



Imagine What Down Payment Assistance Can Do for YOU!

Madera County
"Assist-to-Own" Program



Relationship of County to GSFA



- California Joint Powers Authority (Public Entity)
 - Formed in 1993
 - Consists of 38-Member Counties
 - County Supervisor on Board of Directors
- Mission:
 - Support affordable housing and social and economic well-being of CA residents
- Provide financing for:
 - Residential home purchases & refinances
 - Combine standard Mortgage Loans w/ Down Payment Assistance (DPA)



FHA, VA, USDA and Conventional Mortgage Loan Financing



\$647.3 Million in Down Payment Assistance Provided



84,400+ Homebuyers Assisted To-Date

The Benefits of Homeownership

Positive Impact on Families and Communities(1)

- Improves stability in neighborhoods
- Increases educational achievement
- Increases civic engagement
- Improves physical and psychological health
- Correlates to crime reduction

Financial Impact on Individuals

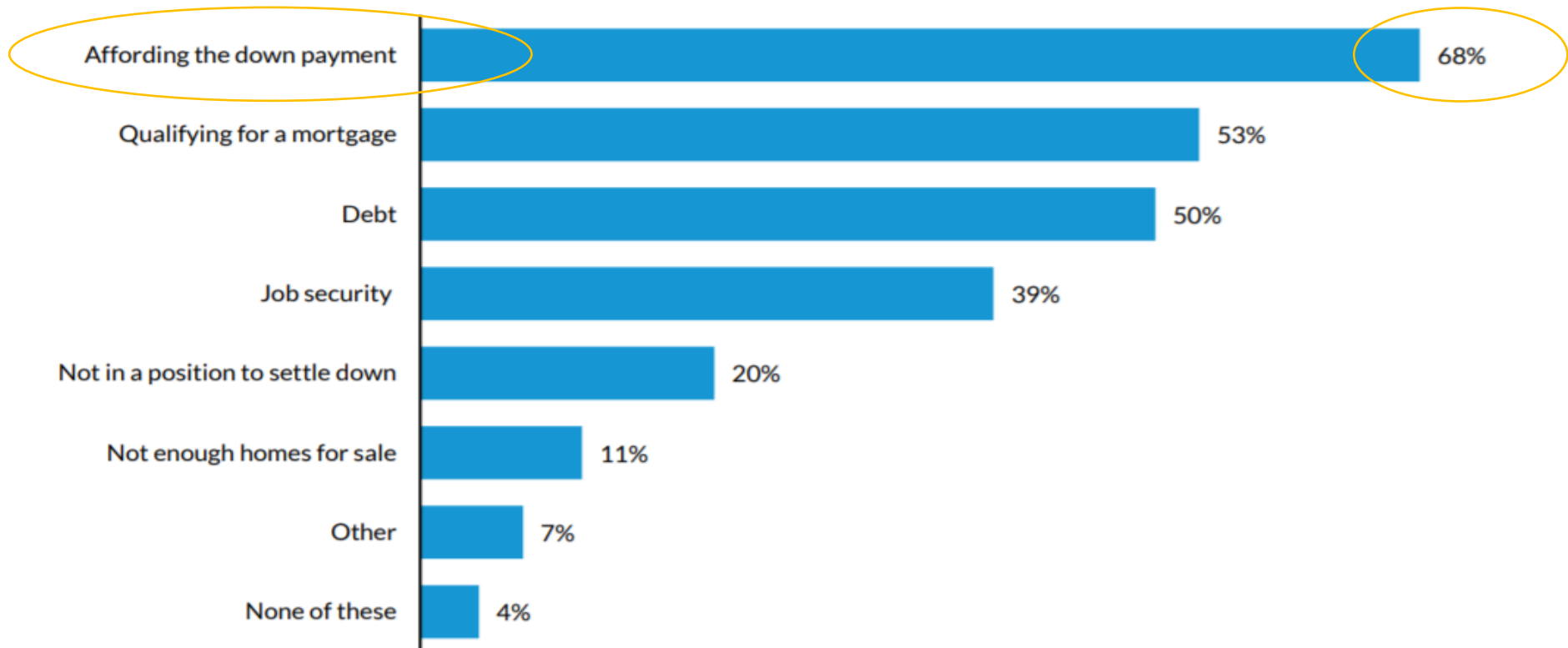
- Real estate is a large factor in net worth
- Median Homeowner 40X more net worth

| Homeownership Status | Median Net Worth ⁽²⁾ |
|----------------------|---------------------------------|
| Owens a home | \$255,000 |
| Doesn't own a home | \$6,300 |

(1) 2016 study by the National Association of Realtors® (2) Federal Reserve 2019 Survey of Consumer Finances

Barriers to Homeownership

What Are the Major Barriers to Homeownership?



Sources: 2018 Zillow Housing Aspirations Survey and the Urban Institute.

