

# County of Monterey

## First Time Homebuyer Program Realtor Packet

### **This packet includes the following information and forms:**

1. Realtor Summary
2. Lending Guidelines
3. Loan Processing Summary
4. Property Selection and Eligibility Checklist (Required Form)
5. Disclosures to Seller with Voluntary Arm's Length, Purchase Offer (Required Form)
6. Seller's Occupancy Certification

The following forms deal with Lead Based Paint and can be found on the web at

<http://www.co.monterey.ca.us/EconomicDevelopment/housing-first-time-home.shtml>

1. Sample Lead-Based Paint Contract Contingency Language
2. Lead-Based Paint Visual Assessment, Notice of Presumption and Hazard Reduction Form
3. Notice of Lead Hazard Evaluation
4. Lead Paint Information Pamphlet
5. Lead Hazard Evaluation Report – required for pre-1978 construction.

### **Documents we will need from you:**

1. Property Selection and Eligibility Checklist
2. Disclosures to Seller with Voluntary Arm's Length Purchase Offer
3. Purchase Contract (with lead based paint disclosures and contingency language if home is pre-1978 construction)
4. Appraisal
5. Home Inspection Report
6. Pest Inspection Report
7. Lead Based Paint Inspection reports (if home is pre-1978 construction)
8. Lead Based Paint Disclosures (if home is pre-1978 construction)
9. Lead-Based Paint Visual Assessment, Notice of Presumption and Hazard Reduction Form (if home is pre-1978 construction)

**County of Monterey**  
**First Time Homebuyer Program**  
**Realtor Summary**

**Applicant Intake:**

1. Contact Lender for a copy of the Initial Eligibility Review and Determination Form that contain the maximum purchase price for which the Applicant will qualify.

**Property Selection:**

1. Assist the Applicant in locating a property that meets County guidelines and the client's price range as established on the Initial Eligibility Review Determination Form.
2. Contact the County for clarification of any questions prior to submitting a Purchase Agreement to the Seller.
3. Complete Property Selection and Eligibility Checklist and email/fax to County and Lender.
4. Complete Acquisition Notice to Seller; Notice to Sellers of Existing Homes and Sellers Occupancy Affidavit, as appropriate, and provide to Sellers.
5. Provide copies of the signed Purchase Agreement, Disclosures and Notices to Lender and to County.
6. Contact the County prior to opening escrow with applicant's deposit.
7. Provide Preliminary Title Report is to all parties.
8. Schedule required inspections. Submit reports to County and Lender as appropriate.

**Financing Approval:**

1. County reviews Property Selection and Eligibility Checklist and inspection reports to determine property eligibility and notifies all parties of findings.
1. Lender underwrites loan and notifies applicant, County and realtor of approval / denial.
2. County Loan Committee reviews loans and approves Loan amount.
3. Escrow instructions are submitted to the Title Company. Documents are drawn and signed by the applicant.
4. Applicant deposits remaining down payment into escrow.
5. Lenders fund loans. Documents are recorded.
6. Escrow closes.

## County of Monterey First Time Homebuyer Program Lending Guidelines

Household income cannot exceed 80% of the Area Median Income (AMI). Due to grant requirements, the County must document the income of all household members over 18-years of age (whether or not they will be signing the first mortgage) when determining eligibility for the First Time Homebuyer Program. The AMI figures are published annually by the California Department of Housing and Community Development (HCD). The current AMI figures are:

80% AMI by Household Size*								
Persons	1	2	3	4	5	6	7	8
Income	\$45,600	\$52,100	\$58,600	\$65,100	\$70,350	\$75,550	\$80,750	\$85,950

\*Effective June 15, 2017

### Loan Amounts

The Maximum Loan Amount may not exceed the lesser of the maximum loan amount, 20% of the purchase price, or the amount needed as determined by underwriting criteria. The maximum purchase prices and loan amounts are:

<b>Sub-Area: un-incorporated areas only</b>	Maximum Purchase Price	Maximum FTHB Loan
North County	\$333,000	\$66,600
South County	\$333,000	\$66,600
Salinas Area	\$333,000	\$66,600
Peninsula	\$333,000	\$66,600
Marina/Seaside/Ft. Ord	\$333,000	\$66,600

The County's Housing Loan Committee may approve exceptions in the loan amounts up to 10% above the standard limit on a case-by-case basis upon review of the applicant's circumstances and County funding priorities such as supporting farm workers, people with disabilities, and the elderly.

