



**HOME ACCESS PROGRAM
Policies and Procedures Manual
November 2024**

Table of Contents

I. Introduction3
II. Home Access Program Requirements.....4
III. Home Access Program7
IV. Application Road Map.....15
V. Guidelines for Program Eligibility.....16
VI. Post-Closing Activities..... 44

Exhibits

A. Home Access Program Policies and Terms Matrix 45
B. Eligibility Application and Purchase Transaction Timelines.....48
C. Part 5 (24 CFR 5.609) REV-1 06/07 Income Inclusions and Exclusions 49

I. Introduction

The Home Access Program (HOME ACCESS) is funded by Housing Trust Silicon Valley with its CalHome Reuse Funds. Housing Trust Silicon Valley was awarded a grant by the California Department of Housing and Community Development and now administers its Reuse Funds for down payment assistance to help first-time homebuyers purchase a home.

The Home Access Program is a down payment assistance program assisting lower income households in purchasing their home. The funds may be used for down payment assistance for a single-family home, town home, or condominium located in the following counties: Alameda County and Contra Costa County.

Housing Trust Silicon Valley manages the homebuyer eligibility, qualification process, the funding of the HOME ACCESS loans and the post-purchase compliance monitoring.

Housing Trust Silicon Valley is a non-profit organization and a secondary financing lender since 2000. Since its inception, the Housing Trust has helped over 2,700 homebuyers with down payment assistance loan programs. It is located at 75 East Santa Clara Street, Suite 1350, San Jose CA 95113. The office phone number is 408.703.3837 and the fax number is 888.466.2969.

The Policies and Procedures describe:

- Home Access Program Requirements and Obligations for Homeownership
- The Home Access Program eligibility requirement for homebuyers
- The procedures for the Home Access Program and the roles of each participant in the Home Access Program
- The Home Access Program documents and other useful reference material

Housing Trust Silicon Valley reserves the right to revise and change guidelines at its discretion.

II. Home Access Loan Program Requirements and Obligations for Homeownership

A. GENERAL PROGRAM INFORMATION

1. Program Description and Loan Terms - The Home Access Program (HOME ACCESS) applies to eligible low-income households purchasing a home in the program approved geographic areas. Eligible homebuyers may qualify for a deferred simple interest loan to supplement the borrowers' equity in the form of down payment. Deferred interest loans are second mortgages which require that homeowners repay not only the initial subsidy (HOME ACCESS loan) that they received, but also any accrued interest on the Home Access principal loan amount. The Home Access Program is designed so that the monthly housing costs are affordable for the low-income households. "Affordable monthly housing costs" means that the low-income household financial obligations for housing costs will not exceed 40% of the Area Median Income. Housing costs include the principal and interest on the Senior Loan, Home Access Program Loan, and any approved subordinate financing; property taxes and assessments; hazard insurance; property maintenance and repairs; a reasonable allowance for utilities and waste management; and homeowner association fees, if applicable.
 - a. The Maximum Program Loan Amount is 40% of the purchase price up to \$200,000, but no more than the minimum amount necessary to ensure affordable monthly housing costs when considered with other applicable financing and assistance.
 - b. The interest on the loan is 3% simple interest per annum.
 - c. The property must be located in Alameda County or Contra Costa County.
 - d. Maximum Property Sales Price by County will not exceed the "Median Sold Price of Existing Single-Family Homes" according to the most recent and available monthly Sales and Price Activity Report by County from the California Association of Realtors.
 - e. The Maximum Combined Gross Annual Household Income Limit by Household Size is 80% of Area Median Income (AMI) for the counties of Alameda and Contra Costa.

Alameda County								
Maximum Gross Household Income by Household Size (updated as of May 9, 2024)								
Household Size	1	2	3	4	5	6	7	8
Income Limit	\$84,600	\$96,650	\$108,750	\$120,800	\$130,500	\$140,150	\$149,800	\$159,500

Contra Costa County								
Maximum Gross Household Income by Household Size (updated as of May 9, 2024)								
Household Size	1	2	3	4	5	6	7	8
Income Limit	\$84,600	\$96,650	\$108,750	\$120,800	\$130,500	\$140,150	\$149,800	\$159,500

- f. An applicant Household's Combined Gross Annual Income cannot exceed the Area Median Income based on household size and by the county where the property is located.
- g. The borrowers must have a minimum middle FICO Score of 620.
- h. Acceptable property types include single-family residence, condominium, or townhome.
 - i. Property may be owner occupied or vacant. Tenant-occupied properties are not allowed.
- i. Minimum required borrower contribution is 3% of the purchase price. At least 50% of the required borrower's contribution must come from the borrower's own funds.
- j. The Senior Lender providing applicant borrowers' pre-approval letter must be a participating lender with Housing Trust's programs.

- k. Senior mortgage must be a fully amortized and fully documented thirty (30) year loan with a fixed rate.
- l. Minimum Loan to Value (Senior Lender) is 55%.
- m. Maximum Loan to Value (Senior Lender) is 80%.
- n. Combined loan to value (CLTV) cannot exceed 97%.
- o. The Maximum borrowers' Debt to Income ratios are 40% front-end ratio and 45% back-end ratio.
- p. Each HOME ACCESS loan is subject to the following terms and conditions for the life of the loan, see Exhibit #A- Terms and Policies Matrix.
 - i. The term of the loan is thirty (30) years.
 - ii. Principal and interest payments shall be deferred for the term of the Home Access Program loan.
 - iii. The loan is subject to 3% deferred simple interest per annum based on the unpaid Home Access Program principal loan.
 - iv. A borrower may pay the Home Access Principal Loan amount, in part or in whole, at any time without penalty. Payment is first applied to any accrued interest. Any remaining amount is then applied to the principal loan amount.
 - v. Housing Trust may agree to subordinate its security interest on a real estate loan when the purpose of refinance is to lower the interest rate of the senior mortgage thus lower the mortgage payment and the total indebtedness does not exceed ninety percent (95%) of the appraised value of the property. Cash out refinance is not allowed; this includes applying for a Home Equity Line of Credit.
 - vi. Loans shall be repayable upon sale or transfer of the property, when the property ceases to be owner-occupied, assignment of the Home Access Program deed of trust, default of the terms and conditions of the Home Access Program, default of the Senior Lender mortgage, refinancing to receive cash out, applying for a Home Equity Line of Credit, or upon the Home Access Program loan maturity date.
 - vii. Maturity Date Repayment - If it is determined by Housing Trust that repayment of the Home Access Program loan **at the maturity date** causes a hardship for the Borrower, Housing Trust has two other options. Each option may only be offered one time. They are:
 - (A) Amending the note and deed of trust to defer repayment of the amount due at Loan maturity, that is, the original principal and the accrued interest, for up to an additional 30 years (at 0 percent additional interest), or
 - (B) Converting the debt at Loan maturity, that is, the original principal balance and any accrued interest, to an amortized Loan, repayable in 15 years at 0 percent additional interest.
 - viii. The Eligible Household shall occupy or intend to occupy the property as their principal residence. The home, or any parts thereof, shall not be leased or rented by the homeowner to any person or entity. Owner occupancy is maintained through the term of the Home Access Program loan.
- q. Housing Trust will fund HOME ACCESS and will be the named lender/beneficiary in the HOME ACCESS financing documents.
- r. The Senior Lender and Applicants are responsible for understanding the terms and conditions of the Home Access Program for which the buyer is applying.
- s. Applicants may only apply for one Housing Trust loan per transaction unless otherwise indicated

- in a Housing Trust program's guideline.
- t. Funds are limited and the Housing Trust makes no guarantee that funds will be available. Funds will be available on a **first-come, first-complete basis** and only upon receipt of a complete purchase application package from a Program Eligible (Pre-approved) Applicant who is in receipt of a Program Eligibility (Pre-approval) Letter from Housing Trust.
 - i. Priority for reservations of funds will be given to borrowers with completed purchase loan application packages and will be processed in the order in which they are received.
 - ii. After Home Access Program funds are depleted, eligibility and purchase loan applications will no longer be accepted. Potential homebuyers will be referred to other Housing Trust programs if available.

 - u. Annual certifications - The Home Access Program requires yearly monitoring for the maintenance of hazard insurance, mortgage payments, property taxes and owner occupancy. The Eligible Household will comply with all requests for documentation, including responses to surveys, submission of mortgage and insurance documentation, and email or telephone calls from Housing Trust staff, etc. After purchasing the property, the homeowner must provide written annual certification that he/she:
 - i. is an owner-occupant and must maintain homeownership during the term of the Home Access Program loan by the filing of a homeowner's exemption with the County Assessor's Office in the county where the property is located. The home, or any parts thereof, shall not be leased or rented by the homebuyer to any person or entity.
 - ii. maintains hazard insurance (and flood insurance where applicable) in at least the amount of the replacement value of the improvements and name Housing Trust as an additional loss payee.
 - iii. maintains property taxes including any supplemental property taxes assessed by the county assessor's office.

