

Family Self-Sufficiency News

First Time Homebuyer's Program

The County of San Diego offers a Down Payment and Closing Cost Assistance Program (DCCA) to eligible First-Time Homebuyers. We currently offer a deferred second loan of up to \$70,000. This loan earns a simple 3% annual interest and you do not pay it back until you refinance, move, sell or pay the primary mortgage off. Our program is available for homes being purchased in the unincorporated area of San Diego County or in the cities of Coronado, Del Mar, Poway, Imperial Beach, Lemon Grove or Solana Beach.

Interested buyers must be able to contribute 1% of the purchase price of the home from their own funds. Family Self-Sufficiency graduates that have received funds from their escrow accounts can use the money towards the down payment of the home.

Interested buyers do not apply directly for this program. You can contact a lender and they can pre-qualify you for the primary mortgage as well as other loans you might be eligible for. They will complete all necessary paperwork on your behalf.



Program information can be found on our web site at www.sdhcd.org or you can call Bonnie Petrach at (858) 694-4810.

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Living Wage Rates

A living wage is the minimum required to sustain livable conditions, which include: rent, food and necessities. California has a current minimum wage of \$8.00 an hour and the living wage for one adult in San Diego is \$12.70 an hour. The following chart contains living wage rates in San Diego:

Hourly Wage:	Living Wage	Minimum Wage
One Adult	\$12.70	\$8.00
One Adult, One Child	\$20.30	\$8.00
Two Adults	\$16.20	\$8.00
Two Adults, One Child	\$24.84	\$8.00
Two Adults, Two Chil-	\$31.16	\$8.00

For more information on budgeting and expected expenses for families visit the Living Wage Calculator: www.livingwage.geog.psu.edu

Neighborhood Stabilization Program (NSP)

The County of San Diego currently offers a deferred second loan of up to \$50,000 for qualified buyers purchasing qualified foreclosed homes. This loan earns a simple 3% annual interest and you do not pay it back until you refinance or it is no longer your primary place of residence. The loan becomes a grant if you occupy the home as your primary place of residence for 15 years.

Our program is available for homes being purchased in specific census track blocks. A list of these areas can be found on our web site at www.sdcounty.ca.gov/sdhcd/organizations/nsp_home_ownership.html


If you are interested in purchasing in the City of San Diego, El Cajon, Escondido, Vista or Chula Vista, you will need to contact that city directly for a list of their programs.

Your family must also meet the income limit. For example, a family of four must be able to put down 2.5-5% of the purchase price of the home from your own funds depending on the amount you will be borrowing under this program.

The purchase price must be at least 1% under the appraised value of the home and the appraisal must be done within 60 days of the purchase.

In order to utilize the program you must first qualify for a primary mortgage. You can contact a lender and they can pre-qualify you for your primary mortgage as well as other loans you may be eligible for. The lender will complete all the necessary paperwork on your behalf for the NSP program after you have property in escrow. The program qualifications and other information can be found on our web site www.sdhcd.org.

If you have any questions call Bonnie Petrach at 858.694.4810 or contact her via e-mail at: Bonnie.Petrach@sdcounty.ca.gov


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Coordinator's Corner

Escrow News

Escrow is defined as a contact, deed or bond kept in the possession of a third person by whom it is to be delivered to a given party upon the fulfillment of some condition.

The escrow account we hold for you is based on your earned income and five year contract that you signed at the beginning of your FSS participation. The conditions for fulfillment of your contract are your goals which you plan to complete in the five year term. These goals include becoming employed full time and eliminating any

cash welfare assistance (TANF).

The concept of the escrow account may still be confusing to some participants so we would like to provide you with a brief reminder of how the FSS escrow account works.

Every time there is an increase in your earned income from wages, there is an increase in your portion of the rent. Once you begin to pay an increased rent portion, the difference in the housing assistance payment is placed in your escrow account. Even though

your portion of the rent has increased because of your new income, you save money in your escrow account which you can receive at the end of the contract term. The best part is that your escrow account will be tax free!

You may use your escrow funds any way you wish, including a down payment on a home. To receive your escrow account you must be in the program for five years and you must have completed all your goals.

For more information on the escrow account please contact the FSS team at 858.694.8709



Building Better Neighborhoods

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Homeownership Preparation Steps

There are various ways to approach homeownership; without a solid foundation of facts and proper direction, you may be left signing a contract you do not want. The following steps will help you stay on course.

- **Get Prepared**

The first step in buying a home is determining your budget and how much you can afford. Knowing how much you can afford in mortgage payments will help determine what homes are in your price range.

- **Get Pre-Qualified or Pre-Approved**

Pre-qualification is an informal agreement between you and your lender. The lender gives their opinion on how much they think they are able to lend you based on the income information you have provided to them. There is no charge to get pre-qualified and you are under no obligation to get a mortgage loan with the lender that pre-qualifies you.

Pre-approval is more serious. The lender will check your credit history, employment information, assets and liabilities. If you are concerned that you might not qualify for a mortgage, it is highly recommended that you

first go through prequalification.

- **Hire a Realtor**

It is optional to hire a realtor, but there are definitely advantages to having one. Look for someone who is familiar with the area where you plan on buying a home.

- **Decide what you need in a home**

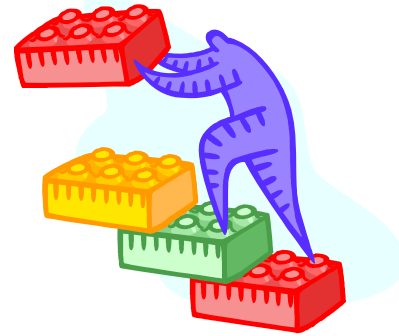
Make a list of the features that are important to you when you are house hunting.

