



Housing Trust Silicon Valley (“HTSV”) Closing Cost Assistance (CCAP) Program

Program Description: The Housing Trust Silicon Valley’s Closing Cost Assistance Program may be used for down payment and/or closing costs.

- The maximum loan amount is **5% of the purchase price up to \$20,000**.
- The interest rate on the loan is 3% simple interest per annum.
- Payment of principal and interest is deferred until expiration of the term, or sale, transfer, or refinancing of the property.
- The loan term is 30 years.
- Minimum borrower contribution of 3% for this financing. At least 50% of the required borrower contribution must come from the borrower’s own funds.
- Combined loan-to-value for this program cannot exceed 100%.
- The CCAP loan program requires the borrower(s) to occupy the home as their principal residence.
- There is a \$300 loan application fee, due to Housing Trust Silicon Valley at submission.
- There is a loan origination fee of 2% of the CCAP loan amount, due at close of escrow.
- The property must be located in one of the following cities in Santa Clara County: Campbell, Los Gatos, Milpitas, Mountain View, or Sunnyvale.

The Closing Cost Assistance Program is funded by donations from local corporations, foundations, governments and citizens.

Eligibility Requirements:

1. The borrower(s) must be a first-time homebuyer. First-time homebuyer is defined as having NOT owned a home as a principal residence in the past three years.
2. The gross annual household income of the borrower(s) does not exceed 120% of the Area Median Income in Santa Clara County (see the chart below). Gross annual household income includes income of all persons 18 and older who will be living in the house.

The HUD Part 5 Definition of Income will be used. Income includes salary, overtime, bonuses, tips, interest, dividend income, alimony, child support, net business income, IRA distributions, pensions and annuities, net rental income, royalties, partnership income, trust income, farm income, unemployment compensation, and Social Security Benefits.

Table of 120% AMI by Household Size							
1	2	3	4	5	6	7	8
\$89,300	\$102,050	\$114,800	\$127,550	\$137,750	\$147,950	\$158,150	\$168,350

3. The borrower's total "Front-End" Housing Cost to Income Ratio cannot exceed 38%. Housing Cost includes all principal and interest payments, property taxes, insurance and private mortgage insurance premiums, if any. Total monthly Housing Cost must not be greater than 38% of the borrower's total monthly household income. For moderate-income households, the monthly housing cost must be at least 28% of total monthly household income.
4. The borrower's "Back-End" debt to income ratio cannot exceed 45%. This means that when all of a homebuyer's debts are added up, including the Front-End Debts (including first and second mortgage principal and interest payments, property taxes, property insurance and Private Mortgage Insurance (PMI), if applicable), *plus* any car payments, credit card payments and any and all other debts, loans, charge accounts, and business expenses, if applicable, etc., those total monthly payments added together must not be greater than 45% of the homebuyer's Total Monthly Household Gross Income.
5. The borrower(s) must have a FICO credit score of 640.
6. The borrower(s) must complete an eight-hour homebuyer education class from a HUD-approved counseling agency. **Online classes are not acceptable.**
7. **The property must be located in one of the following cities in Santa Clara County: Campbell, Los Gatos, Milpitas, Mountain View, or Sunnyvale.**
8. The property will be the primary residence of the borrower(s).
9. The first mortgage loan must be a 30-year, fixed-rate amortizing mortgage.
10. The borrower(s) must make a minimum contribution of 3% of the purchase price.
11. The borrower's post-closing liquid assets cannot exceed \$60,000.
12. The borrower(s) have a signed purchase agreement (for the loan property).
13. The close of escrow date is no more than 120 days and no less than 21 days from date of application.
14. CCAP cannot be layered with BEGIN or CHDAP loans.

Loan Repayment Terms: The CCA loan is a 3% simple interest deferred loan payable in full on the maturity date of the First Loan, or upon any sale, transfer, assignment, default or refinance of the first loan, or change to non-owner occupancy status, whichever occurs first. There is no prepayment penalty. Owner occupancy is required.

