

FACT SHEET

CITY OF ELK GROVE

Neighborhood Stabilization (NSP) Down Payment Assistance Program

Loan terms								
<i>Product type</i>	30-year "silent second" mortgage, fully-deferred							
<i>Use of funds</i>	Down-payment and/or non-recurring closing costs. Use of funds closing limited to 3% of sales price.							
<i>Maximum loan amount</i>	\$30,000 - \$60,000 depending on household income. Capped at 20% Appraised Value							
<i>Loan rate</i>	3.00% annual, simple. Forgiven after 20 years.							
<i>Deed restriction</i>	None.							
Property requirements								
<i>Types</i>	Single-family detached, semi-detached or approved condominium or half-plex.							
<i>Location</i>	Incorporated limits of the City of Elk Grove.							
<i>Condition</i>	Comply with local codes. City inspection required. Lead-based paint assessment req'd for pre-1978 homes. Pest Inspection "Section I" clearance req'd. Smoke detectors, GFCI and water heater TPR required. Repairs must be completed prior to close.							
<i>Tenure</i>	Must be vacant at time of initial offer. Must be foreclosed or abandoned REO.							
<i>Sales price limit</i>	Current FHA 203(b) limit for Sacramento County.							
<i>Purchase discount requirement</i>	Must be at least 1% below market.							
<i>Appraisal</i>	City will complete own appraisal to comply with HUD NSP requirements. Must be completed within 60 days of sale.							
<i>Flood insurance</i>	Required for 100 year floodplain.							
Buyer requirements								
<i>Occupancy requirements</i>	Owner-occupant, primary residence. Recapture if not occupied.							
<i>First-Time Home Buyer</i>	No owner-occupancy in past 3 years. Some exceptions with City approval.							
<i>Income limit</i>	Current HUD published "moderate-income" limits for Sacramento HMFA. See below.							
Family size	1	2	3	4	5	6	7	8
Maximum annual gross income	\$ 61,200	69,840	78,600	87,360	94,320	101,280	108,360	115,320
<i>Home buyer education</i>	"8-hour" course required from HUD-approved housing counseling agency.							
<i>Credit history</i>	Derogatory items must be explained.							
Senior loan requirements								
<i>Type</i>	Fixed-rate, fully-amortizing.							
<i>Max. CLTV (FNMA)</i>	100% (City assistance limited to 20% AV)							
<i>Minimum primary housing ratio</i>	28%							
<i>Maximum primary housing ratio</i>	36%							
<i>Maximum total obligations ratio</i>	42%							
<i>Minimum borrower contribution</i>	1.00% of purchase price. (0.5% for low-income borrowers)							
<i>Closing cost limit</i>	None. 3% of City assistance may be used for non-recurring closing costs.							
<i>Gifts and third party assistance</i>	Gifts OK. Must be in borrower accounts. Down-payment from parties to the transaction not allowed. 90 seasoning period.							
<i>Impounds</i>	Taxes, insurance, MI, HOA.							
<i>City fee</i>	None.							
<i>Layering</i>	OK with City approval.							
<i>Lien position</i>	Second. City must approve all senior debt.							
Required documents	<ul style="list-style-type: none"> • Deed of Trust • Promissory Note • Loan Agreement 							
Special features	First mortgage lender must submit complete copy package on behalf of eligible Buyer. City determination of eligibility should be confirmed prior to purchase offer.							
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