

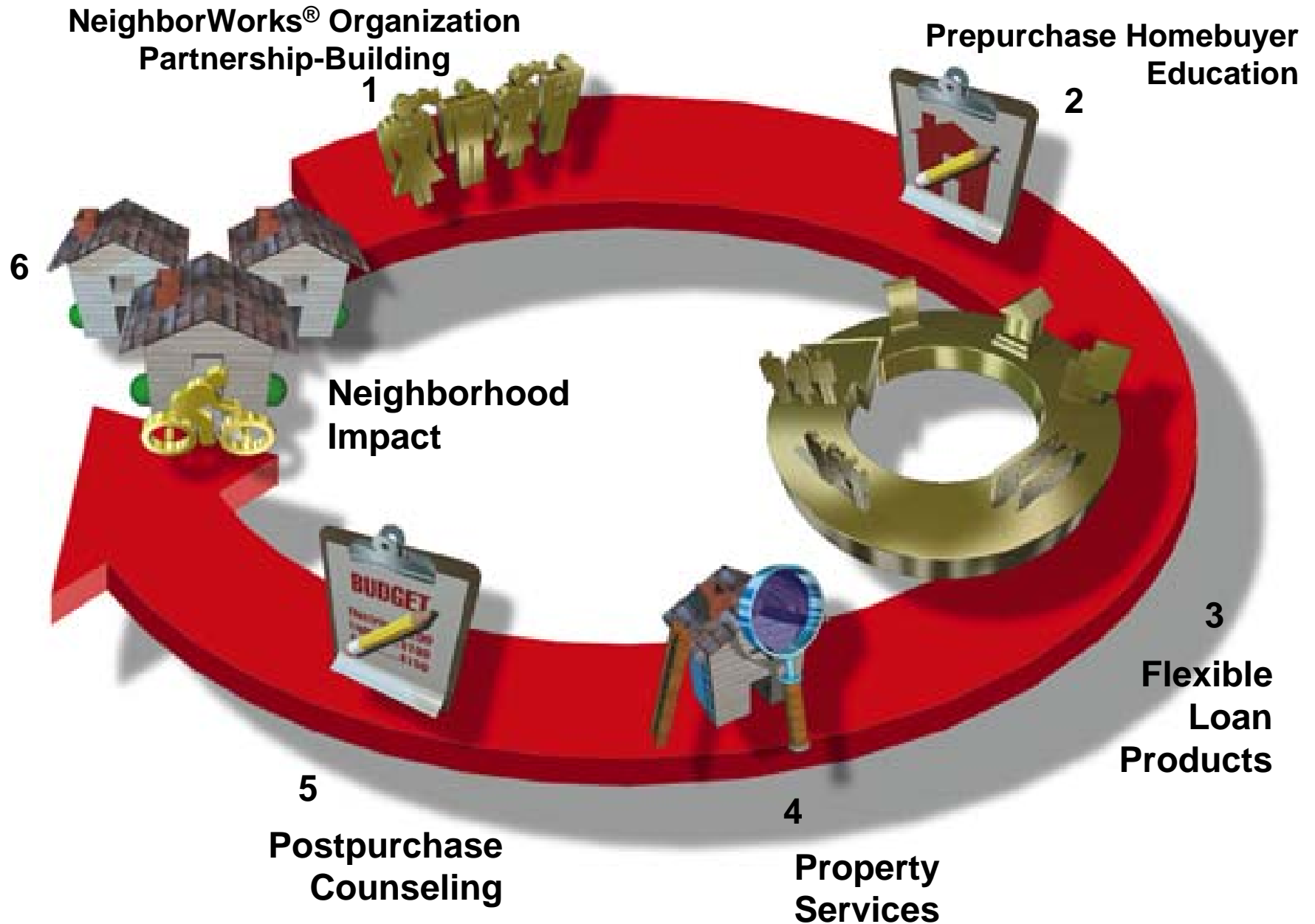


Realizing the American Dream

Are You Ready to Buy a Home?

Presented by
J R Wheelwright of
Neighborhood Housing Services
Silicon Valley

NeighborWorks® Full-Cycle Lending Process





Neighborhood Housing Services Silicon Valley

- **Counseling** – First time homebuyer, & credit
- **Lending Needs:**
 - Flexible lending products
 - Direct lender with CalHFA
- **Real Estate Services** available
 - Existing Home Purchases
 - New Home Purchases
- **Administer** Santa Clara Below Market Program,
Union City Home Venture Fund &
Cupertino City Teacher Program



HomeChoice Program

- Program designed to assist low to moderate income first time homebuyers who have disabilities or have family members with disabilities living with them.
- Program consist of two loans
 1. Fannie Mae first loan, (Max \$417,000) and
 2. A CalHFA second mortgage (Chap) to be used as deferred down payment assistance.



Home Choice Eligibilities

- Disabled or have a family member with a disability living with them.
- Be a first time homebuyer.
- Occupy the property as primary residence.
- Borrower's income cannot exceed Calhfa income guidelines for designated county.
- Meet credit, income and loan requirements by Fannie Mae's HomeChoice Program.
- Require 1% of their own money to be used for down payment or closing cost.