Application Process: Borrower(s) who meet the eligibility requirements listed above can apply for a CCA Loan, as follows:

1. Meet with a Lender or Broker to review the loan program requirements and the loan application process.
2. Complete and sign the CCA Loan Application Form.
3. The borrower(s) must submit the most recent three years of signed Federal Income Tax returns with W-2s, the two most recent and consecutive paystubs for all household members over the age of 18, two most recent and consecutive bank statements and an explanation of the source of funds being used for the borrowers contribution.
4. The borrower(s) must submit written Verification of Employment forms for all household members 18 and over who are earning income.
5. The borrower(s) must submit a copy of the credit report.
6. Complete a Uniform Residential Loan Application (Fannie Mae Form 1003, available through your lender/broker), and have the lender/broker sign it. Submit Uniform Underwriting and Transmittal Summary (Fannie Mae 1008).
7. Submit a copy of the Automated Underwriting System (AUS) approval.
8. Submit a copy of the Preliminary Title Report for the loan property, and wiring instructions regarding the wire transfer of funds (from the Title Company).
9. Submit a copy of the signed Purchase Agreement for the loan property.
10. Submit a copy of the appraisal on the property.
11. Submit a copy of Deed Restrictions on the property, if any.
12. Submit a processing fee (check made payable to Housing Trust Silicon Valley) in the sum of \$300.00 (**this is a non-refundable fee**). NO REFUNDS WILL BE ISSUED AFTER HTSV HAS MAILED DISCLOSURES.
13. Lender/broker packages the documents referenced in 2 - 11 above and submits with a check for the processing fee to HTSV via mail or courier. **NOTE: The Loan Application Package must be submitted to HTSV by the lender.**
14. The loan application package must be received at HTSV no more than 120 days and no less than 21 days from close of escrow date.

Loan Underwriting: Once the application has been determined to be complete, the underwriting process will commence. The Housing Trust will approve or deny the application within 3-4 business days of the date of application completion.

When an application is complete, the borrower and property have been determined to be eligible, and the borrower(s) have completed the one-on-one counseling session with HTSV staff, the Housing Trust will issue a Loan Commitment Letter.

The Housing Trust may require additional borrower's contribution if the applicant has a bankruptcy, foreclosure or short sale in the credit history. The Housing Trust reserves the right to deny an application because of bankruptcy, foreclosure, or short sale.

If the loan application is denied and applicant disagrees with the decision of the Housing Trust, they have the right to appeal by requesting an appeal form from the Homebuyer Programs Specialist.

The Closing Cost Assistance Program is currently available in one of the following cities in Santa Clara County: Campbell, Los Gatos, Milpitas, Mountain View, or Sunnyvale. The Housing Trust will limit the amount of closing cost funds available in each jurisdiction in order to ensure geographic distribution of loans throughout the County.

Loan Documents: Loan document request must be in writing (email) to the Loan Administrator. The Housing Trust requires at least 48 hours notice. Upon confirmation from the title company that the first lender's loan documents are in title, the Housing Trust will send our loan documents out.

Funding: The Housing Trust will not fund a CCA loan without receiving a HUD-1 Estimated Buyer's Statement from the Title Company prior to funding. The Housing Trust reserves the right to reduce the amount of the Closing Cost Assistance Loan based on the Estimated Statement.

The borrower(s) are not permitted to receive more than \$500 cash back at closing. Any funds received by the borrower(s) must be due to excess deposit as a result of over-estimation of title and escrow charges. Borrower(s) must meet Housing Trust minimum borrower contribution requirement. Failure to meet this requirement may result in the loan officer being disqualified from submitting any future application for Housing Trust programs.

The Housing Trust Closing Cost Assistance Loan will be subordinate to the First Mortgage. The Closing Cost Assistance Loan **shall be no lower than third position** in lien priority.

Upon receipt of a complete funding package from the title company and verification that all required funding conditions have been met, the Housing Trust will need at least 24 hours to fund.