



**CITY OF GARDEN GROVE
CalHome FIRST TIME HOMEBUYER LOAN PROGRAM**

CERTIFICATION OF PROGRAM ELIGIBILITY

This Certification of Program Eligibility is ONLY intended to determine likely eligibility for the City of Garden Grove CalHome First Time Homebuyer Loan Program. This document is required before a preferred lender can consider any homebuyer eligible for a First Time Homebuyer Loan. If you are interested in this loan program, complete and sign this Certification of Program Eligibility and provide to any City preferred lender to obtain a first mortgage loan ("primary loan").

This Certification of Program Eligibility does not establish, expressly or by implication, that a potential applicant will be qualified for or will be approved for a Program Loan, nor does it guarantee that funding will be available at the time a full application for Program assistance is submitted.

I. PROGRAM ELIGIBILITY

A. INCOME ELIGIBILITY

1. Gross Household Income: \$ _____

Defined as the combined gross annual income for ALL members of the household who will establish as their principal residence the housing unit to be purchased under the Program.

Note: Income information will be verified by both the lender for the primary loan and City's Program Operator during the formal application process.

2. Household Size: _____

"Household" is defined as all persons who will establish as their principal residence the housing unit to be purchased under the Program. The occupants may be a single family, one person living alone, two or more families living together or any other group of related or unrelated persons who share living arrangements.

The current (2011) income limits for lower income households in Orange County pursuant to Section 6932 of Title 25 of the California Code of Regulations are set forth below:

2011 INCOME LIMITS¹	
Household Size	Maximum Allowable Income (Lower Income Households)
1	\$51,700
2	\$59,100
3	\$66,500
4	\$73,850
5	\$79,800
6	\$85,700
7	\$91,600
8	\$97,500

Locate your household size on the above Income Limits chart. Is your Gross Household Income less than the maximum allowable income limit?

Yes _____ No _____

IF NO, THEN YOU ARE NOT ELIGIBLE FOR THIS PROGRAM.

B. CREDIT RATING

Do you have a minimum credit rating of "fair"?

Yes _____ No _____

IF NO, THEN YOU ARE NOT ELIGIBLE FOR THIS PROGRAM.

C. SUFFICIENT FUNDS AVAILABLE

Total all personal funds you have available in the form of liquid assets (savings, checking account funds, and time deposits which are not subject to penalty for early withdrawal). Do NOT include any loans.

\$ _____

¹ Income Limits are provided by the California Department of Housing and Community Development (HCD) and are subject to change without notice

Downpayment Requirements:

Purchase Price	Required Minimum Downpayment of 1%
\$200,000	\$2,000
\$250,000	\$2,500
\$300,000	\$3,000
\$350,000	\$3,500
\$400,000	\$4,000
\$450,000	\$4,500

By looking at the Downpayment Requirements table above, determine the required 1% minimum downpayment for the housing unit you'd like to purchase using this Program. Compare your total personal funds that you calculated on the previous page to this amount. Do you have enough liquid assets available for the minimum 1% downpayment?

Yes _____ No _____

IF NO, THEN YOU ARE NOT ELIGIBLE FOR THIS PROGRAM.

D. Taking the total of your available liquid assets that you calculated in C and deducting the amount that you anticipate to use for the downpayment, is the remaining balance at least enough to pay three (3) months of your total anticipated housing costs (mortgage, taxes, insurance, etc.)?

Yes _____ No _____

IF NO, THEN YOU ARE NOT ELIGIBLE FOR THIS PROGRAM

E. Have you had any Ownership Interest in any real property within the past three years?

Yes _____ No _____

IF YES, THEN YOU ARE NOT ELIGIBLE FOR THIS PROGRAM UNLESS YOU MEET THE DEFINITION OF A "FIRST-TIME HOMEBUYER" AS DEFINED BELOW:

According to Title 25 California Code of Regulations Section 8201(k), "first-time homebuyer" means an individual or individuals or an individual and his or her spouse who have not owned a home during the three-year period before the purchase of a housing unit with Program assistance, except that the

following individual or individuals may not be excluded from consideration as a first-time homebuyer under this definition:

- A. A displaced homemaker who, while a homemaker, owned a home with his or her spouse or resided in a home owned by the spouse. A displaced homemaker is an adult who has not, within the preceding two years, worked on a full-time basis as a member of the labor force for a consecutive twelve-month period and who has been unemployed or underemployed, experienced difficulty in obtaining or upgrading employment and worked primarily without remuneration to care for his or her home and family;
- B. A single parent who, while married, owned a home with his or her spouse or resided in a home owned by the spouse. A single parent is an individual who is unmarried or legally separated from a spouse and has one or more minor children for whom the individual has custody or joint custody or is pregnant; and
- C. An individual or individuals who owns or owned, as a principal residence during the three-year period before the purchase of a housing unit with assistance, a dwelling unit whose structure is:
 - 1. not permanently affixed to a permanent foundation in accordance with local or state regulations; or
 - 2. not in compliance with state, local, or model building codes and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure.

Note: You will be required to submit supporting documentation (divorce decree and other information requested by the Program Operator and/or City) prior to final loan approval. Final determination of eligibility under this definition is at the sole discretion of the City and the Program Operator.

II. HOUSING UNIT INFORMATION (only complete if housing unit to be acquired has been identified)

A. LOCATION

Address of housing unit to be purchased: _____

Is the housing unit located in the City of Garden Grove?

Yes _____ No _____

IF NO, THEN THIS HOUSING UNIT IS NOT ELIGIBLE FOR THIS PROGRAM.

B. PURCHASE PRICE

Is the purchase price of the housing unit greater than \$451,250?

Yes _____ No _____

IF YES, THEN THIS HOUSING UNIT IS NOT ELIGIBLE FOR THIS PROGRAM.

C. TYPE OF HOUSING UNIT

Is the housing unit you wish to purchase a single family home, condominium, town home, or manufactured home?

Yes _____ No _____

IF NO, THEN THIS HOUSING UNIT IS NOT ELIGIBLE FOR THIS PROGRAM.

D. PRIMARY RESIDENCE

Do you intend to make the housing unit to be purchased through this Program your primary residence?

Yes _____ No _____

IF NO, THEN THIS HOUSING UNIT IS NOT ELIGIBLE FOR THIS PROGRAM.

III. PROGRAM LOAN REPAYMENT TERMS

Do you understand that the financial assistance the City is providing is in the form of a deferred loan that is secured by a subordinate trust deed on the housing unit and must be paid back? There is no forgiveness of the Program Loan principal and interest under any circumstances.

Yes _____ No _____

IF NO, THEN YOU SHOULD REFER TO THE PROGRAM GUIDELINES AND SPEAK TO YOUR LENDER OR THE CITY FOR CLARIFICATION PRIOR TO PROCEEDING.

Do you understand that if you purchase a housing unit using this Program, that you will not be able to withdraw equity from the housing unit in the future without first paying off the Program Loan and all interest accrued on the Program Loan (at 3% per year)?

Yes_____ No_____

IF NO, THEN YOU SHOULD REFER TO THE PROGRAM GUIDELINES AND SPEAK TO YOUR LENDER OR THE CITY FOR CLARIFICATION PRIOR TO PROCEEDING.

Do you understand that you will not be able to transfer the ownership or title of this housing unit to another person without first paying off the Program Loan and all interest accrued on the Program Loan (at 3% per year)?

Yes_____ No_____

IF NO, THEN YOU SHOULD REFER TO THE PROGRAM GUIDELINES AND SPEAK TO YOUR LENDER OR THE CITY FOR CLARIFICATION PRIOR TO PROCEEDING.

Do you understand that you will be required to complete a homebuyer education course?

Yes_____ No_____

IF NO, THEN YOU SHOULD SPEAK TO THE CITY FOR CLARIFICATION PRIOR TO PROCEEDING.

IV. PRELIMINARY SELF-QUALIFICATION

If you have completed this Certification of Program Eligibility to the best of your ability and have determined that you may be eligible, the next step would be to contact one of the City's preferred lenders. A preferred lender will determine your eligibility for a primary loan, and will instruct you in the next steps necessary to submit a formal application to obtain City approval for participation in the Program.

HOW DO I FIND AN APPROVED LENDER? For a list of approved lenders, contact Neighborhood Improvement staff at (714) 741-5330, or see our website: <http://www.ci.gardengrove.ca.us/?q=commdev/neighborhoodimprovement>

