



First-Time Homebuyer Assistance Program

(Effective October 2011)

The City of Garden Grove is pleased to offer a First-Time Homebuyer Assistance Program, funded with State of California Proposition 1C funds (CalHome), to qualified homebuyers purchasing their first home, in Garden Grove. This program is designed to assist qualified low- and very low-income families with the monies necessary to bridge the gap between the mortgage amount a homebuyer can qualify for and the actual price of a detached or attached single-family home, condominium or townhouse. The following is a brief summary of the CalHome First-time Homebuyer Assistance Program:

- The Program offers a 30 year deferred payment subordinate trust deed loan (no monthly payments required) not to exceed \$60,000. Simple interest of 3% annually is accrued for the life of the loan.
- Participants must not exceed the income limits for their household size shown below.

2011 INCOME LIMITS FOR HUD HOME PROGRAM (EFFECTIVE JUNE 23, 2011)

% AMI	Income Standard	Household Size					
		1	2	3	4	5	6
80%	CalHome Loan	\$51,700	\$59,100	\$66,500	\$73,850	\$79,800	\$85,700

*The above limits apply to the income of all members of the household over 18 years of age. The income limits are based on figures published by HUD.

- The Program is available to those who have not owned a home in the last three years. There are exceptions for divorced, single parents who owned a home while married, but now do not, and displaced homemakers.
- The buyer will be required to provide a minimum 1% down payment. Program eligibility will also be based on income as well as a total debt-to-income ratio under 45%. Total City loan amount will be adjusted if minimum housing expense ratio is less than 30%.
- The purchase price of a single-family home, condominium or townhouse cannot exceed \$451,250.
- Buyers must occupy the property to be purchased as their primary residence for the life of the loan.
- If the title is changed or the home is sold, refinanced to withdraw equity, or used as a rental within 30 years, the original amount of the loan plus accrued interest becomes due and payable.
- **Proof of attendance at an eight-hour, HUD Certified, First-Time Homebuyer class is required for all loan applicants.**

For additional details on the CalHome Loan Program and a City sponsored homebuyer training class, please contact Tom Ferch (714) 741-5330 or visit the City's First-Time Homebuyer website at www.comehometogardengrove.org.

Prospective homebuyers are encouraged to contact the City Program Administrator before entering into a purchase agreement and before applying for a primary loan. Pre-approved buyers who have already signed a purchase agreement must have it amended in order to satisfy CalHome Loan Program requirements.

