



SIERRA

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BUSINESS COUNCIL

Martis Fund Homebuyer Assistance Program

Summary of Program Features

HOME BUYERS

Participants cannot currently own a home or have been on title to real property or on title to a manufactured home unit within the last 12 months. At least 51% of household income must come from employment in Placer County east of Donner Summit or in the Town of Truckee.

PROPERTY ELIGIBILITY

Property must be located within unincorporated area of Placer County east of Donner Summit or in the Town of Truckee. Housing unit types eligible for program are new or previously owned: single-family detached houses, half-plex, duplex, triplex or quadplex houses, condominiums, or manufactured homes on a single-family lot and placed on a permanent foundation.

INCOME ELIGIBILITY

Eligible households must earn at or below 180% of Placer County median income. Gross household income will be calculated using all income sources for all occupants. Income limits are adjusted based on household size. Current income limits are:

Placer County Median Income \$83,600

Household Size	1	2	3	4	5	6	7	8
180%	105,300	120,420	135,450	150,480	162,540	174,600	186,570	198,630

*State Department of Housing and Community Development 5/2019

BORROWER INVESTMENT

Borrowers must invest a minimum of 3% of the purchase price towards the sales transaction. This must be from the borrower's own funds or a personal gift of funds.



THE PRIMARY LOAN

LOAN TYPE

The primary loan must be fixed rate with a duration equal to or in excess of thirty (30) years. The Program Administrator will rely on the Primary Lender's decision to make a loan as evidence of creditworthiness, repayment ability, and dependability of income.

INTEREST RATE

Primary loan rate of interest shall be fixed (not an adjustable rate mortgage, ARM) at current market rate.

LOAN TERM

The primary loan shall be fixed and fully amortized and have a term "all due and payable" in no fewer than 30-years. There shall not be a balloon payment due before maturity date of the Program loan.

IMPOUND ACCOUNT

All households will be required to have an impound account for the payment of property taxes and homeowner's insurance to ensure they remain current.

THE PROGRAM LOAN

MAXIMUM AMOUNT OF PROGRAM ASSISTANCE

The amount of Program assistance to a homebuyer toward purchase price of a home shall not exceed the lesser of \$50,000 or ten percent of the purchase price of the home.

NON-RECURRING CLOSING COSTS

Non-recurring closing costs are not considered part of the purchase price of the home but **may** be paid with the Program loan.

RATE AND TERMS FOR PROGRAM LOAN

All Program assistance to individual households shall be made in the form of a deferred payment loan. Below are the two types of payments that are allowed on the Program loan. Homebuyer **must** select one type of payment for their program loan.

(1) Principle & Compound Interest Deferred Payment.

Program loans of this type shall be for at least as long as the primary loan but no less than 30-years. The interest rate shall be 3% per year compounded annually. All program loan payments of principle and interest shall be deferred.

(2) Shared Resale Value

Program loans of this type shall be for at least as long as the primary loan but no less than 30-years. Shared resale value, in lieu of accrued interest and principle, shall be paid by determining the program loan's percentage contribution to the original sales price and multiplying that percentage by the current sales price **or** the current appraised value if the accelerating event is other than the sale of the property.

(3) PAYMENTS ARE VOLUNTARY

Borrowers may begin making voluntary payments at any time in accordance with applicable loan conditions.

OWNER OCCUPANCY RESTRICTIONS

The property is restricted to owner occupancy for the 30-year term of the loan. If, during the loan period the property is sold, title is transferred to someone other than the original spouse, the property becomes a rental, or the borrower is in default of any terms of loan agreements, the loan becomes due and payable along with any interest due.

CONDITIONS / PROPERTY INSPECTIONS AND DETERMINING NEED FOR REPAIRS

- (a) A clear pest inspection report is required for each housing unit and smoke and carbon monoxide detectors must be installed if not in place.
- (b) If assisted homebuyer is acquiring and rehabilitating a home as part of the first lender's mortgage loan, such as a 203k, the housing unit must be free from any defects that pose a danger to the health and safety of occupants before occupancy. The construction inspector must inspect the housing unit again at project completion and must meet standards and local codes and ordinances.
- (c) Housing unit size shall be sufficient to meet the needs of the homebuyer household, without overcrowding. Generally, this means not more than two persons per bedroom or living room.

TO APPLY

Applications will be processed on a first-come-first served basis. Only completed applications will be considered. Application must be signed and dated and include a primary lender's pre-approval letter, fully executed purchase agreement for an eligible property and all required documentation per checklist for program. Please use for program submission a Typed Fannie Mae Residential Loan Application signed and dated by all borrowers. Please also provide an up-front Transmittal Form 1008. Written underwriter initial approval from 1st lender due within 30-days of initial accepted program application. Pre-qualification / approval is valid for (90) days subject to availability of funds at the time an executed purchase agreement for an eligible property and all required documentation is submitted.

FOR ADDITIONAL INFORMATION, PLEASE CONTACT:

**Gina Jones (cell) 530-386-4986 Email: gkjones@sierrabusiness.org
Sierra Business Council: 10183 Truckee Airport Rd. Ste 202. Truckee, Ca. 96161
P.O. Box 2428, Truckee, Ca. 96160**