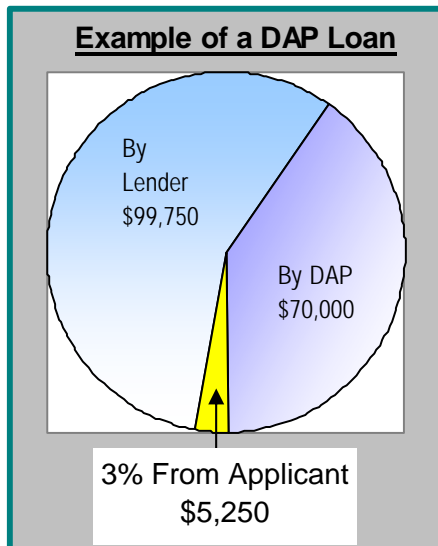


EXAMPLE OF DAP TRANSACTION

A person purchasing a home for \$175,000 with an appraised value of \$175,000 will need to obtain a loan from the lender of their choice for a minimum of \$99,750. The maximum DAP loan would be 40% or \$70,000 (note, not all clients receive the maximum), and the DAP applicant must contribute 3% of the purchase price; in this instance \$5,250. The maximum combined loan to value (1st loan + DAP) is 97% of the appraised value, which in this example would be \$169,750. The DAP home owner retains all of the appreciated value of the home and enjoys the benefits of deducting home loan interest and property tax payments from their income tax. Please check with your lender for additional costs to close the sale.



Shasta County does not discriminate on the basis of disability in access to its programs or facilities, or regarding employment. Questions or complaints? Need an alternate format for this publication or aid or assistance for effective communication? Contact Joann Davis at (530) 225-5515; relay service (800) 735-2922; fax (530) 225-5345; email adacoordinator@co.shasta.ca.us.



This program is available to all persons regardless of race, color, religion, sex, handicap, familial status or nation origin. Reasonable accommodation will be made for those with disabilities.

County of Shasta

Department of Housing and
Community Action Programs
1450 Court Street
Suite 108
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Shasta County Down Payment Assistance Program

First-time Home Buyers



LET US HELP YOU OPEN THE DOOR TO HOME OWNERSHIP



WHAT IS THE SHASTA COUNTY DOWN PAYMENT ASSISTANCE PROGRAM?

The County of Shasta has money to help first-time home buyers with their down payments and closing costs. The Shasta County Down Payment Assistance Program (DAP) provides a loan to qualified low income first-time home buyers. Federal money from this program comes from grants awarded to Shasta County and the City of Anderson by the California Department of Housing and Community Development and is administered by the Shasta County Housing and Community Action Programs.



ARE YOU READY TO APPLY FOR A DAP LOAN?

- √ Do I have a stable income to qualify for a loan?
- √ Do I have at least 3% of the purchase price for a down payment and closing costs?
- √ Have I addressed any negative credit issues?
- √ Do I have too many other financial obligations to purchase a home?
- √ Am I ready to take on the responsibility of owning a home?

WHAT HOMES QUALIFY?

Eligible homes include newly constructed homes, existing homes, manufactured homes on permanent foundations, and condominiums.

WHO IS ELIGIBLE?

Potential DAP home buyers must meet the definition of a first-time home buyer, be able to obtain first mortgage financing for the purchase, and must qualify under the following income guidelines.

<u>FAMILY SIZE</u>	<u>MAXIMUM ANNUAL INCOME</u>
1	\$ 30,150
2	\$ 34,450
3	\$ 38,750
4	\$ 43,050
5	\$ 46,500
6	\$ 49,950
7	\$ 53,400
8	\$ 56,850

You can qualify as a first-time home buyer if you have not owned a home within the last three years or you are a single parent that qualifies as a "displaced homemaker".

BASIC GUIDELINES OF THE SHASTA COUNTY DOWN PAYMENT ASSISTANCE PROGRAM



- ◇ Maximum purchase price is \$225,000.
- ◇ The DAP loan you obtain can be up to 40% of purchase price with a maximum loan of \$80,000.
- ◇ The DAP loan (second mortgage) will accrue interest at 0% without payments until loan is due.
- ◇ The DAP loan is due when home is sold, title changes hands, refinanced, or loan recipient ceases to live in home (must be owner occupied).
- ◇ Borrower will be required to contribute at least 3% of the purchase price (may be a gift).
- ◇ Home must pass an inspection for Housing Quality Standards.
- ◇ A class in home ownership is required of all participants.
- ◇ Not all areas of the County may be eligible. Call for information.
- ◇ The combination of both loans (first and second) may not exceed 97% of the appraised value.