B. EXPLANATION OF PRINCIPAL AND INTEREST ACCRUAL

HOME ACCESS loans are deferred simple interest loans which supplement a borrower's equity in the form of down payment assistance. These deferred simple interest loans are second lien mortgages which require that homeowners repay not only the initial subsidy (unpaid Home Access Principal Loan) that they received, but also any unpaid accrued interest.

No payments are required for thirty (30) years, unless the homeowner sells, refinances the home, or is in default of the terms of the program loan. At repayment, the principal and any accrued interest must be repaid. Full repayment of the Home Access Program loan and any accrued interest is due at the end of the thirty (30) year term which is the maturity date.

The specific loan terms related to the deferred principal and interest of the Home Access Program are described below.

1. Home Access Principal Loan. The Home Access Principal Loan is the loan amount borrowed by the homebuyer and applied as down payment towards the purchase of the property.

2. Deferred Simple Interest. A deferred simple interest of 3% per annum accrues based on the unpaid Home Access Principal Loan amount.

3. No Prepayment Penalty - No prepayment penalty- A borrower may pay the Home Access Principal Loan amount, in part or in whole, at any time without penalty. Payment is first applied to any accrued interest. Any remaining amount is then applied to the principal loan amount.

For example: \$100,000 (Home Access Principal Loan Amount) X 3% (Simple Interest per annum) = \$3,000 (Interest Accrued per year)

For example: Home is sold in Year 5 of loan:

- HOME ACCESS loan: \$100,000
- Home Access Loan Deferred Interest = $\$100,000(\text{Home Access Loan}) \times 3\% (\text{Deferred Simple Interest Rate}) = \$3,000 \text{ per year}$
- Total Deferred Interest Accrued = $\$3,000 \times 5 (\text{Years}) = \$15,000$
- Total Payment due: $\$100,000 (\text{Home Access Principal Loan}) + \$15,000 (\text{Total Deferred Interest Accrued}) = \$115,000$

III. Home Access Program (HOME ACCESS)

A. ADMINISTRATION

Housing Trust Silicon Valley (Housing Trust) manages the Home Access Program. This includes managing program eligibility applications, evaluating applicants during the application process, presenting informational webinars, and providing pre-purchase counseling. Housing Trust underwrites prospective buyers in accordance with the CalHome Program Guidelines and the Home Access Program, Policies and Procedures. Housing Trust facilitates with the close of escrow along with the engaged title company ("Title Company") and senior lien mortgage lender (a "Senior Lender"). Housing Trust Silicon Valley can be reached at:

Housing Trust Silicon Valley
75 East Santa Clara Street, Suite
1350 San Jose, CA 95113
Phone: (408) 703.3837 ext. 301
Fax: (888) 466.2969
Email: homebuyer@housingtrustsv.org
[http://housingtrustsv.org/programs/HOME ACCESS/](http://housingtrustsv.org/programs/HOME_ACCESS/)

B. APPLICANT STAGES

Prospective homebuyers are provided with a summary of the Home Access Program, which will include the program's requirements and contact information. Housing Trust Silicon Valley invites prospective homebuyers who express an interest in the program to complete a Pre-qualification intake form (online), offers pre-purchase counseling, and requires homebuyers to register for and complete the HUD-certified 8-Hour Homebuyer Education course with an approved agency. Housing Trust does not provide the HUD-certified 8-Hour Homebuyer Education class. It is highly recommended that interested applicants join the Homeownership Assistance Interest List on the Homeownership Assistance webpage.

The Pre-Qualification intake form provides a preliminary assessment of the prospective homebuyer's mortgage readiness and to develop a plan of action designed to move the homebuyer through the application and the home buying process. Housing Trust shall ensure that interested first-time homebuyers receive information

regarding the steps to homeownership and other program materials within a reasonable time after initial contact. The program eligibility application, program guidelines and program loan documents are also available on the designated Home Access Program web page.

It is highly recommended that interested first-time homebuyers review these guidelines and the program application to better understand the program requirements, required documentation, required funds, and the open application process. Interested applicants are invited to join a general interest list to receive program updates and notification of an upcoming Open Application Period. Applicants will fall into one of the following categories of "applicant".

1. *Interested Homebuyers* – Homebuyers interested in the program who have joined the Homeownership Assistance Interest List BUT HAVE NOT submitted a Pre-Qualification intake form (online). By joining the Homeownership Assistance Interest list, homebuyers receive up-to-date program information, webinar dates, and open application period announcements.
2. *Interested Applicants* – Applicants interested in the Home Access Program who complete a Pre-Qualification Intake form (online) and review the Housing Trust response email for next steps. Housing Trust will review the applicant’s intake form to determine if applicants meet the minimum requirements to be referred to a participating lender for pre-approval after the announcement of an Open Application Period. Minimum requirements include the completion of the required HUD-certified eight (8) hour homebuyer education course by all borrowers (including non-borrowing spouses) with certificates uploaded to staff, household income appears to be within the program income limits, and applicants indicate they have the necessary funds for down payment, closing costs and reserves. It is important for interested applicants to follow the steps outlined by Housing Trust staff to become pre-qualified and eventually a lender-referred applicant.
3. *Pre-Qualified Applicants* – Interested applicants who have met the minimum requirements and have received an email from Housing Trust staff stating the applicant household is pre-qualified. Only pre-qualified applicants will be referred to a list of participating lenders for pre-approval upon announcement of an upcoming Open Application period.
 - a. The minimum requirements are (1) the applicants have completed a Pre-Qualification intake form; (2) the applicants who will be the borrowers (including non-borrowing spouses) for the program loan have completed the 8-hour Homebuyer Education course and uploaded the certificate of completion to staff; (3) the borrowers have the required funds for down payment, closing costs, and reserves; and (4) the annual gross household income appears to be within the program income limits per household size.
4. *Lender-referred Applicants* – Applicants who have met the minimum program requirements (discussed above) are referred to a list of participating lenders. Referrals to the list of participating lenders will begin **upon the announcement of an Open Application period**. Lender-referred applicants are strongly encouraged to interview and select the participating lender from whom they will obtain a pre-approval letter. Cooperating with the participating lender by sending the required documents in a timely manner helps the interested applicant secure a pre-approval letter prior to the Open Application period. A lender-referred applicant who successfully secures a lender pre-approval letter is considered a Purchase-ready Buyer as stated below. The program allows for only one pre-approval letter from the participating lender selected by the applicant. Applicants cannot submit multiple pre-approval letters from different participating lenders.
 - a. Borrowers- The Primary Applicant will be the Primary Borrower with the Senior Lender.
 - b. Non-borrowing Spouse – The definition of a non-borrowing spouse is a spouse who is not a

borrower on the Senior Lender's mortgage and does not appear on the Senior Lender's loan application. A non-borrowing spouse will be a borrowing spouse in terms of the Home Access Program and its loan.

- c. Adult household members:
 - i. are co-applicants for household eligibility determination including income and post-closing assets.
 - ii. are not required to be co-borrowers and will not appear on the title for the purchased property. An exception is a non-borrowing spouse (see above under Non-Borrowing Spouse).
 - iii. Adult household members requesting to be on title must be listed as co-borrowers with the Senior Mortgage Lender.
- d. All Borrowers will appear on the title of the purchased property.

- 5. Purchase-ready Buyer - A Purchase-ready buyer(s) is a Lender-referred Applicant who can qualify for adequate mortgage financing to purchase a home; able to provide a minimum down-payment of at least 3% or a greater amount if required by the Senior Lender, plus closing costs and reserves; received a Senior Lender Pre-approval letter from a program participating lender; and has completed a HUD-certified 8-hour homebuyer education class. Adequate financing shall include a conventional senior-mortgage loan provided by an established residential lender (must be a program participating lender) that meets the requirements described in Section J of these guidelines and may also include public-sector or non-profit junior loans, such as down-payment assistance loans or grants secured by the Applicant and approved by Housing Trust and the Senior Lender. Down payment may include gift funds if seasoned and documented as explained in these guidelines. Applicants with recent foreclosures, bankruptcies, credit scores below 620, or inadequate down-payment, closing costs, or reserve funds do not qualify as Purchase-Ready.
- 6. Program Eligible Applicant – A Program Eligible Applicant is a Purchase-ready Buyer who has submitted a completed Program Eligibility Application with all required documents and received a Program Eligibility (Pre-approval) Letter from Housing Trust.

