

San Mateo County Employee Down Payment Assistance Program Frequently Asked Questions

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

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

2. Can you be renting to get the County \$5,000 grant?

Yes, but only if you are buying within San Mateo County while currently residing in another county and your name was selected in the quarterly draw.

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

Yes, this will be considered taxable income and will be included in your total annual earnings.

4. What else can be considered taxable income?

The interest being deferred for the first 5 years will also be considered taxable income. San Mateo County Controllers is currently working on an estimate of what this could be.

5. 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.

6. 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 Employee Down Payment Assistance Program.

7. Can we 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, as long as you do not currently own a home in San Mateo County and the home you purchase is in San Mateo County and your primary residence.

8. What if I sell the property?

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

9. What if I 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 5 year deferral period. If you leave or retire after the deferral period you can continue making payments as per the terms of the original loan.

10. 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.

11. Are the \$1,295 fees waived for all types of loans?

SMCU will waive its lender origination fee of \$1,295 for all county employees on purchases only. Other customary closing costs, which include title/escrow fees, appraisal fees, home inspection fees, and other transaction-specific fees, are required to be paid by the borrower at the time of loan closing. The County offers a \$5,000 grant to certain recipients of the down payment assistance loan to help pay those costs (see #2 above).

12. How do we submit our pre-approval letter?

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

13. Are there pre-payment penalties?

No, there are no prepayment penalties.

14. Do you have to be a full time employee?

Yes, with a minimum of 18 months of full time employee with San Mateo County or San Mateo County Housing Authority.

15. Can a co-applicant apply with an ITIN number?

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

16. Can the down payment be a gift?

Yes, the down payment can be a gift.

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

The county down payment assistance program is not intended for the purpose of purchasing land. Also, at this time, SMCU does not offer mortgages on mobile and manufactured homes, new construction, land and vacant lots, timeshares, properties containing retail stores, and properties located outside of California.

18. Does San Mateo Credit Union offer a 40-year fixed loan?

No. We do 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.

19. 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.

20. What is the minimum down payment I need to come in with?

The minimum down payment to purchase a home with the County Down Payment Assistance Loan depends on purchase price of the home you intend on buying. Program requires a 20% down payment, 3% from the employee/borrower and 17% from the program up to \$100,000.

21. Do you have to be full time employee? What if I was on disability within the last 18 months?

Yes, in order to be eligible you need to be a full time employee with the County for 18 months. This requirements will be verified by Human Resources.

22. What if I own a home in the County?

You would not be eligible for the program.

23. What if an employee goes out on maternity leave?

As long as you are full time employee and have worked for San Mateo County for 18 months you are eligible for the program.

24. 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 as long as the home you purchase is in San Mateo County and is your primary residence.

25. 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.

For additional questions or assistance, please contact Rosa Mendoza at rmendoza@smchousing.org or 650-802-5037. You may also contact Francisco Gomez at fgomez@smchousing.org or 650-802-5002.

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