Madera County "Assist-to-Own" Program



- For Employees of Madera County
- Provides DPA up to 5.5%
- Qualifying is easy
 - Don't have to have perfect credit
 - Don't have to be a first-time homebuyer
- Purchase or refinance anywhere in California



Program Sponsored by:
GSFA and County of Madera, a GSFA Member County

Down Payment Assistance (DPA) – Amount & Terms

Primary Assistance (3.5%)

(To cover most, if not all, of the required down payment)

- 3.5% of 1st Mortgage Loan Amount
- Deferred 2nd Mortgage Loan
 - No monthly payments
 - 0% note rate (accrues no interest)
 - Repaid upon sale, refinance or at end of 30-year 1st Mortgage Loan term

Additional Assistance (Up to 2%)

(Additional money, usually to help with closing costs)

- Up to 2% of 1st Mortgage Loan Amount
- Form of a Gift
 - This portion does not have to be repaid
 - Subject to market availability
 - Factored into rate of the 1st Mortgage Loan

**This presentation contains program highlights only. See GSFA or a GSFA Participating Lender for complete program guidelines, interest rates, APR and loan applications.*

The Impact of Down Payment Assistance

Example
(\$450,00 Sales Price)



\$436,500
Conventional 1st Mortgage
(97% Loan-to-value)

\$13,500
Down Payment Requirement
(3% of Purchase Price)

\$15,277
Primary DPA from GSFA
(3.5% of 1st Mortgage)

Up to \$8,730
Additional DPA from GSFA
(Up to 2.0% of 1st Mortgage)

\$24,007
(5.5% of 1st Mortgage)

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Use of DPA - Guidelines



- Eligible Uses for DPA Funds
 - Down Payment
 - Closing Cost
 - Applied toward the 1st Mortgage
- DPA can be combined with
 - Homebuyer's cash
 - Gift funds from family/friend
 - Other programs (subject to guidelines)

EXAMPLE ONLY

| | |
|-------------------------------|-----------|
| Sales Price | \$450,000 |
| Gift from family | \$5,000 |
| Borrower's Cash | 5,000 |
| GSFA DPA | 24,000 |
| Total Down | \$34,000 |
| 1 st Mortgage Loan | \$416,000 |

**Contains program highlights only. See a Participating Lender for complete guidelines, interest rates and APRs.*

Guidelines: Mortgage Loans / FICO & DTI

- 30-Year fixed rate 1st Mortgage Loans
 - FHA, VA, USDA
 - Purchases only
 - Conventional Freddie Mac HFA Advantage
 - Purchase or refinance
- Maximum 1st Mortgage Amount
 - \$647,200
 - No purchase price limits



**Contains program highlights only. See a Participating Lender for complete guidelines, interest rates and APRs.*

Occupancy and Property Guidelines

- Occupancy
 - Owner-occupied only
 - No second homes or rentals
 - Non-occupant co-borrowers allowed with FHA financing
- Eligible Properties
 - 1-4 units, townhomes, condos
 - Manufactured homes w/ FHA
- Eligible Jurisdiction
 - Anywhere in California



**Contains program highlights only. See a Participating Lender for complete guidelines, interest rates and APRs.*

Guidelines: Mortgage Loans / FICO & DTI



- FICO Score Requirement
 - All Loan Types = 640 minimum
- Maximum Debt-to-Income (DTI) Ratios
 - Conventional/FHA
 - 45% maximum for FICOs below 680
 - Up to 50% for FICOs 680 and higher
 - VA/USDA
 - 45% maximum

**Contains program highlights only. See a Participating Lender for complete guidelines, interest rates and APRs.*

Guidelines: Income Limits

| Mortgage Type | Limit/Info |
|--|--|
| FHA, VA loans | GSFA has no income limits |
| USDA Loans | GSFA follows Loan Agency guidelines |
| Conventional Loans Income Limits are VERY flexible (Low-to-moderate). Based on qualifying income only. Based on where the Property is located. | Approximately 180% of Area Median Income (AMI) Examples: Madera, Mariposa, Merced and Fresno Counties = \$182,880 Note: Borrowers with income \leq 80% AMI <ul style="list-style-type: none">• More attractive pricing• Lower Mortgage Insurance Requirements/Cost |

How to Get Started



Contact a GSFA Participating Lender

- Approved by GSFA
- Experienced in GSFA Programs
- Furnishes guidelines, interest rates and APRs
- Helps borrower determine which program/DPA is the best fit
- Processes applications
- Processes the loan

Additional Resources

- GSFA Website
www.gsfahome.org
 - Program Information
 - List of ALL Participating Lenders
 - Educational Videos
 - Educational Events (Virtual & Live)
- GSFA Client Relations
 - M-F 8:00 AM – 5:00 PM PT
 - Toll-free: (855) 740-8422
 - Email: info@gsfahome.org

Our Goal is to Help Employees Build Financial Security Now



DPA, a Tool to Buy Now

- Home prices continue to rise
- Interest rates continue to rise
- Rents continue to rise
- How long will it take to save up for a cash down payment?

(1) According to the California Association of REALTORS®, California's median home price is forecasted to rise 5.2 percent to \$834,400 in 2022, following a projected 20.3 percent increase to \$793,100 in 2021.