C. PROGRAM PRE-QUALIFICATION TO LENDER PRE-APPROVAL

- 1. Review the Home Access Program Policies and Procedures- All interested applicants must review the Home Access Program Policies and Procedures to determine if their household can meet the eligibility requirements and program guidelines. Applicants are responsible for reviewing and asking Housing Trust staff questions regarding the guidelines, required documents, and eligibility requirements.
- 2. Complete a Pre-Qualification Intake Form for Prescreening- Staff review the completed Pre-Qualification intake form and send out an email to potential applicants regarding pre-eligibility requirements and additional steps. If interested applicants haven't attended a Home Access Program Webinar or the 8-hour Homebuyer Education Class, applicants may want to consider registering and attending as soon as possible.
 - a. Submission of a Pre-Qualification intake form does not constitute any placement on a wait list. There is no wait list for this program.
 - b. All interested applicants are encouraged to join the Homeownership Assistance Interest List to receive program updates and announcements concerning Application periods. Applicants are

- responsible for ensuring receipt of emails sent by Housing Trust by adding Housing Trust as a Trusted Sender and checking their junk email box for any Housing Trust emails.
- c. Housing Trust staff review the Pre-qualification intake form to determine if the interested applicant has met the minimum eligibility requirements to be determined as a Pre-qualified Applicant.
 - d. Interested applicants who have not met the minimum eligibility requirements will receive an email outlining the necessary steps to complete.
3. Attend a Home Access Program webinar held by Housing Trust Silicon Valley – the Primary Borrower and any Co-borrowers (including non-borrowing spouses) who will be on title should attend the webinar to familiarize themselves with the program.
4. Register and complete an 8-hour Homebuyer Education Class from an approved HUD Certified Housing Counseling agency
- a. Housing Trust maintains a list of approved HUD Certified Housing Counseling agencies that offer the 8-hour Homebuyer Education Class.
 - b. The HUD approved 8-Hour Homebuyer Education Class can be in person or online.
 - c. Borrowers and Co-borrowers (including non-borrowing spouses) who will be a borrower of the senior mortgage loan and on title must take and complete the class.
 - i. The course requires each participant of the class to complete a one-on-one counseling session with a designated agency’s housing counselor.
 - ii. At completion of the class and the one-on-one counseling session, the participant receives a Certificate of Completion.
 - d. A Homebuyer Education Certificate is valid for up to 2 years from its issuance date at the date of the accepted Program Eligibility application.
 - e. Interested applicants must send a copy of the Certificate of Completion for the 8-hour Homebuyer Education Class to Housing Trust staff. The certificate is attached to the interested applicant’s pre-qualification intake form.
 - f. Each borrower will have their own individual Certificate of Completion.
5. Announcement of Open Application Period - Announcement of an Open Application period is done via email to the Homeownership Assistance Interest List maintained by Housing Trust.
- a. Pre-qualified applicants contact Housing Trust staff to request a lender referral. Housing Trust will refer the pre-qualified applicant household to the list of participating lenders for lender’s pre-approval. A pre-qualified applicant is a household who has met the minimum eligibility requirements necessary to be referred to participating lenders for Lender Pre-approval by Housing Trust staff.
 - i. The minimum requirements are (1) the applicants have completed a Pre-qualification intake form; (2) the applicants who will be the borrowers for the program loan have completed the 8-hour Homebuyer Education course and uploaded the certificate of completion to staff; (3) the borrowers have the required funds for down payment, closing costs, and reserves; and (4) the annual gross household income appears to be within the program income limits per household size.
 - b. Interested applicants who have not met the minimum requirements will not be referred for lender pre-approval to a participating lender until pre-qualified. Upon the determination of pre-qualification by meeting the minimum eligibility requirements, Housing Trust staff, the pre-qualified applicant household is referred to the list of participating lenders for lender pre-approval.

6. Senior Lender Pre-Approval - Upon the lender-referred applicant's selection of the participating lender, the applicant must provide all documentation in a timely manner to the Senior Lender in order to obtain the Senior Lender pre-approval. At receipt of the Senior Lender's pre-approval letter, the applicant borrowers are considered Purchase-ready Buyers.
 - a. A lender-referred applicant may apply with any participating Senior Lender of their choice. The Housing Trust maintains a list of participating Senior Lenders along with a list of their preferred and certified Mortgage Loan Originators (MLOs).
 - b. The Senior Lender will review documentation from applicant for qualification of the senior mortgage loan, adequate buyer's funds for down payment and closing costs, and the borrower(applicant) and co-borrower's (co-applicant) credit report.
 - c. Non-borrowing spouses will be required to also provide a credit report. For additional information, see below in IV. Guidelines for Program Eligibility, Section A. Application Process, subsection 3(b).
 - d. The Senior Lender will provide Purchase-ready Buyers with credit scores and a lender pre-approval letter. The Senior Lender will forward a copy of the credit report to Housing Trust.
 - e. The program allows for **only** one pre-approval letter from the participating lender selected by the Purchase-ready Buyers. Purchase-ready Buyers cannot submit multiple pre-approval letters from different participating lenders.
 - f. Applicants with Senior Lender pre-approval from a non-participating lender cannot submit a Program Eligibility Application until the non-participating lender ratifies a lender participation agreement with Housing Trust.

D. VERIFICATION AND SELECTION PROCESS

Upon receipt of the Senior Lender pre-approval letter from a participating Senior Lender and after an **Open Application Period** has been announced, interested applicants who are Purchase-ready Buyers seeking to submit a Program Eligibility Application and receive a Program Eligibility (Pre-approval) Letter will be required to schedule a virtual **Application Review and Submission Appointment** with Housing Trust staff. At this virtual appointment, the Housing Trust staff explains the application, required documentation, the definition of *First Complete, First Served*, the terms of the loan, and the application and loan process and timelines. **All applicants and adult household members (over the age of 18) are required to attend this appointment.** Applicants will be provided with access to a file sharing portal for application and document submission at the start of the Open Application Period. Housing Trust staff contact Lender and requests lender documents.

1. Upon Receipt of Senior Lender Pre-Approval-Set Up an Application Review and Submission Appointment
 - a. Purchase-ready Buyers must have a Senior Lender pre-approval letter from a participating lender to set an appointment. The pre-approval letter is sent to Housing Trust staff by the Purchase-ready buyer.
 - b. Purchase-ready Buyers must make an appointment with Housing Trust staff to review the Program Eligibility Application, required documentation, and disclosures.
 - c. Prior to the appointment, Purchase-ready Buyers are encouraged to download and review the latest version of Program Eligibility Application for any documentation questions.
 - d. Purchase-ready Buyers should begin gathering all required documents to submit.

- e. Housing Trust will cancel any appointments where the Purchase-ready Buyers and all adult household members cannot be or are not present. Purchase-ready Buyers are not guaranteed another appointment, if appointment slots are full, the Open Application period has closed, or if a designated number of applications has already been accepted.
2. *Application Review and Submission Appointment* - At the appointment, Housing Trust staff will review all required documentation with Purchase-ready Buyers and all adult household members and discuss the process of submitting the documentation. Although a household may have non-borrowing spouses or adult household members who are not borrowers, their attendance is **mandatory**. The primary reason for their required attendance is that all adult household members are required to submit their income, tax, and asset documentation, along with any additional requested documentation to determine program eligibility for the household. Adult household members who are co-borrowers will be required to submit additional documentation. **There are no exceptions for any applicants or adult household members missing this mandatory meeting.**
 - a. The Purchase-ready Buyers and all adult household members have an opportunity to ask any questions regarding the program, application, required documentation, and the approval and loan process.
 - b. The Purchase-ready Buyer household will be provided with their own personal access to a secure document sharing platform for the submission of the application, required documentation, and disclosures. Housing Trust staff will send an **E-Sign Disclosure and Consent Notice** to each Purchase-ready Buyer and all adult household members for their signature **prior** to assigning access to the secure document sharing platform. Access will not be provided unless this disclosure is signed by the applicants and all adult household members and received by Housing Trust staff.
 3. *Application and Documentation Submission*- During the Open Application Period and only after Housing Trust receives an E-Sign Disclosure for each Purchase-ready Buyer and adult household member, a Purchase-ready Buyer household will be provided with their personal access to a secure document sharing platform for the submission of the application, required documentation, and disclosures.
 - a. Housing Trust will ensure it is in receipt of each adult household member's signed E-Sign Disclosure and Consent Notice. This notice gives Housing Trust authorization to communicate with the applicant electronically.
 - b. Purchase-ready Buyer household receives access to the secure document sharing platform and can begin uploading the application and required documents.
 - c. The initial upload of documents must include Program Eligibility Application, Acknowledgment and Authorization to Release Information, and the Housing Trust Privacy Policy; a Program Application submission will not be accepted or reviewed if these documents are not provided at the initial upload of documents. All documents must be signed and completed by all applicants and adult household members.
 - d. Purchase-ready Buyers must provide clear and legible documentation. Copies of documents must be submitted in a PDF format and in English. Any other type of format or language will be rejected.

