



San Mateo County's Employee Down Payment Assistance Program Frequently Asked Questions

Loan Terms

What are the loan terms?

The County loan is a 35-year loan. The first, five (5) years are deferred with no interest and payments due until the start on the 61st month. Payments are amortized for 30 years at three percent (3%).

What is the maximum purchase price for San Mateo County Employee Down Payment Assistance Program?

The maximum purchase price is \$1,500,000.

Are there pre-payment penalties?

No, there are no prepayment penalties.

Does San Mateo Credit Union (SMCU) offer a 40-year fixed loan?

No, however the Credit Union does offer 40-year adjustable rate mortgage products. You can find the list of all available products by visiting <http://www.smcu.org/countymortgage> or by talking with a Loan Specialist with SMCU.

What types of properties are eligible for the Down Payment Assistance Loan Program?

All single-family residences, condos, townhomes, and 2-unit properties that will be Owner Occupied.

Eligibility Guidelines

Do you have to be a full-time, permanent employee?

Yes, a minimum of 18 months of full-time employment with San Mateo County or San Mateo County Housing Authority is required.

Do I have to be pre-approved by San Mateo Credit Union?

Yes, to be placed on the drawing list, the pre-approval must be from San Mateo Credit Union.

If I own a home outside of the County, can I keep that home and still participate in the program?

Yes, you may participate in the program, if the home you purchase is in San Mateo County and will become your primary residence.

What if I own a home in the County?

You are not eligible for the program.

What is the minimum down payment I need?

The minimum down payment to purchase a home using the County Down Payment Assistance Loan depends on the purchase price of the home. The Program requires a 20 percent (20%) down payment – three percent (3%) from the employee/borrower and 17 percent (17%) from the program, not to exceed \$100,000.

What if an employee goes out on maternity leave?

If you are a full-time employee and have worked for San Mateo County or San Mateo County Housing Authority for 18 months, you are eligible for the program.

What if an employee goes out on disability or a leave of absence?

If you are a full-time employee and have worked for San Mateo County or San Mateo County Housing Authority for 18 months, you are eligible for the program. However, long-term circumstances will be evaluated on an individual basis

Can a co-applicant apply with an ITIN number?

No, neither the applicant nor the co-applicant can apply with an ITIN number.

San Mateo County's Employee Down Payment Assistance Program

Frequently Asked Questions

Additional Requirements

If I want to purchase land, do I go through the normal loan process?

The County's down payment assistance program is not intended for purchasing land.

Can I buy property outside of the County with the Employee Down Payment Assistance Program?

No, the program is for purchase in San Mateo County only.

What if I sell the property that was purchased with the County Program?

The County loan must be repaid in full at the time of sale.

Selection Process

How do I submit the pre-approval letter from San Mateo Credit Union?

You can email your pre-approval letter to Nila Kim at nhkim@smchousing.org, send it by regular mail, or drop it off at 264 Harbor Boulevard, Building A, Belmont, CA 94002.

How does the Draw process work?

All pre-approval letters submitted to the County will be entered in the drawing.

If I don't get selected for the draw, does my name stay in the candidate pool for all the drawings?

Yes, your name will remain in the pool until you ask to be removed.

What if my name is drawn, I close on the purchase, and then leave my job at the County or retire?

The loan must be paid in full if you leave or retire within the five-year deferral period. If you leave or retire after the deferral period, you can continue making payments per the terms of the original loan.

Can I still purchase a home if my name was not selected in the drawing?

Yes, you may still purchase a home but without the loan from the Employee Down Payment Assistance Program

Financing Your Home

Can I use the equity from a current home as a down payment?

Yes, you can use the equity from the sale of your current home as a down payment, if you do not currently own a home in San Mateo County. The home you purchase must be in San Mateo County and your primary residence.

Can the down payment be a gift?

Yes, the down payment can be a gift.

Can you be a renter and receive the County's \$5,000 grant?

Yes, if your name is drawn, and the employee resides outside the County and purchases a home within San Mateo County.

Is the \$5,000 grant for moving into San Mateo County considered taxable income?

Yes, it's considered taxable income and will be included in your total annual earning. The County will withhold your share of all associate payroll taxes, including income and social security taxes, in the first paycheck, following 30-days after the closing date.

What else can be considered taxable income?

The interest deferred for the first five (5) years is also considered taxable income. At the time of the loan close, the County will calculate the value of the uncollected interest by using the Applicable Federal Rate for the month following the closing date. The County will attribute the value of the uncollected interest as income to you and withhold your share of Social Security taxes from that added income in your last paycheck of each quarter for the first five-years of the term of the loan.

Does the purchase price include closing costs?

No, the purchase price is the cost to buy the home only. Closing costs are the fees associated with the loan and the transaction itself.

Further Information

Where can I get additional information on the program?

Additional information: <https://housing.smcgov.org/employee-down-payment-assistance-program>.

Prequalification with SMCU: <http://www.smcu.org/CountyMortgage>.

For additional program information, please contact Nila Kim, Department of Housing: nhkim@smchousing.org.