

These guidelines are effective 8/2/2017

County Employee Down Payment Assistance Program



Purpose: The County Employee Down Payment Assistance Program is an employee benefit open to all regular County and Housing Authority employees regardless of income designed to encourage employees to live within the county, decreasing the environmental impact and the physical/emotional impact on the employees from their long commutes. The program offers a \$100,000 loan, deferred for five years, at three percent interest toward the down payment requirement for a home in San Mateo County. Five loans will be available each quarter for the first year. The County is partnering with the San Mateo Credit Union to offer jumbo loans for home purchases up to \$1.5 million. Applications available from the Department of Housing. Home buying workshops will be provided for those unfamiliar with the process.

Eligibility: County and Housing Authority (HA) employees who do not currently own a home in San Mateo County and are currently employed by the County and HA for at least 18 months.

Initial funding available: \$2.2 million

Income restrictions: none

Maximum home price: \$1,500,000

Down payment requirement: 20% down payment, minimum of 3% from borrower and up to \$100,000 from County Program

Maximum County Loan Program towards down payment: \$100,000

Terms of County loan: 3%, deferred five years, 30-year amortization after deferral, this is considered taxable income and will included in your annual earning.

San Mateo Credit Union First mortgage option:

1. 40-year Hybrid Portfolio Loan Product through San Mateo Credit Union
7/1 & 10/1 (fixed for 7 or 10 years, then adjustable, 2% limit on increase per year, 5% total increase limit)

Or any lender which will work with the County Program

Creditworthiness

- Minimum 680 FICO
- 47% maximum debt-to-income ratio
- Reserves of 2 months of principle, interest, taxes, and insurance

Closing cost assistance:

- SMCU waiver of \$1,295 lender fees for all loans
- County grant of \$5,000 to employees who currently live outside of San Mateo County. This grant will be considered as taxable income.

Repayment requirements:

- Upon sale of the home
- If the home is converted to rental property (non-owner occupied)
- If for any reason the employee leaves County employment such as, change employment, terminated for cause, retirement etc., within the 5 year deferral period. Any time after the deferral period the County loan will continue according to the original terms of the loan.

Time Frames

- The chosen applicant will have 6 months from the time they are notified to participate in the program to locate and be under contract for purchase.
- Once they lock in their loan depending on the lock term it can be anywhere from 30 to 45 days to close.
- If the chosen applicant cannot locate a property within the time limit they can choose to have their name placed back into the pot for the next drawing.
- First drawing was April 3, 2017 and subsequent drawings will be July 3, 2017, October 3, 2017, January 2018.