4. **First Complete, First Served Basis** – Housing Trust staff will underwrite Purchase-ready Buyers on a First Complete basis. This is defined as Purchase-ready Buyers who have diligently submitted all required and requested documentation, along with Housing Trust staff being in receipt of all lender documentation.
 - a. Application Packages are reviewed on a **First Complete, First Served Basis** – Housing Trust staff will underwrite a complete application package that is received on a First Complete basis. A complete Application Package is a Program Eligibility Application, its required documentation, all additional documents requested by staff after initial review, and receipt of all lender documentation.
 - b. Senior Lenders must submit all required and requested lender documents. Failure to do so will render their respective Purchase-ready buyer’s application incomplete.
 - c. Any missing documentation or information not submitted by the Purchase-ready Buyer or Senior Lender within the program timelines will result in rendering the application incomplete and no longer eligible for consideration.
 - d. Program Eligibility is determined within 14-21 business days.

5. **Program Eligibility Determination** - Housing Trust will review all documentation including Senior Lender pre-approval letter, borrower(s) credit report, funds for down payment and closing costs and other lender documentation to verify Program Eligibility.
 - a. Purchase-ready Buyers must provide any and all information and documentation to Housing Trust for the determination of Program Eligibility.
 - b. Upon determination of Program Eligibility, the Program Eligible Applicant will be notified and sent a Program Eligibility determination letter via email. Staff will also call the Program Eligible Applicant to notify.
 - c. The applicant household will receive a Program Eligibility (Pre-approval) letter that expires within ninety (90) calendar days (or sooner) based on the lender pre-approval letter and credit report expiration date.
 - i. The expiration date of the Program Eligibility (Pre-approval) letter will not exceed ninety (90) calendar days.
 - d. It is the applicants’ responsibility to maintain their eligibility from pre-approval to the close of escrow by submitting updated documentation.

6. **Non-Discrimination Policy** – All eligibility requirements related to applicants must be applied without regard to race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, age, medical condition, genetic information, citizenship, primary language, immigration status (except where explicitly prohibited by federal law), arbitrary characteristics, and all other classes of individuals protected from discrimination under federal or state fair housing laws, individuals perceived to be a member of any of the preceding classes, or any individual or persons associated with any of the preceding classes be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, this or any program Housing Trust Silicon Valley administers.

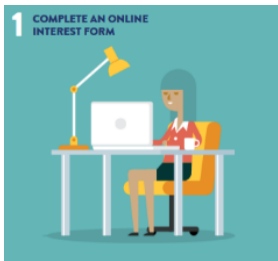
Housing Trust complies with all applicable state and federal laws, rules, guidelines, and regulations that pertain to nondiscrimination and fair housing. Such laws include, without limitation, the requirements of Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.); the Americans

with Disabilities Act of 1990; the Fair Housing Act; the Fair Housing Amendments Act of 1988; the California Fair Employment and Housing Act; the Unruh Civil Rights Act; Government Code section 11135; Section 504 of the Rehabilitation Act of 1973; and all regulations promulgated pursuant to those statutes.

7. Privacy Policy - Housing Trust Silicon Valley (Housing Trust) is concerned about and respects the privacy of our customers' personal financial information. We understand that our customers provide sensitive information to us in the course of daily business, and we are committed to treating such information responsibly. We know that our customers expect privacy and security for their personal and financial affairs. We will take all the necessary steps to safeguard sensitive information that has been entrusted to us by our customers. Our privacy policy is given to all applicants and adult household members for review and acknowledgement.

IV. Application Road Map

Sign up for the Homeownership Assistance Interest List to receive important program updates and announcements about upcoming application periods for the program.



- **Complete the Pre-qualification intake form** found on Housing Trust website.
- Answer all the pre-screening questions.
- After submission, an applicant receives an email outlining the next steps to become a Pre-Qualified Applicant.



- **Homebuyer education is mandatory** for all borrowers and their spouses.
- The course must be completed through one of our approved agencies.
- Each individual participant receives a certificate of completion.

Once an interested applicant meets the pre-qualifications requirements, the applicant is considered a Pre-Qualified Applicant. All Pre-Qualified Applicants wait for the announcement of an open application period before moving forward to Lender Pre-Approval.



- At the **announcement of an open Application Period**, an applicant's next step is obtaining a lender pre-approval.
- The Pre-Qualified Applicant contacts Housing Trust for a list of participating lenders.
- With the lender pre-approval letter, the Pre-Qualified Applicant is now a Purchase-Ready buyer and ready for the Application Review and Submission appointment.



- **The Purchase-Ready Buyer provides the lender pre-approval letter to Housing Trust and schedules an Application Review and Submission appointment.**
- All adult household members must attend this mandatory meeting.
- At the meeting, the application process is covered, and questions are answered.

The Purchase-Ready Buyer fills out the Program Eligibility Application and begins gathering all the documents while waiting for the Application Period to open.



- **Once the application period begins, the Purchase-Ready Buyer receives a link to upload the application and documents.**
- The lender for the Purchase-Ready Buyer sends the required lender documents to Housing Trust.
- **Program eligible buyers receive a Program Eligibility (Program Pre-Approval) letter.**
- **TIME TO SHOP FOR A HOME!**



V. Guidelines for Program Eligibility

These policies and procedures encompass the guidelines for the Home Access Program. The Home Access Program procedures provide a description of the program, its guidelines and the application and loan process to Senior Lenders and prospective buyers. The Housing Trust administers other homebuyer programs, and these guidelines may not apply to other homebuyer programs.

A. PROGRAM ELIGIBILITY APPLICATION PROCESS

An applicant can only apply through Housing Trust Silicon Valley for its loan programs. Upon the announcement of an Open Application Period, pre-qualified homebuyers are referred to the participating Senior Lenders for lender pre-approval (Lender-referred Applicants). Once a Lender-referred Applicant is in receipt of the Senior Lender pre-approval letter, the applicant contacts Housing Trust for an Application Review and Submission Appointment. Upon the completion of the appointment, the Lender-referred Applicant will receive application submission instructions from Housing Trust staff. At the start of the Open Application Period, the applicant and household upload the application and all required documentation.

1. **Program Eligibility Application - Applicants interested in applying to determine their household eligibility (Purchase-ready Buyers) are required to complete a Homebuyer Assistance Program Eligibility Application and submit the required documents.**
 - a. The Program Eligibility Application Package must be submitted by the Purchase-ready Buyer upon invitation only by Housing Trust staff.
 - i. A Purchase-ready Buyer cannot enter into or have executed a ratified purchase sales agreement prior to application submission and during the period of time Housing Trust staff is reviewing the applicant household's application and documentation to determine program eligibility.
 - ii. Only a Program eligible applicant household, in receipt of a Program Eligible Determination Letter (Pre-approval) from Housing Trust, can enter into a purchase sales agreement for the purchase of a home.
2. **Senior Lender Pre-approval Letter** - The Senior Lender pre-approval letter must be dated and show the Primary applicant's name and current residential address along with the pre-approved Senior Lender mortgage loan amount, purchase price, borrower's contribution, qualifying interest rate, and an expiration date for the preapproval. Additional loan term information such as Loan to Value (LTV), or Combined Loan to Value (CLTV) is recommended. Senior Lender's Preapproval letter cannot exceed 120 calendar days.
 - a. The Senior Lender is required to submit all lender documentation upon request from Housing Trust staff.
 - b. The Senior Lender is responsible for complying with all program guidelines and lender documentation timelines.
3. **Copy of Credit reports and FICO scores** - The copy of the credit report from all three credit bureaus (Equifax, Experian, & TransUnion) and FICO scores for all borrowers, including non-borrowing spouses, are required upon receipt of the Eligibility Application from the applicants.
 - a. Senior lender provides a copy of the credit report for all borrowers to Housing Trust.
 - i. In the event, a Senior Lender or originating vendor of the Senior Lender cannot provide copies of the credit reports or FICO scores for the borrower(s):
 - Credit Reports through Housing Trust - Borrowers (including non-borrowing