- **Make an offer**

Once you've located the home you want, make an offer. Work with your realtor to determine a fair offer. A serious offer typically requires a deposit of initial funds (usually a few thousand dollars that goes toward the overall down payment) given to "open escrow." This represents a show of good faith that you are serious about the deal. You will also complete a purchase and sale agreement, which explains the terms of your offer and any contingencies. The lender will require an appraisal and title search to ensure there are no outstanding liens on the house and that the value of the home will support the necessary loan.

- **Get a Home inspection**

This will uncover any major repairs that need to be fixed before you close escrow.



- **Shop for Homeowners Insurance**

You can save money on homeowners insurance a number of ways. Discounts from your insurance company are available for a wide variety of reasons, ranging from the type of building material used to build your home to how close you live to a fire station. These discounts will vary by state and insurance company.

- **Sign the papers**

When the offer is accepted by the seller, it's time to close the loan. You will meet with your lender in person to finalize the paperwork.

Article content courtesy of San Diego County Credit Union

Family Self-Sufficiency Triple Workshop



The Family Self-Sufficiency (FSS) program is offering a workshop that will provide valuable information on:

- credit repair
- financial literacy
- homeownership preparation

This workshop will benefit all FSS participants by providing higher understanding of financial literacy and budget management. **By attending this workshop you will complete the course requirement listed on your goals.** FSS participants planning

on becoming first time homebuyers are expected to have a good credit standing when purchasing a home. After attending this workshop you will better understand your credit and what actions you can take to improve your credit score.

The workshop will be held on

Saturday, July 18, 2009

9:00 am to 1:00 pm

3989 Ruffin Road San Diego, CA

Space is limited so reserve your seat by contacting one of the FSS team

representatives at 858.694.8709 or e-mail

Joanna.Robles@sdcounty.ca.gov or

Julia.Hylton@sdcounty.ca.gov

The Family Self-Sufficiency program is devoted to resource development and to provide you with necessary information to assist you in achieving your goals in education, career and homeownership preparation.

We appreciate your participation. If you have any questions please don't hesitate to call the FSS team at 858.694.8709.

Tips to Increase Your Credit Score

The recent volatility of the financial industry has made it more difficult to qualify for a home loan. Here are some simple steps to increase your credit score and enhance your ability to qualify for a home loan..

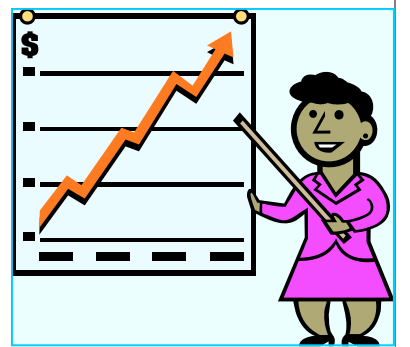
- Pay down the balance on your credit cards. The closer you are to your limit on a credit card, the more impact it has on your score. For example, if you have a visa card with a \$1000 limit, and you owe \$992, you have used up 99.2%

of your available credit. Pay that down to increase your available credit and your score will move up.

- Don't close the cards once you pay them off. The credit bureaus reward you with a higher score when you have available credit. Closing a \$5000 Visa without a balance takes away a huge chunk of available credit. Leaving that account open without a balance shows you have a resource for funds if needed.

- Don't let accounts become 30 days overdue. A payment that is 15 days late may cost you a hefty late fee, but being 30 days late on an account will cost you a ton of points on your credit report. Put a budget together and get your accounts paid before 30 days.

If you have no choice but to be late, pay the biggest balances first, and work down to the smallest.



Article content courtesy of San Diego County Credit Union

Family Self-Sufficiency Scholarship Program

Scholarship eligibility:

- Be enrolled in our Family Self-Sufficiency Program with a contract end date no earlier than January 30, 2010.

- Be enrolled in a two- or four-year college or university, technical school, or vocational school for the Fall 2009 semester or quarter

- Provide verification that you are registered/enrolled in classes for Fall 2009. A copy of a current class schedule will be acceptable.

- Complete and return the enclosed application, including the essay.

If you, or a member of your household, are interested in this scholarship opportunity, please submit your application and the required items no later than **August 17, 2009.**

If you have more than one

student in your household who would like to apply for this scholarship, you may photocopy the application.

If you have any questions or require an application, please feel free to contact the FSS Team by phone (858) 694-4823. Thank you for your participation in this program..

**Spring 2009
Scholarship Winners!**

The Department of Housing and Community Development is proud to have awarded its first academic scholarships to FSS families.

The first scholarship opportunity was offered for the Spring 2009 academic calendar and was successfully received by two FSS program participants. HCD congratulates FSS Participants Maria

and Cassandra as the winners of the Spring 2009 FSS Scholarship Award!

Cassandra attends Vandercook College of Music in Chicago and hopes to become a conductor.

Maria is a single mother of two attending the University of Phoenix. She attends online classes in pursuit of an AA degree in Criminal Justice. Maria says; "my main goal is to help, and fight for troubled, neglected and abused children. I would like to thank the FSS program for opportunities like this to help further individuals education."

We are proud of our winners and encourage all FSS participants going to school to apply for our 2009 Fall FSS Scholarships!