



COUNTY OF SAN DIEGO DOWNPAYMENT & CLOSING COST ASSISTANCE (DCCA) PROGRAM

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PROGRAM OVERVIEW

Effective May 1, 2011

Buyer:

- ◆ You must occupy the property as your primary place of residence.
- ◆ You must contribute a minimum of **one percent (1%)** of the purchase price from your own funds.
- ◆ You must not have owned a home or been on title of a home within the last three years.
- ◆ You must complete a HUD Approved Homebuyer Education class. Call 1-800-308-2227, ext. 4806, for upcoming classes.
- ◆ The total gross annual income of the entire household must not exceed 80% of the San Diego County Area Median Income (AMI).
- ◆ You must receive the **maximum** first mortgage loan for which you qualify. DCCA loan cannot exceed 33% of total purchase price.
- ◆ You must also apply for a County of San Diego Mortgage Credit Certificate (MCC), if MCC's are available, except when the purchase is also financed with assistance from the California Housing and Finance Agency.

Property Guidelines:

- ◆ The property must be located within the DCCA jurisdictional boundaries.
- ◆ The property may be New or Resale: single-family detached unit, condominium, townhouse or a manufactured home on a permanent foundation.
- ◆ The purchase price and the appraised value of the property may not exceed **\$451,250**, subject to periodic updates.
- ◆ The property must be vacant or occupied by the seller/owner, or the DCCA applicant; and must not have been vacated by the previous renters within the last 30 days.
- ◆ The property must be free from any health & safety defects and Lead-based paint hazards. Prior to final loan approval, a Housing Quality Standards (HQS) inspection will be conducted by county staff to verify condition of property. Proof of initial building permit or issuance of a Certificate of Occupancy must be provided.
- ◆ Occupancy Ratio: No more than 2 people per living space (living space includes bedrooms, living room, family room, den/study).
- ◆ You must obtain flood insurance – if the property is located in a flood plain.

DCCA Loan Amounts and Jurisdictional Areas:

- ◆ Up to \$35,000 or 33% of the purchase price, which ever is smaller, at 3% simple interest in the Unincorporated Areas of the County of San Diego and the cities of: Coronado, Del Mar, Imperial Beach, Lemon Grove, Poway, and Solana Beach.

Loan Terms:

- ◆ Maximum DCCA Loan amount of up to **\$35,000** or 33% of the purchase price, which ever is smaller.
- ◆ No monthly payments are required.
- ◆ The interest is accrued annually at **3% simple interest**, per year.
- ◆ Repayment is deferred until the borrower refinances (except a FHA Streamline), sells, pays off the first mortgage, or no longer occupies the property as their primary residence. The loan repayment will be one payment of the original principle loan amount plus any accrued interest.
- ◆ **Prohibited loans and terms:** Negative-Amortization; Stated Income; Adjustable Rate Mortgage (ARM) – when ARM Rate changes within the first 3 years; Interest-only loans; and, if the Front-End ratio is **below 30% or over 38%** or the Back-End ratio is **over 45%**.

How to Apply:

1. You must complete a HUD Approved Homebuyer Education class. Please call (800) 308-2227, ext. 4806, for a schedule of upcoming classes.
2. Select a lender and schedule an appointment. Inform the lender that you are interested in the County of San Diego DCCA **and** County of San Diego Mortgage Credit Certificate (MCC) Programs.
3. The lender will pre-qualify you for the DCCA and MCC Programs.
4. After meeting with a lender, locate a property that meets the DCCA Program requirements, and make an offer.
5. When the property goes into a 60-day escrow, the lender completes the DCCA paperwork.
6. The lender submits your DCCA Loan Application to the County of San Diego.