebuyers (have not owned a home within the preceding three years, or meet the definition of a displaced homemaker or a single parent)
- are able to qualify for a loan to purchase the home
- attend homebuyer education classes
- will live in the home being purchased
- are defined as low-income – households with income less than or equal to eighty percent (80%) of the area median income adjusted for household size. Income also includes income from assets over \$5,000 calculated at 2% of the value of the asset.

Current income limits are:

1-person	\$50,750
2-person	\$58,000
3-person	\$65,250
4-person	\$72,500
5-person	\$78,300
6-person	\$84,100

### **Eligible Properties**

Single family homes, including condominiums and half-plexes, located within the City limits of Sacramento. The property must meet minimum housing quality standards – an Agency inspection is required. The home must be sold at an affordable housing cost, as per the Fannie Mae Selling Guide, Part B – debt to income ratios.

### **PLHA Application Procedure**

To apply for the program, please contact any of our approved lenders.