GSFA DPA Example (from slide 6)

| | |
|--|-------------------------|
| Sales Price | \$450,000 |
| 3% Down Required on a Conventional Loan | \$13,500 |
| If you saved \$300 per month... length of time to save \$13,500 = | 45 months or 3.75 Years |
| Estimated Equity Increase ⁽¹⁾ for 3.75 years | \$125,770 |

Don't Just Take Our Word...

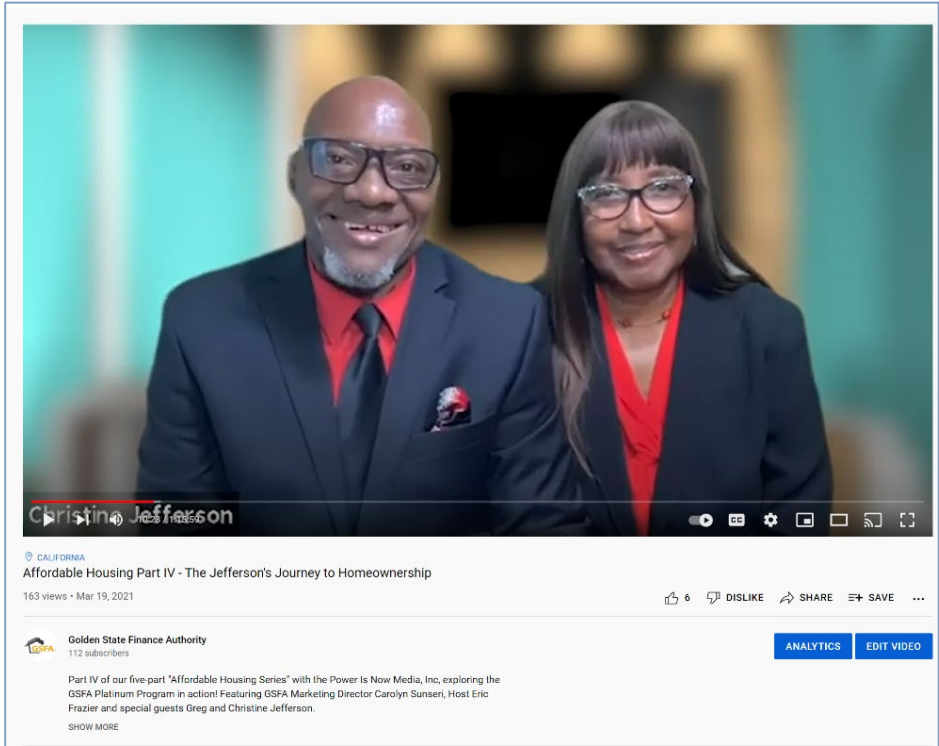
"It was almost impossible to afford a home in the Bay Area. We were paying \$2,100 for a 1-bedroom apartment in the San Jose area. With our 2 children, there just was not enough space! Your grant made our dreams come true.

– Edwin Miranda - San Joaquin County, Feb 2021



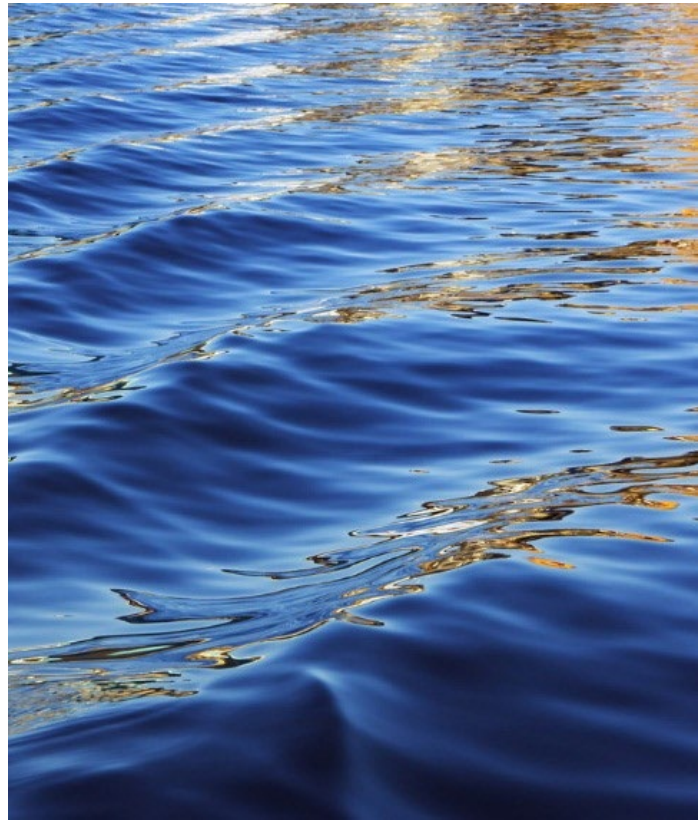
"Journey To Homeownership" Video Series

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The “Assist-to-Own” Down Payment Assistance Program is sponsored by GSFA, a duly constituted public entity and agency, and managed by National Homebuyers Fund, Inc., a non-profit public benefit corporation and Instrumentality of Government under Internal Revenue Service code section 115.

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