

CITY OF MERCED

"Gateway to Yosemite"



City of Merced BEGIN Program

The City of Merced Housing Division has received \$660,000 for the 2007 BEGIN Program (Building Equity and Growth in Neighborhoods) from the State of California Department of Housing and Community Development. These funds will be used to provide mortgage assistance loans to 22 qualified first-time homebuyers in a subdivision called "Silverleaf" at Bellevue Ranch.

PROGRAM QUALIFICATIONS:

1. Eligible Households (From BEGIN Program Guidelines – May 21, 2007)
 - a. First-Time Home Buyer and intent to occupy the home as principal place of residence.
 - b. Household Income – Moderate Income and Lower Income.
 - i. Moderate Income: Family income does not exceed 120% of the area Median (see table on the last page). Sixteen (16) loans available for Moderate-income.
 - ii. Lower-Income: Family income does not exceed 80% of the area Median. (See table on the last). Six (6) loans available for Lower-income.
2. The assistance to the homebuyer will be in the form of a deferred payment loan with a 30 year term and three percent (3%) deferred simple interest
3. Maximum Loan amount: \$30,000 or twenty percent (20%) of the purchase price, whichever is less.
4. Applicant must not have owned a home for at least the last three years.
5. Applicant must provide cash contribution equal to at least one percent (1%) of the sales price of the home. The cash contribution must be "applicant's own funds,"

and cannot be borrowed or be part of a rebate from the seller. FHA or Conventional lender guidelines can be used for determining “applicant’s own funds.”

6. Applicant must be able to qualify for a first mortgage loan for the amount of the home less the BEGIN funds.
7. Applicant must have lived in the City of Merced for the last six (6) months. Exception will be given to retirees or those having primary business or job in the City. In case of too many applicants, priority will be given to those with higher prior residency in the City.
8. The home to be purchased is located in the “Silverleaf at Bellevue Ranch” subdivision.

CONDITIONS:

1. The home must be owner occupied within the first five years after the date of recordation of the deed of trust securing the BEGIN funds. If you sell your home or rent it out within 5 years of purchase, you must repay the BEGIN loan upon the sale.
2. The BEGIN loan is assumable by another low or moderate income buyer after five years from the date of recordation of the deed of trust securing the BEGIN loan.
3. In any loan transaction in which the BEGIN loan is the only secondary financing, the Borrower cannot be restricted from sell in the home at its fair market value at any time. Subsequent buyers, unless assisted with a BEGIN loan under this Program, do not need to meet the Eligible Household requirements set forth above.
4. The loan amount shall be based on the guidelines set here in order for the applicant to purchase the property. The City loan is for down payment and closing costs and is not intended to be a portion of the “Primary Mortgage Loan.” It is expected that the applicant will purchase a house that is in-line with their borrowing power as determined by income and credit history.

PROCEDURES

1. The applicant (borrower) will obtain a BEGIN application for the City of Merced Housing Program.
2. Applicants will be processed in order of “readiness of contract.”
3. The applicant will be screened for basic eligibility requirements.

4. The primary mortgage lender will pre-qualify:
 - a. That “borrower’s own funds” are not less than 1% of the sales price, and that the request for City funds meets the required guidelines of the BEGIN Home Buyer Assistance Program.
 - b. Letter of loan pre-approval. (Desktop Underwriter (DU) approval to prove qualifying ratios, credit worthiness and income documents for verification process).

5. When the applicant has secured a house to purchase, and received the primary loan approval, the City of Merced shall grant final approval of its loan.

MAXIMUM QUALIFYING INCOME GUIDELINES (Moderate Income)							
Number of Persons in Household							
1	2	3	4	5	6	7	8
\$43,300	\$49,400	\$55,600	\$61,800	\$66,700	\$71,700	\$76,600	\$81,600

MAXIMUM QUALIFYING INCOME GUIDELINES (Low Income)							
Number of Persons in Household							
1	2	3	4	5	6	7	8
\$28,850	\$32,950	\$37,100	\$41,200	\$44,500	\$47,800	\$51,100	\$54,400

The program description in this handout is only to provide partial information. The subsequent loan documents issued through this program, contain the legal language that outlines applicant’s responsibility under the loan.

CITY OF MERCED HOUSING DIVISION
678 W. 18TH STREET
MERCED, CA 95340
PHONE: (209) 385-6863 (TDD 209-385-6816)



CITY OF MERCED

**BEGIN FIRST TIME HOME BUYER ASSISTANCE PROGRAM
 APPLICATION**

APPLICANT INFORMATION

Applicant's name (Last) (First) (MI)		Home Phone ()		
Present Address	City	State	Zip Code	# Years
Social Security Number - -		Date of Birth / /		
Marital Status () Married () Single () Divorced () Widowed () Separated				
Source of Income: () Employment () Public Assistance () Pension () Social Security () Child Support () Other () SSI () Alimony			Total Monthly Gross Income \$	
Name and Address of Employer			Business Phone ()	
Position/Title			Years at Job	