### Down Payment Requirements

A minimum 3.5% down payment of the purchase price is required for the FTHB loan unless the borrower demonstrates extreme financial hardship. Exceptions may be granted for special terms of other subsidized financing such as sweat equity or buyer investment in property repairs prior to close of escrow. CalHFA down payment assistance loans, in particular, are encouraged.

- An outright gift of funds to the borrower is acceptable for the down payment if the donor is a relative, employer, charitable organization, government or quasi-governmental agency or friend not otherwise party to the sales transaction.
- Loans for the required down payment from collateralized sources, such as retirement funds, life insurance, and deposited funds, are allowable as long as repayment of such loans may be provided by liquidating the asset which is the collateral.

**Housing Debt-to-Income Ratio**

In general, the total of principal and interest payments, real estate taxes, hazard insurance premiums and homeowner's association dues should be no less than 25% and no more than 30% of the household's income.

**Total Debt-to-Income Ratio**

- In addition to housing costs, the following types of liabilities are to be included in the calculation of total debt-to-income: installment loans, revolving charge accounts, child support, alimony, and any other debt lasting more than 12 months.
- Revolving accounts are calculated at five percent (5%) of the current balance unless the account shows a specific minimum payment.
- Contingent liabilities are included unless a 12 to 24 month history demonstrating payment by another party is provided.
- The total debt-to-income ratio should not exceed 42% unless there are substantial compensating factors.

**County of Monterey**  
**First Time Homebuyer Program**  
**Loan Processing Summary**

**Applicant Intake:**

1. Applicant completes Program Interest Form and returns it to County
2. County completes initial eligibility screening and sends out Letter with Lender and Realtor Packets
3. Applicant contacts lender and real estate agent.
4. Lender interviews applicant, discusses First Time Homebuyer eligibility requirements and has applicant complete the Applicant Certification of Eligibility form.
5. Lender reviews information, and completes Initial Eligibility Review and Determination form.
6. If the applicant appears to meet all requirements, the lender will assist the applicant in completing standard loan application forms and order a credit report. The applicant is responsible for paying any fees for the report.
7. The lender forwards copies of the Initial Eligibility Review and Determination form to the County and to the applicants' realtor.

**Loan Processing:**

1. Applicant enters into a purchase agreement and submits completed application and documentation.
2. Lender follows standard CalHFA processing and verification procedures.
3. Upon completion of loan underwriting, the Loan Package Checklist and all required forms and documentation are forwarded to the County for review.

**Loan Approval:**

1. Loan is approved by lender.
2. Loan Committee reviews staff recommendation for First Time Homebuyer Loan.
3. County notifies Lender of approval.

**Loan Closing:**

1. Lender and County prepare Escrow Instructions.
2. Title Company schedules loan document signing with borrowers.
3. Borrower schedules loan document signing with County.
4. Borrower and Lender and County deposit funds into escrow.
5. Documents are recorded.

# County of Monterey

## First Time Homebuyer Program Property Selection and Eligibility Checklist

1. Contact Information:

**Applicant Name:** \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Telephone: ( \_\_\_\_\_ ) \_\_\_\_\_

Fax and Email: \_\_\_\_\_

Number of persons in Household: \_\_\_\_\_

**Realtor Name:** \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Telephone: ( \_\_\_\_\_ ) \_\_\_\_\_

Fax and Email: \_\_\_\_\_

**Title Company:** \_\_\_\_\_

Escrow officer: \_\_\_\_\_

\_\_\_\_\_

Escrow number: \_\_\_\_\_

Telephone: ( \_\_\_\_\_ ) \_\_\_\_\_

Fax and Email: \_\_\_\_\_

2. Property Description:

Address: \_\_\_\_\_

APN: \_\_\_\_\_

Date of Construction: \_\_\_\_\_

Type of Single-family Residence: \_\_\_\_\_

Number of Bedrooms: \_\_\_\_\_

Number of Baths: \_\_\_\_\_

Square Footage: \_\_\_\_\_ sq. ft.

Lot Size: \_\_\_\_\_

Zoning: \_\_\_\_\_

Occupancy: \_\_\_\_\_

New Construction       Existing

3. Purchase Agreement Summary

Date of Agreement: \_\_\_\_/\_\_\_\_/\_\_\_\_

Days to Close of Escrow: \_\_\_\_\_

Purchase Price: \$ \_\_\_\_\_

Deposit: \$ \_\_\_\_\_

4. Required Forms:

- Acquisition Notice to Sellers
- Notice to Sellers of Existing Homes-not required for new construction
- Lead Hazard Evaluation Report for pre-1978 construction (DHS 8552 must be completed.)

