

## City of Shasta Lake Homebuyer Program

Thank you for your interest in the City of Shasta Lake's Homebuyer Program (HP). The program is designed to promote homeownership for low income, first time homebuyers. Homebuyer Assistance is in the form of a deferred loan (second mortgage), not due and payable until the sale or transfer of the property, or 30 years, whichever occurs first. The amount of assistance **cannot exceed \$56,500**.

### Purchase Price

The purchase price of the house cannot exceed **\$165,000**. The individual participants maximum purchase price will be calculated based on the maximum first mortgage amount and HP assistance (HP Assistance will be based on purchaser's need and available housing stock).

### Loan Terms

The City's **0%** loan is deferred, 30-year loan, secured by a promissory note and deed of trust. No payments are required as long as the home remains the primary residence of the qualified low income, first time homebuyer.

The City's note becomes due and payable when the home owner sells the property, rents the property, or 30 years, whichever occurs first. The note becomes due and payable upon cash-out refinance.



EQUAL HOUSING  
OPPORTUNITY

This program is available to all persons regardless of race, color, religion, sex, handicap, familial status, or national origin. (reasonable accommodation will be made for those with disabilities.)

### FOR MORE INFORMATION

City of Shasta Lake  
1650 Stanton Drive  
PO Box 777  
Shasta Lake, CA 96019

Visit us on the web:  
[www.cityofshastalake.org](http://www.cityofshastalake.org)

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## Applicant Eligibility

### Income:

Eligible participants must have gross annual incomes at or below 80 percent of the median income for Shasta County:

Family Size	Maximum Annual Income
1	\$30,700
2	\$35,100
3	\$39,500
4	\$43,850
5	\$47,400
6	\$50,900
7	\$54,400
8	\$57,900

State CDBG/HOME Income Limits FY2014 (May 1, 2014)

### First-Time Homebuyer:

Eligible participants (both applicant and co-applicant) must meet one of the definitions of a first time homebuyer as described below:

1. Applicant(s) shall not have owned a home except a mobile home not affixed to permanent foundations, during the three years prior to applying for assistance under the HP Program. or
2. A displaced homemaker who, while a homemaker, owned a home with his/her spouse. A displaced homemaker is an adult who has not, within the preceding 2 years, worked on a full time basis as a member of the labor force for a consecutive twelve-month period and who has been unemployed or under employed, experienced difficulty

obtaining or upgrading employment and worked primarily without remuneration to care for his/her home and family; or

3. A single parent who, while married owned a home with his/her spouse or residing in a home with spouse. A single parent is an individual who is unmarried or legally separated from a spouse and has one or more minor children for whom the individual has custody, or joint custody, or is pregnant; or
4. An individual or individuals who owns or owned as a principal residence during the 3 year period before the purchase of a home with assistance, a dwelling unit whose structure is:
  - a. Not permanently affixed to a permanent foundation in accordance with local or state regulations; or
  - b. Not in compliance with state or local building codes and cannot be brought into compliance for less than the cost of replacement.

### **Additional Requirements:**

1. Borrower must provide a minimum of **3% of the home purchase price** to apply towards the down payment and closing costs (can be gifted from a family member).
2. Debt to Income Ratio's and Credit: Front End Ratio shall be between 25%-32%; Back End Ratio shall be between 28-42%. Credit history is also a factor in the approval of a loan.

3. Borrower(s) must attend an approved homebuyer training sponsored by the following agency:

***Joe Rodola – Instructor – Contact Program Staff for Current Schedule***

### **Selection of Home:**

The home selected must be located within the City limits of Shasta Lake. The Home must be owner occupied or a vacant unit. For sale rental property occupied by a current tenant is not eligible for HP, unless the current tenant will be the home purchaser.

Single family dwellings, condominiums, and manufactured homes are eligible for purchase under HP. Any dwelling purchased with assistance under HP must be on a permanent foundation and must be appropriate size and number of bedrooms for the number of persons in the purchaser's household.

The City will inspect the dwelling for Code compliance. Any violations of these standards must be corrected prior to the City's final loan approval.

### **Monitoring**

The City of Shasta Lake housing staff will monitor annually to ensure the home has remained the program participant's primary residence. This monitoring will require applicants to certify owner occupancy, taxes, and insurance compliance annually.