- spouses) can provide Housing Trust with the authorization to request their credit report and FICO scores through its vendor. Borrowers and non-borrowing spouses understand that Housing Trust cannot share the credit report with them.
- The cost of the credit report is \$53.75 for a single borrower. For joint borrowers, the cost is \$86.50. The cost is subject to change.
 - Borrowers understand that the multiple pulling of their credit report (by Senior Lender and Housing Trust) may result in inquiries and may affect their FICO scores.
- b. A non-borrowing spouse (who is not a borrower on the senior mortgage loan) is a borrower with the Home Access program loan and will be required to provide a credit report and credit scores from all three credit bureaus (Equifax, Experian, & TransUnion) as part of the eligibility application package.
- i. The non-borrowing spouse can obtain a copy of their own credit report from all three credit bureaus (Equifax, Experian, & TransUnion) and provide it at the time of application from the following website: <https://www.annualcreditreport.com/index.action>.
 - ii. The non-borrowing spouse will also provide the credit scores from all three credit bureaus (Equifax, Experian, & TransUnion). At the time of the request of the credit report, the credit bureaus may charge for each FICO scores.
 - iii. A non-borrowing spouse can request Housing Trust order a credit report from its vendor, at the non-borrowing spouse's expense.
 - The cost of the credit report is \$53.75 for a single applicant. The cost is subject to change.
- c. An applicant household denied because of credit or credit score will be provided the pertinent information in an Adverse Action Notice.
4. Application Package Review - Upon receipt of the Program Application and documentation, Housing Trust staff will begin the initial review process and will request lender documents from Senior Lender. The initial upload of documents must include Program Eligibility Application, Acknowledgment and Authorization to Release Information, and the Housing Trust Privacy Policy. A Program Application submission will not be accepted or reviewed if these documents are not provided at the initial upload of documents. All documents must be signed and completed by all applicants and adult household members.
5. Missing Documentation – Upon review of application package, Housing Trust staff will send an email to the applicant with a list of missing and additional documents required for submission. Applicants will have five (5) business days to submit requested documents. If Housing Trust staff require any additional documentation, clarifications of documents received, or documents previously requested, the applicant will have an additional three (3) business days to submit the outstanding documentation. Applicants will have up to thirty (30) calendar days (from application submission date) to complete the submission of all required documents.
- a. The preferred method of providing documentation is through the secured file sharing platform assigned to the applicant by Housing Trust. Applicants submitting documents by registered courier or delivery service (i.e., USPS (United States Postal Service), Federal Express (FedEx), etc.), are responsible for the costs and for timely delivery of all documentation. Housing Trust is not responsible for documentation not received in a timely manner or lost.

6. Documents from Applicant(s) and Household Members- The Application submitted must be accompanied by valid third-party documentation supporting that the applicant household meets the program eligibility requirements including household income, assets, first-time homebuyer status, reserves, senior lender loan pre-approval, and any other eligibility requirements. All applicants and adult household members are required to submit valid third-party documentation. Documents must be issued directly by a public agency, private utility company, taxing entity, creditor, financial institution, school, employer, business, or Certified Public Accountant on such entity's own letterhead, verifying one or more eligibility criteria of any Applicant, Co-Applicant, or their dependents. Such documentation may be verified by Housing Trust staff through direct contact with the agency/issuer by phone, email, or written inquiry to verify accuracy of document's contents.
 - a. Written statements of parties with any direct or indirect interest in the home purchase (i.e., persons related to Applicant by blood/family relationship, marriage, business ties (other than Certified Public Accountant, in the case of self-employment income) or other close personal relationships, do not qualify as valid third- party documentation.

7. Material Misrepresentation and Altered Documentation -All material misrepresentations, alterations, and/or omissions found in the review of the initial Housing Trust Program eligibility or purchase loan application; including but not limited to household size, income and asset information, loan details, etc., are not permissible and will render all future re-submissions ineligible for review for a period of one year.
 - a. Altered documents that show evidence of strikeovers, whiteouts, typewritten correction tapes, or other corrections to the document will not be accepted. Housing Trust will not accept changes that are not properly initialed by the borrowers and/or adult household members. Housing Trust reserves the right to request new documentation that is corrected and signed by all the borrowers and/or adult household members.

8. Signing on Program Documentation– The documents relative to the program and not limited to the application, disclosures, letters of explanation, purchase loan application, loan disclosures, and loan documents must be signed by the respective applicant and adult household member the documents pertain to. Power of Attorney is not allowed. Borrowers, including non-borrowing spouses, must be present at the loan signing.

9. Eligibility Determination - Once an applicant is determined to be Program Eligible, a Program Eligibility Determination (Pre-approval) letter and email are sent to the applicant, the Senior Lender, and identified realtor working with the applicants.
 - a. An applicant's Program Eligibility (Pre-approval) status will be good for ninety (90) calendar days or sooner, dependent on the expiration date of the Senior Lender's pre-approval letter, or Senior Lender's credit report date. The Program Eligibility letter will never exceed ninety (90) calendar days.

10. Maintaining Program Eligibility - The Program Eligible Applicant is responsible for maintaining Program Eligibility and updating Housing Trust with any required documentation and any pertinent information that may impact the change in the Program Eligible Applicant's eligibility. A Program Eligibility letter from Housing Trust does not reserve funds for the program.

11. Extension of Program Eligibility (Pre-approval) Status- An applicant's Program Eligibility (Pre-approval) status will be good for the earlier of ninety (90) days or within the expiration date of the Senior Lender's pre- approval letter or credit report, whichever has the earlier expiration date. **A one-time 90-day extension can be requested and processed if:**

- a. A Program Eligible Applicant notifies the Housing Trust, at least twenty-one (21) calendar days prior to the expiration of the Program Eligibility Determination (Pre-approval) letter of the extension request.
- b. Program Eligible Applicants show they are actively shopping for home by providing copies of at least two (2) rejected offers for the purchase of two different homes within the program designated geographic area.
 - i. The rejected offers must show two different properties and acknowledgement from the sellers that the offers for purchase were rejected.
 - ii. Upon receipt of the Extension Request and the rejected offers, Housing Trust will provide a list of documents that must be updated to complete a new program eligibility determination. Program Eligible Applicants will have five (5) calendar days to submit all the requested documentation.
 - iii. After a one-time ninety-day (90) extension has expired, the applicants may only re-apply at the next Open Application period. Housing Trust reserves the right to give other interested applicants the opportunity to apply for the program before accepting any re-applications during an upcoming Open Application Period.

12. Loan Application - Upon entering into a ratified purchase sales agreement, the Senior Lender will submit a Home Access Program Purchase Loan Application package which includes the Program Purchase Loan Application along with the required documentation and information, on the borrower's behalf, to Housing Trust within five (5) calendar days of ratification. The appraisal can be forwarded when the Senior Lender is in receipt of the report.

For the purpose of clarification, Housing Trust considers a ratified purchase sales agreement different from an executed purchase contract. A ratified purchase sales agreement is an agreement where the parties have agreed in writing to all of the offered terms subject to certain conditions (including financing) and an executed purchase contract is one in which all agreed upon terms and conditions have been fulfilled. The executed purchase contract typically occurs at closing.

- a. Close of Escrow Date – Housing Trust requires at the minimum 30-45 calendar days to facilitate close of escrow. A minimum of twenty-five (25) calendar may be accommodated with approval from Housing Trust. For new construction homes, the maximum close of escrow date is 120 calendar days.
- b. Purchase Loan Application Package - The Purchase Loan Application Package is considered complete when all documents(below) are received. For the purpose of issuing Initial Loan Disclosures, the Senior Lender is required to forward the Ratified Purchase Sales Agreement. The required documents can be delivered to the Housing Trust designated secure file sharing platform; or through the Senior Lender's secured email delivery; or hand delivered by the Senior Lender.
 - i. Ratified Purchase Sales Agreement with all addendums and counter offers - (Lender provides)
 - ii. Uniform Residential Loan Application (Fannie Mae form 1003) – (Lender provides)
 - iii. Uniform Underwriting and Transmittal Summary (Fannie Mae 1008) – (Lender provides)
 - iv. Copy of the Loan Estimate – (Lender provides)
 - v. Copy of Automated Underwriting System/Direct Underwriting (AUS/DU) – (Lender provides)
 - vi. Loan Commitment/Loan Approval Letter – (Lender provides)
 - vii. Copy of the Appraisal Report – (Lender provides)
 - viii. Preliminary Title Report – (Title Company provides)
 - ix. Wiring Instructions – (Title Company provides)
 - x. Copy of Initial Deposit (Earnest Money Deposit) receipt – (Title Company provides)

- c. **Reservation of Funds** - A reservation of funds is made when Housing Trust receives a Purchase Loan Application and its supporting documents known as the Purchase Loan Application package. The Senior Lender must disclose all layers of Housing Trust approved subordinate financing.
 - d. Loan applications with no activity of up to thirty (30) calendar days (e.g., conditions have not been received, no response from Senior Lender, file has not moved forward), will be cancelled by Housing Trust staff without advance notice.
13. Program Loan Disclosures - Housing Trust will prepare and send the required loan disclosures for its program to the borrowers and non-borrowing spouses.
- a. The Home Access Program requires (non-TRID disclosures) a Good Faith Estimate and Truth-in-Lending (TILA) disclosures prepared by Housing Trust and delivered to the borrowers within three (3) business days of receipt of the Purchase Loan Application package via email.
14. Program Ineligible Determination - Applicants unable to meet the Home Access Program eligibility requirements including submitting required documentation are determined ineligible and a Letter of Ineligibility along with the ECOA-Statement and Notice of Adverse Action is sent to the applicant(s) within thirty (30) calendar days of receipt of all documentation.
- a. Exceptions for re-submission of a program eligibility application or for a loan application that were denied because the annual gross household income exceeded the income limits or debt ratios that exceeded its limits are: significant life events such as a job/career change, marriage, or the birth or adoption of a child and are at the discretion of Housing Trust staff.
 - b. Resubmissions can only occur during an Open Application Period and at the discretion of Housing Trust staff. Housing Trust reserves the right to give other interested applicants the opportunity to apply for the program before accepting any re-applications during an Open Application Period from applicants denied for incomplete applications.