Max. Allowable Household Income - 2005

■ Family Size 120% AMI

1 - \$88,620

2 - \$101,880

3 - \$114,600

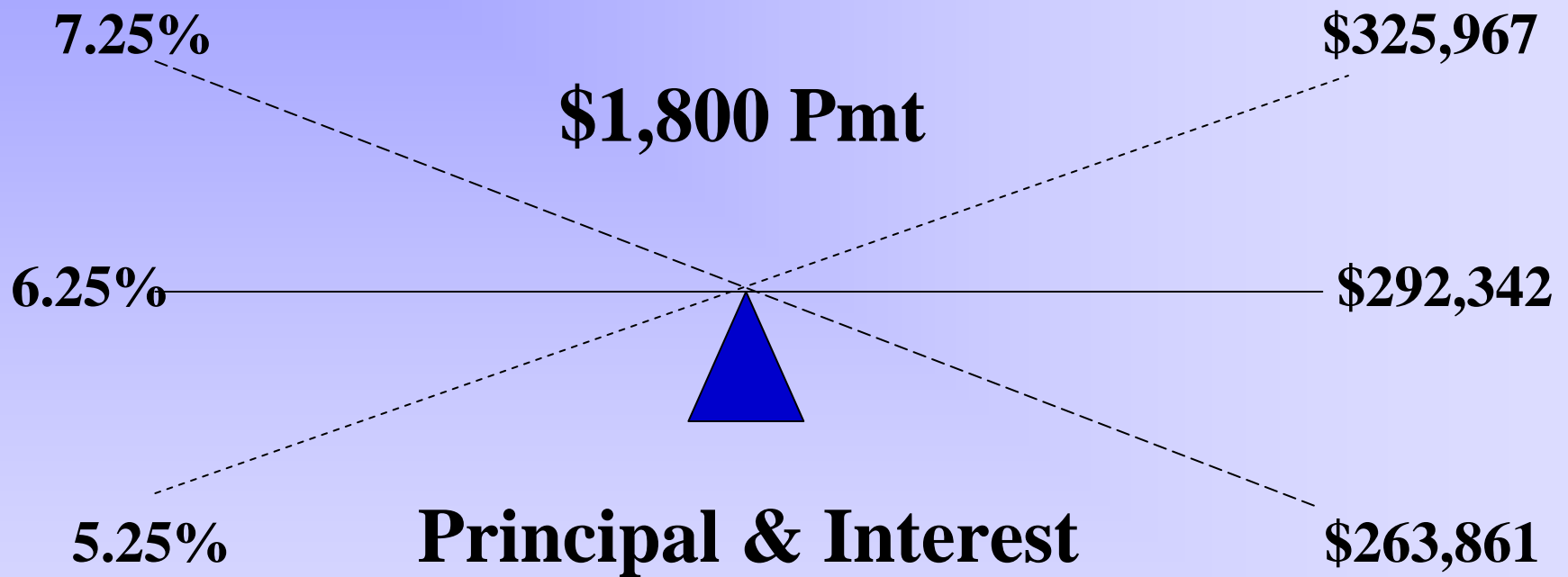
4 - \$126,600

5 - \$137,520

6 - \$147,720



Interest Rate Example





NEIGHBORWORKS®
CAMPAIGN FOR
HOME OWNERSHIP

2 • 0 • 0 • 2

Putting 110 families
a day on the road
to home ownership.

Mortgage Layers with Down Payment Assistance Loans

Mortgage	Layer	Interest	Payments
1st	CalHFA First Mortgage	5.25% or 5.00% *	Monthly
2nd	CalHFA - HiCap	7% Simple	Deferred
3th	San Jose Equity Share Program	Equity Share	Deferred
4th	CalHFA - ChDap, HiRap or ECTP	3% Simple	Deferred
5th	CalHOME **	3% Simple	Deferred
6th	Begin **	3% Simple	Deferred
7th	American Dream	3% Simple	Deferred
8th	HTSCC	0%	Deferred
9th	HVF - PS	5.95% Amortized	Monthly
	* 5.25% Moderate Income, 5.0% for Low income		
	** Project specific		



Cal HFA Loan Structure

\$325,000	1 st Mtg Cal HFA	5.00%	Payment
15,000	2 nd Mtg HiCAP	7.00%	<i>Deferred</i>
21,702	3 RD Mtg HiRap (6%)	3.00%	<i>Deferred</i>
25,000	4 th CalHome	3.00%	<i>Deferred</i>
6,500	5 th HTSCC	Zero Interest Deferred	
10,250	6th HVF-PS	6.5% Amortized loan Pmt	

\$405,000 Purchase Price

\$ 1804 Principal & Interest (combined 1st Mtg & 6th Mtg)

422 Property Taxes

300 HOA Dues

0 PMI

\$2,525 PITI Payment (.36% debt ratio = \$7,014 mo Income)

Annual Income \$84,167

(.41% debt ratio = \$6,250 mo Income)

Annual Income \$75,000



Strings to Loan Programs

- Federal Recapture Tax (CalHFA Loans)
 - If you sell within 9 years
 - Income is greater than Federal Limits
 - Adjust Gross Income + Interest wrote off in Year sold home
 - Less Taxable Gain (\$250K Single or \$500K Married)
 - Tax is based On a sliding scale years 1 thru 9

- NHSSV's HVF-PS Loan (Performing Subordinate Loan)
 - 6.5% fixed interest rate, fully amortized over 15 or 30 years
 - Requires that you use NHSSV loan officer
 - Requires that you use NHSSV Realtor



How to Reach Neighborhood Housing Service Silicon Valley

- Office location:
 - NHSSV
 - 1156 North Fourth Street
 - San Jose, CA 95112
 - 408-279-2600