CO-APPLICANT INFORMATION

Co-Applicant's name (Last) (First) (MI)		Home Phone ()		
Present Address	City	State	Zip Code	# Years
Social Security Number - -		Date of Birth / /		
Marital Status () Married () Single () Divorced () Widowed () Separated				
Source of Income: () Employment () Public Assistance () Pension () Social Security () Child Support () Other () SSI () Alimony			Total Monthly Gross Income \$	
Name and Address of Employer			Business Phone ()	
Position/Title			Years at Job	

ALL OTHER HOUSEHOLD MEMBERS

NAME	SOCIAL SECURITY	SE X	DATE OF BIRTH	GROSS MONTHLY INCOME
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	#			
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
(Attach an additional sheet if necessary)				
TOTAL GROSS INCOME OF ALL OTHER HOUSEHOLD MEMBERS				\$
TOTAL NUMBER OF PERSONS IN THE HOUSEHOLD				

OTHER QUALIFICATIONS

Have you owned a home in the past 3 years?	() Yes () No
Have you resided within the city limits of Merced for the last full 6 months from the date of this application?	() Yes () No
If not a residence for the past 6 months, are you a retiree or do you have a primary business or job in the city limits of Merced?	() Yes () No

SUBSIDIZED HOUSING INFORMATION

This information is confidential and is only used for government reporting purposes and will not have any bearing on your loan approval.

Are you currently living in subsidized housing, i.e. Section 8 housing?	() Yes () No
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RACE/ETHNICITY

This information is confidential and is only used for government reporting purposes to monitor compliance with equal opportunity laws. You are not required to furnish this information. The law provides that a Lender may neither discriminate on the basis of this information, nor on whether you choose to furnish it. However, if you choose not to furnish it, under Federal regulations this Lender is required to note race on the basis of visual observation or surname.

RACE OF HOUSEHOLD

- White
- Black/African American
- Asian
- American Indian (Native of the Americas i.e. North, Central, or South America.) or Alaska Native
- Native Hawaiian or Pacific Islander
- American Indian (Native of the Americas i.e. North, Central, or South America.) or Alaskan Native **AND** White
- Asian **AND** White
- Black/African American **AND** White
- American Indian (Native of the Americas i.e. North, Central, or South America.) or Alaska Native **AND** Black/African American
- Other multi-racial

HISPANIC Yes No

APPLICANT’S CERTIFICATION

I certify that all information on this application is true and correct to the best of my knowledge and I understand that any deliberate falsifications are grounds for rejection of this application. I consent to allow verification of any information herein contained.

Applicant’s Signature

Co-Applicant’s Signature

Print Name

Print Name

Date

Date

ADDITIONAL ITEMS TO BE SUBMITTED WITH THIS APPLICATION

1. Current payroll stubs for the past 3 months or a current year to date payroll stub. If on SSI, Social Security, AFDC, or any other grant, please bring in your grant letter.
2. Signed copies of your Federal Tax Returns and W2’s for the last 3 years.
3. Rental agreement(s) covering the last 6 months. If the rental agreement(s) is not available, you may bring in a service statement from the local PG & E office verifying where you have had PG & E service for the last 6 months, or a letter from your landlord.

**PLEASE SUBMIT TO:
CITY OF MERCED HOUSING PROGRAM
678 W. 18TH STREET
MERCED, CA 95340**



THE HOUSING FINANCIAL DISCRIMINATION ACT OF 1977

FAIR LENDING NOTICE

It is illegal to discriminate in the provision of or in the availability of financial assistance because of the consideration of:

1. Trends, characteristics or conditions in the neighborhood or geographic area surrounding a housing accommodation, unless the financial institution can demonstrate in the particular case that such consideration is required to avoid an unsafe and unsound business practice: or
2. Race, color, religion, sex, marital status, national origin or ancestry.

It is illegal to consider the racial, ethnic, religious or national origin composition of a neighborhood or geographic area surrounding a housing accommodation or whether or not such composition is undergoing change, or is expected to undergo change, in appraising a housing accommodation or in determining whether or not, or under what terms and conditions, to provide financial assistance.

These provisions govern financial assistance for the purpose of the purchase, construction, rehabilitation or refinancing of one- to four-unit family residences occupied by the owner and for the purpose of the home improvement of any one- to four-unit family residence.

If you have any questions about your rights, or if you wish to file a complaint, contact the management of this financial institution or the Department of Real Estate at one of the following locations:

2550 Mariposa Mall, Suite 3070
Fresno, CA 93721-2273

320 W. 4th Street, Suite 350
Los Angeles, CA 90013-1105

1515 Clay Street, Suite 702
Oakland, CA 94612-1462

2201 Broadway
P.O. Box 187000 (mailing address)
Sacramento, CA 95818-7000

1350 Front Street, Suite 3064
San Diego, CA 92101-3687

ACKNOWLEDGMENT OF RECEIPT

I (we) received a copy of this notice.

Signature of Applicant

Date

Signature of Applicant

Date

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