B. OCCUPANCY REQUIREMENTS

1. Primary Principal Residence- The Home Access Program requires the borrowers to occupy the home as their primary principal residence (10 months out of a calendar year). Applicants seeking Home Access financing must occupy the financed residence as their principal residence within sixty (60) calendar days of closing, and continuously thereafter, for the term of the loan, at loan payoff, or until the property is sold whichever comes first.
- a. Investor loans or use of the property as a rental or investment property is prohibited.
 - b. Failure of the borrowers to occupy the property will result in a declaration of a non-monetary default.
 - c. Home Access borrowers are required to claim the Homeowners' Exemption (California property tax exemption) and provide documentation on an annual basis.

C. HOMEBUYER EDUCATION AND ONE-ON-ONE COUNSELING

1. Homebuyer Education Course -The borrowers, including non-borrowing spouses, are required to attend and complete an 8-hour HUD certified Homebuyer Education Class (in-person, virtual, or online). Housing Trust maintains a list of designated housing counseling agencies offering different methods of participation in a HUD certified Homebuyer Education Class.

These workshops, webinars, online courses, and counseling sessions are available in different languages through several housing counseling agencies. Housing Trust encourages applicants to enroll

in a homebuyer education course in their strongest language. Homebuyers may be expected to complete a counseling session with the selected housing counseling agency before a Certificate of Completion is issued to the homebuyer. Expiration of the Certificate of Completion for the 8-hour HUD certified Homebuyer Education Class is within two years at the date of eligibility application submission.

A list of designated housing counseling agencies offering these courses is available on the program's website at: www.housingtrustsv.org under the Homeownership Assistance page. Click on the link under Step 2 - Attend a Class in the section *Not Sure Where to Start?* and follow the instructions on the webpage to register for the required course.

2. *One-on-One Counseling*-As a condition to program loan approval, all Home Access borrowers, including non-borrowing spouses, are required to meet with Housing Trust staff for a one-on-one counseling session. Housing Trust will contact the borrowers for a one-on-one counseling session and loan document signing. The one-on-one counseling session will allow the borrowers to ask any questions regarding financing, review Housing Trust loan disclosures, and loan terms and repayment. Borrowers will sign a Homebuyer One-on-One Counseling Acknowledgement Form.

D. FIRST-TIME HOMEBUYER STATUS AND DEFINITION

For the Home Access Program, all borrowers including non-borrowing spouses must qualify as a First-time Homebuyer Status.

Definition of First-time Homebuyer (FTHB) Status - A first-time homebuyer, according to Title 25 of the California Code of Regulations §8201(l), is defined as an individual or individuals, or an individual and his or her spouse, who have not owned a home or had an ownership interest in a home during the three-year period prior to the date of application. Furthermore, the individual cannot have held or shared title to a home (whether in Alameda County or Contra Costa County or elsewhere) for 3 years prior to Home Access Program Application submission. (This would mean that a buyer who had previously owned a home but no longer owns one (whether through divorce, sale, foreclosure, etc.) is eligible for the program so long as they have not owned a home during the prior 3 years.) **This First-time Homebuyer Status applies to all borrowers including non-borrowing spouses.**

1. *Ownership Interest*- An ownership interest is defined as a fee simple ownership interest, including but not limited to an interest held individually, or a joint ownership interest by joint tenancy, tenancy in common, community property or a life estate interest.
2. *Exceptions of First-time Homebuyer (FTHB) Status*- The following individual, or individuals may not be excluded from consideration as a first-time home buyer under this definition:
 - a. Having ownership of timeshares; or
 - b. Appearing on title solely in the capacity as a trustee for a trust, where the trustor is living at the time and in the residence; or
 - c. Being a named beneficiary of a trust that includes a housing unit amongst the trust assets, but only if the trustor is living at the time and in the residence; or
 - d. A "displaced homemaker or spouse" who, while a homemaker, owned a home with his or her spouse or resided in a home owned by the spouse. A displaced homemaker is an adult who has not, within the preceding two years, worked on a full-time basis as a member of the labor force for a

consecutive twelve-month period and who has been unemployed or underemployed, experienced difficulty in obtaining or upgrading employment and worked primarily without remuneration to care for his or her home and family; or

- e. A single parent who, while married, owned a home with his or her spouse or resided in a home owned by the spouse. A single parent is an individual who is unmarried or legally separated from a spouse and has one or more minor children for whom the individual has custody or joint custody or is pregnant; or
- f. An individual or individuals who owns, or has owned, as a principal residence during the three-year period before the purchase of a home, a dwelling unit whose structure is:
 - i. Not permanently affixed to a permanent foundation in accordance with local or state regulations; or
 - ii. Not in compliance with state, local, or model building codes and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure. *From Title 25, California Code of Regulations §8201(l)*

3. Required First-time Homebuyer Status Documentation – Applicants who are the borrowers, including non-borrowing spouses are required to submit the following for verification of first-time homebuyer status:

- a. Signed and dated Federal and State Income Tax Returns with ALL W2s, Schedules, and/or 1099s (including taxable interest forms) from the last three (3) calendar years are examined to determine first-time homebuyer status.
- b. Tax transcripts for the last three (3) calendar years are also examined.
- c. For any non-filing adult household member who are co-borrowers, the following must be provided:
 - i. Verification of non-filing for each tax year for the last three (3) calendar years.
 - ii. Wage and income transcript for each tax year for the last three (3) calendar years.

The preliminary review consists of determining if the applicant has deducted mortgage interest and property taxes on the tax returns or if a 1099-Sale of Property is documented in the tax return. Housing Trust may utilize any reasonable method of documenting first-time homebuyer status including but not limited to a review of the applicants' tax returns and credit report.

E. MINIMUM BORROWER DOWN PAYMENT CONTRIBUTION

For this program, applicants are required to contribute at least 3% of the purchase/sales price as a down payment for the purchase of the property.

- 1. Borrower's Minimum Down Payment Contribution-A minimum of half of the required down payment must be the applicant's own funds. Housing Trust will also allow 50% of the required down payment to be funds borrowed from a retirement plan.
- 2. Gifts-Housing Trust will allow up to 50% of the required borrower's contribution to the down payment to be in the form of a gift. A borrower may use donated gift funds or grant funds from an immediate relative or acceptable entities to fund all or part of the down payment, closing costs, or financial reserves subject to the minimum borrower down payment contribution requirements described below.
 - a. The gift must be a bona fide gift with no repayment required.
 - b. A gift from an immediate relative requires a gift letter signed by the donor and applicant along with a current copy of the bank statement showing the source of funds. Immediate relatives

- are described as parents, grandparents, and/or siblings.
- c. Acceptable entities include churches, municipalities, nonprofit organizations (excluding credit unions), a regional Federal Home Loan Bank under one of its affordable housing programs, a grant program offered by the institutional or mortgage lender financing the senior mortgage, and public agencies. **Housing Trust review and approval is required prior to application submission.**
 - d. FHA borrowers - At least 3.5% of the purchase price of the property must be paid from a source acceptable to HUD (this source cannot include a loan from Housing Trust) and meet the program guidelines.

F. ELIGIBLE HOUSEHOLD

1. Household Definition - A household is comprised of ALL individuals who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements, regardless of actual or perceived, sexual orientation, gender identity, or marital status. (Code of Federal Regulations Title 24, Section 570.3).
2. Determination of Household Size and its Requirements - The determination of household size accounts for all the members of the household occupying the same housing unit.
 - a. Household members under the age of 18 years must be a legal dependent of an adult household member. Children residing with the household at least 50% of the time and receiving over 50% of the care from the applicant can be then counted as a household member. A court-approved Child Care and Custody Agreement showing at least 50% partial custody must be submitted.
 - b. Applicants who are pregnant must provide proof of pregnancy in order for Housing Trust to include the unborn child as a household member.
 - c. Non-family caretakers are not considered household members. Note: The income of family caretakers (e.g. relatives) who live with the applicant will be included in the household income calculation.
3. Applicant – An applicant is a person interested in applying for the Home Access Program, as evidenced by their signature(s) on the Eligibility Application submitted to Housing Trust.
 - a. “Applicant” may be used to refer to the Applicant’s entire Household and/or all adults in the Household, as the context requires.
 - b. Primary Applicant refers to the first-named party on the application form, as defined herein and is the Primary Borrower on the Lender’s Pre-approval letter and loan application.
 - c. Non-borrowing spouses are considered applicants and will be co-borrowers for the Home Access Program. Non-borrowing spouses will be on title.
4. Co-Applicant – Any adult household member (over the age of 18 years) residing in the same housing unit as the Primary Applicant.
 - a. Adult Households members (over the age of 18 years) are co-applicants only in the determination of program eligibility for the household.
 - i. Co-applicants (except for non-borrowing spouses) are not required to be co-borrowers.
 - ii. Co-applicants are considered co-borrowers **only** when included in the Senior Lender’s Pre-approval letter, loan application and will appear on the title of the property.