5. Inspection Requirements

- Pest Inspection
- Lead Hazard Inspection for pre-1978 construction
- Lead Hazard Clearance
- Property Inspection Utilizing Section 8 Housing Quality Standards

**Eligibility Review**

**Staff Use Only**

- 1. APN in unincorporated area verified in \_\_\_\_\_
- 2. Zoning Verified in \_\_\_\_\_
- 3. Relocation Requirements met \_\_\_\_\_
- 4. Lot Size under limit \_\_\_\_\_
- 5. Notice reviewed \_\_\_\_\_
- 6. Pest Report Accepted \_\_\_\_\_
- 7. Lead Hazard Inspection Report Review \_\_\_\_\_
- 8. Lead Hazard Clearance \_\_\_\_\_
- 9. HQS Inspection \_\_\_\_\_
- 10. Other \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



# COUNTY OF MONTEREY

## First Time Homebuyer Program Disclosures to Seller with Voluntary Arm's Length Purchase Offer

### Declaration

This is to inform you that \_\_\_\_\_ (“Buyer”) would like to purchase the property, located at \_\_\_\_\_, if a satisfactory agreement can be reached. We are prepared to pay \$ \_\_\_\_\_ for a clear title to the property under conditions described in the attached proposed contract of sale.

Because Federal funds may be used in the purchase, we are required to disclose to you the following information:

1. The sale is voluntary. If you do not wish to sell, Buyer, thru the agency, \_\_\_\_\_ (name of agency/Sponsor), will not acquire your property. Buyer does not have the power of eminent domain to acquire your property by condemnation (i.e. eminent domain) and the \_\_\_\_\_ (agency/Sponsor) will not use the power of eminent domain to acquire the property.
2. The estimated fair market value of the property is \$ \_\_\_\_\_ and was estimated by \_\_\_\_\_, to be finally determined by a professional appraiser prior to close of escrow.

Since the purchase would be a voluntary, arms length, transaction, you would not be eligible for relocation payments or other relocation assistance under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), or any other law or regulation. Also, as indicated in the contract of sale, this offer is made on the condition that no tenant will be permitted to occupy the property before the sale is completed.

Again, please understand that if you do not wish to sell your property, we will take no further action to acquire it. If you are willing to sell the property under the conditions described in the attached contract of sale, please sign the contract and return it to us at: \_\_\_\_\_ . If you have any questions about this matter, please contact \_\_\_\_\_ at \_\_\_\_\_.

Sincerely,

\_\_\_\_\_

Title

\_\_\_\_\_

Buyer

\_\_\_\_\_

Date

\_\_\_\_\_

Buyer

\_\_\_\_\_

Date

Form continues on next page with Seller's Acknowledgment

# COUNTY OF MONTEREY

## First Time Homebuyer Program Disclosures to Seller with Voluntary, Arm's Length, Purchase Offer Page 2

### Acknowledgement

As the Seller, I/we understand that \_\_\_\_\_  
(inspector's name or business) will inspect the property for health and safety deficiencies. I/we also understand that public funds may be involved in this transaction and, as such, if the property was built before 1978, a lead-based paint disclosure must be signed by both the buyer and seller, and that a Visual Assessment will be conducted to determine the presence of deteriorated paint.

As the Seller, I/we understand that any agreement I make with Buyer to sell the property is completely voluntary. Also as the Seller, I/we understand that under Monterey County's program, the property must be currently owner-occupied, vacant for four months at the time of submission of purchase offer, new (never occupied), or where the renter is purchasing the unit. I/we hereby certify that the property is:

Vacant at least 4 months;  Owner-occupied;  New; or  Being Purchased by Renter Occupant

*I/we hereby certify that I have read and understand this "Declaration" and  
 a copy of said Notice was given to me prior to the offer to purchase.*

*If received after presentation of the purchase offer, I/We choose  
 to withdraw or  not to withdraw, from the Purchase Agreement.*

\_\_\_\_\_  
*Seller*

\_\_\_\_\_  
Date

\_\_\_\_\_  
*Seller*

\_\_\_\_\_  
Date