5. Eligible Household - A Household (see definition above) that is eligible to apply for the Home Access Program, as follows:
- a. The household is comprised of **ALL** individuals who will be occupying the home as their principal place of residence over the next or upcoming twelve months. All household members are considered co-applicants. A Program Eligibility application will list all household members who will be living together in the home to be purchased with financing from the Home Access Program.
 - b. Valid Third-party documents listed as required attachments in the Program Eligibility applications forms must be provided, to verify that each member of the Household resides, and has been residing for at least 30 days, at the same dwelling unit and street address or otherwise intends to live with the applicant for the coming 12 months.
 - c. The Applicant Borrowers' place of employment is located within a reasonable commute distance from the primary residence, which is the subject property being purchased. Housing Trust will determine what is a reasonable commute distance.
 - d. Household does not exceed the program gross household income and the post-closing asset limits: Total projected combined gross (pre-tax) annual household income and the total combined post-closing assets of all adult Household members (over the age of 18) do not exceed the Program's income adjusted for the size of the Household and post-closing asset limits provided in the program guidelines; and
 - e. All adult household members of the Applicant's household must individually meet applicable program eligibility requirements.
 - i. If the household member is new to the residence or if they are not claimed on the previous year's tax return as a dependent, the applicant will be required to submit viable and verifiable third-party documentation that the household member will live with the applicant over the coming 12 months. All letters of explanation provided by the applicant must be signed by the applicant under penalty of perjury.
 - f. Employer and Employment requirements- Employers and terms of employment of the borrowers (applicants) whose earnings or primary source of annual income (salary, wages, commissions) being used to qualify for the lender financing must meet the following guidelines:
 - i. Borrowers' employers must be licensed and permitted and have a primary worksite within a reasonable travel distance from the property location.
 - ii. Primary employment for the borrowers must be at least thirty-two (32) hours for consideration.
 1. Volunteer or unpaid work, or self-employment consisting solely of operating a business entity established solely for the purpose of investment in a rental property are not considered places of employment.
 2. The income earned will be verified by paycheck stubs, tax returns, verification of employment and/or other documentation described in the application forms.

- g. Lease/Rental Documentation - Valid third-party documents listed as required attachments in the Program Eligibility application must be provided, to verify that each member of the Household resides in the same residence:
- i. The standard lease or rental agreement must be included and signed by the applicants and all adult household members. The ratified lease or rental agreement must be signed by the landlord or leasing agent.
 - ii. Lease/rental payments are made monthly by the applicants.
 - iii. Documentation of one (1) months of rental payments (e.g., cancelled checks).
 - iv. Most recent calendar month (1) of a paid utility bill is required, such as PG&E, local power company, local water company, unless included and clearly defined in the current ratified lease or rental agreement as paid by the landlord.

1. Additional utility or services billing may be requested from Housing Trust to satisfy this requirement.

6. Residency- All members of Applicant's household (including all borrowers and co-borrowers) must provide acceptable documentation with the Program application to meet the following residency and identification requirements of the program:

- a. The Primary Borrower and Primary Applicant must provide:

- i. Proof of U.S. Citizenship or naturalized citizenship, or permanent legal residency (holders of permanent "green cards"); and
- ii. A copy of a valid Social Security card; and
- iii. An unexpired/ valid California issued Driver's License or Identification card.
- iv. Visas of any kind and/or temporary residency (temporary green cards) do not constitute permanent legal residency, except for temporary green cards of spouses as described below.
- v. Refugees and asylum-seekers may submit documentation from the federal immigration agency or a court order granting admission for permanent legal residency based on such status.

- b. Co-borrowers (on the senior mortgage loan, on the Home Access Loan, and on title) including non-borrowing spouses (on the Home Access loan and on title) must provide:

- i. Proof of U.S. Citizenship or naturalized citizenship, or permanent legal residency (holders of permanent "green cards"); and
- ii. A copy of a valid Social Security card; and
- iii. An unexpired/ valid California issued Driver's License or Identification card.
- iv. Any co-borrower or a non-borrowing spouse who is unable to meet the residency and identification requirements mentioned above will be required to present the following alternative documentation:
 - An unexpired, valid Individual Taxpayer Identification Number (ITIN) card or letter from the Internal Revenue Service stating its issuance; and
 - An unexpired/ valid California issued Driver's License or Identification card.
- v. A Spouse with pending permanent residency due to marriage to an Applicant who is a U.S. citizen or permanent legal resident. Acceptable government agency documentation must be provided.

- c. Adult household member, the following must be provided:

- i. Proof of U.S. Citizenship or naturalized citizenship, or permanent legal residency (holders of permanent "green cards"); and

- ii. A copy of a valid Social Security card; and
 - iii. An unexpired/ valid California issued Driver’s License or Identification card.
 - iv. For any adult household member who is unable to meet the residency and identification requirements mentioned above; will be required to present the following alternative documentation:
 - An unexpired, valid Individual Taxpayer Identification Number (ITIN) card or letter from the Internal Revenue Service stating its issuance; and
 - An unexpired/ valid California issued Driver’s License or Identification card; or
 - Identification that meets IRS guidelines for acceptable proof of identity and foreign status: <https://www.irs.gov/individuals/revised-application-standards-for-itins>.
- d. Any children (under the age of 18 years old) in the household, the following documentation is provided:
- i. U.S. Birth Certificate issued by the state where the child was born; or
 - ii. Current and valid U.S. Passport; or
 - iii. Current and valid Passport issued by Country of origin.

Household members without proof of permanent legal residency in the U.S. are not prohibited from occupying the home as guest of Applicant. If such household members have been residing in an Applicant’s household for more than 30 days at time of application, such household members must also be listed in Applicant’s application. Third-party verified documentation shows the current residence is the same housing unit as the Applicant. Household members must provide all required income and asset documentation for inclusion in Applicant’s Combined Gross Household Income and Assets.

G. HOUSEHOLD INCOME AND CALCULATION

1. *Maximum Household Income Limits*

The Maximum Household Income Limit by Household Size and the Income Calculation is updated on an annual basis. The maximum income limit for the Home Access Program is 80% of Area Median Income (AMI) for the counties of Alameda and Contra Costa.

- a. The Home Access Program employs the Maximum Gross Annual Household Income Limits adjusted for household size and by county determined by the California Department of Housing and Community Development (HCD).
- b. Gross Annual Income limits applied to the Applicant Household are based on the approved county in which the property is located. Properties must be located in Alameda or Contra Costa County.

Alameda County								
Maximum Gross Household Income by Household Size (updated as of May 9, 2024)								
Household Size	1	2	3	4	5	6	7	8
Income Limit	\$84,600	\$96,650	\$108,750	\$120,800	\$130,500	\$140,150	\$149,800	\$159,500

Contra Costa County								
Maximum Gross Household Income by Household Size (updated as of May 9, 2024)								
Household Size	1	2	3	4	5	6	7	8
Income Limit	\$84,600	\$96,650	\$108,750	\$120,800	\$130,500	\$140,150	\$149,800	\$159,500

2. *Income Calculation* – Income calculation of gross annual household income is based on Projected Future Income of the gross income identified for each applicant (including adult household members) and their source of income.

- a. Overtime, Bonuses, Commissions, and Tips Calculation – This type of income is recalculated as an annual rate. For a One-Time Bonus- Applicant must provide documentation for the bonus that was a one-time occurrence. The bonus is removed as an annual rate calculation and added to the total income determination as a one-time payment.
- b. Unless otherwise indicated, the Home Access Program uses the "Part 5" definition of income found at 24 CFR 5.609. The Part 5 definition of annual income is the gross amount of income of all adult household members anticipated to be received during the coming 12-month period. Adults are defined as all household members 18 and over. For a quick matrix of available Income Inclusions and Exclusions, please see *Exhibit C*.

3. *Determination of Income Eligibility* - All adult household members (aged 18 or older) are required to submit income and asset documentation to verify income eligibility.

a. **For Hourly and Salaried Employees**, the following is required:

- i. FOUR (4) most recent consecutive paystubs for all household members over the age of 18. Paystubs must be within thirty (30) days old at the date of application and cannot be more than ninety (90) days old at the date of closing.
- ii. **Written Verification of Employment (VOE)** is required for all adult household members earning an income. The written Verification of Employment cannot be more than ninety (90) days old at the date of closing. Housing Trust will not accept a verbal Verification of Employment (VOE).
 - 1. For those employers requiring third-party vendor verification (such as The Work Number) for employment and income verification, applicants will have to provide a check to Housing Trust for the verification service fee charged by third-party vendor.
- iii. All income and monetary benefits received from employers including and not limited to, overtime, bonuses, commissions, tips, vacation, holiday, restricted cash units (RCUs), Restricted Stock Units (RSUs) if applicable, etc., will be considered and included in the combined projected future income for the household income.
- iv. Applicants who are borrowers, including non-borrowing spouses, must provide the most recent three (3) years' income tax returns, both State and Federal with ALL W2s, ALL Schedules and/or 1099s (including taxable interest forms).
 - 1. If applications are submitted after April 15th of the current year, applicants will be required to submit the previous year's filed tax returns and tax transcripts. This also applies to applicants requesting an extension for a Program Eligibility Determination (Pre-approval).

- b. **For Self-Employed**, the following is required by Housing Trust staff to determine income eligibility and applicants including household members should be prepared to document their projected annual earning using any or all of the following methods:
- i. Applicants must provide the last three (3) years' income tax returns, both State and Federal with ALL W2s, ALL Schedules and/or 1099s (including taxable interest forms).
 - ii. A year-to-date profit and loss and income statement prepared and signed by a Certified Public Accountant/Tax Preparer and/or Applicant (at Housing Trust's discretion), with information covered throughout the last month, and a letter of explanation signed and certified by the applicant, stating the anticipated net business income (after deducting business expenses) over the next 12 months; or
 - iii. A year-to-date balance sheet, prepared and signed by a Certified Public Accountant /Tax Preparer and/or Applicant (at Housing Trust's discretion), reflecting the financial position of the business at a specific point in time and a signed letter of explanation regarding applicant's anticipated net household income (after deducting business expenses) signed and certified by the applicant; or
 - iv. Current business owner's salary documentation and three years of profit/loss statements from partnerships and S corporations prepared and signed by the Certified Public Accountant; and a signed letter of explanation regarding the applicant's anticipated gross household income over the next 12 months, signed and certified by the applicant.
 - v. For the purposes of self-employed individuals, net income from the operation of a business may only be used if the net income is derived by deducting expenses solely associated with the operation of the business.
 - vi. An applicant who both has a job and is self-employed must provide documentation for both.
 - vii. Housing Trust reserves the right to determine if the income information for a self-employed applicant must be supplied by a Certified Public Accountant.
- c. **For Zero Income Certification** - Any adult household member who **does not** receive income from ANY source. The household member must complete and sign a Certification of Zero Income at the application submission appointment.
- d. **Un sourced non-payroll deposits**: Un sourced recurring non-payroll deposits including cash, Venmo, Zelle or any other cash applications may also be considered as un sourced income and included in the projected annual gross household income. The total amount of deposits is calculated at an annual rate.
- i. Applicants will provide proof of the funds deposited (front and back of deposited checks) and purpose of funds. It is at the discretion of the Housing Trust if the funds are considered un sourced income.
 - ii. One-time Un sourced non-payroll deposits: Generally un sourced deposits under \$500 are not considered if they are not recurring.

- e. **Alimony or child support-** Alimony or child support payments are considered income and are included in the gross household income. Applicants must provide a copy of a divorce decree, or a court filed separation agreement (if the divorce is not final) including marital settlement agreement, spousal support court order, child custody and support court order.
- f. **Asset Income** - Asset income is included in total projected annual gross household income. The calculation for determining asset income is to take the greater of 1) the actual income from the combined assets of the applicant household and 2) passbook savings rate which is currently 0.45% of the cash value of assets over \$5,000, as determined by the U.S. Department of Housing and Urban Development and subject to change. An asset worksheet is included in each Applicant file.
- g. **Full-time college students-** over the age of 18, living away from home, and who continue to receive over half of their support from the applicant, may be considered a household member. Student's income must be counted in the applicant's total income calculation.
 - i. Student must provide enrollment verification from the registrar's office of the university/college he/she is attending.
 - ii. If the student is a head of household or a spouse/domestic partner of the applicant, the student is required to produce verifiable income documentation.
 - iii. If the student is not a head of household or a spouse/domestic partner of the applicant and is unable to produce income documentation, the Housing Trust will add \$480 to the applicant's annual household income.
- h. **Income from a Government Agency** - Documentation must be provided by ALL applicants and adult household members for all other forms of income including Social Security, unemployment, disability, etc. This income will be included in the projected gross monthly and annual income calculation. Satisfactory income documentation is required.
 - i. For Social Security benefit, Social Security Administration's (SSA) award letter and proof of current and regular receipt of payments are required.
 - ii. For unemployment and disability, a claim benefit statement from government agency must be presented.
- i. **Restricted Stocks and Stock Units** – Restricted Stock Units commonly known as RSUs are considered income when the applicant receives the vested RSU in the form of a cash payment distributed to a no-investment account. At application, RSUs vesting within the next 180 days will be included in the calculation of the gross annual household income. At an extension request, if applicant is program-eligible and in receipt of pre-approval letter from the Housing Trust, RSUs vesting within the next 90-180 calendar days will be included in the calculation of the gross annual household income. At Loan Application, all upcoming RSUs vesting within the next 45 calendar days or up to the close of escrow date is included in the calculation of the gross annual household income. RSUs may be considered assets and not income based on how the RSUs are disbursed, see Household Assets.
 - i. The documentation required from an applicant is the Award Agreement, Vesting Schedule, the Disbursement Letter, and the paystubs showing the disbursed funds and the account statement showing the cash funds were deposited which is not an investment account.

H. HOUSEHOLD ASSETS

The Home Access Program has a **post-closing asset limit per household of \$125,000, excluding retirement accounts**. Definition of an asset: a liquid or non-liquid item that can be converted to cash. The full vested balance of the assets in the following types of accounts included but not limited to checking, savings, money market, certificate of deposits, stocks, bonds, mutual funds, gifts, cash on hand, amounts transferred from IRAs, retirement accounts, accounts held in trust that are accessible, the amount of equity in any real estate owned, and any other assets from investments. The value of ordinary (i.e., non-investment) personal or household items, such as furniture and personal vehicles, are not considered assets for the purpose of Program eligibility.

1. Asset Inclusions -All liquid and non-liquid assets owned by all adult household members are included in the post-closing asset limit eligibility determination and will be accounted for the post-closing asset limit. Liquid and non-liquid assets are defined and will include checking, savings, money market accounts, certificates of deposit, stocks, mutual funds, bonds, and annuities, etc.
2. Asset Exclusions- The following asset types will be excluded from the post-closing asset limit eligibility determination: retirement accounts (CalPERS, CalSTRS, Individual Retirement Accounts (IRAs), 401k, 403b, Roth IRAs, or the value of a 529 college savings. Unvested stock options also are excluded unless vesting in the next ninety (90) days of program eligibility determination.
3. Asset Documentation -Housing Trust requires applicants and all adult household members to provide **TWO (2)** most recent consecutive statements from **all** asset accounts (checking, savings, certificate of deposit, stocks, mutual funds, money market, bonds, etc.) including retirement accounts.
4. Age of Asset Documents - Statements must be within thirty days (30) old at the date of application and cannot be older than ninety days (90) at the date of closing.
5. Asset income -Income generated by assets, such as interest payments, dividends, etc. is included in total gross household income. The calculation for determining asset income is to take the greater of 1) the actual income from assets and 2) passbook savings rate which is currently 0.45% of the cash value of assets over \$5,000, as determined by the U.S. Department of Housing and Urban Development and subject to change. An asset worksheet is included in each Applicant file.
6. Reserve Requirements -The HOME ACCESS Program has a reserve requirement of a minimum of one month of reserves. Reserves are liquid assets remaining after the down payment and the closing costs have been paid. The Home Access Program requires that all borrowers **have no less than one (1) month reserves** after closing to cover principal, interest, taxes, insurance, and homeowner association dues.
7. Retirement Funds - Funds from retirement accounts may be considered for non-liquid reserves only if the borrower has access to the funds. Retirement accounts funds may not be used as reserves when withdrawals are allowed only in connection with borrower's retirement (and borrower is not of retirement age), termination of employment or death (such as pension and cash balances plans) or when withdrawals are prohibited.
8. Restricted Stock Units (RSUs) – Restricted Stock Units (RSUs) are a form of compensation that grants shares of the company's stock to employees. A Vesting Schedule will show which RSUs are unvested or vested. The value of unvested RSUs is not considered an asset unless the vesting date of the RSU falls

within an application and/or an extension request timeline. At application submission, all upcoming RSUs vesting within the next 90-180 calendar days of the program pre-approval letter expiration date is considered as an asset. At request for an extension of a current program pre-approval letter, all upcoming RSUs vesting within the next 90-180 calendar days of the new program pre-approval letter expiration date is considered as an asset. At Loan Application, all upcoming RSUs vesting within the next 45 calendar days or up to the close of escrow date is considered as an asset. RSUs may be considered income and not assets based on how the RSUs are disbursed, see Household Income and Calculation.

- a. The documentation required from an applicant is the Award Agreement, Vesting Schedule, the Disbursement Letter, and the paystubs showing the disbursed funds and the investment or brokerage account statement where the funds are managed and deposited.

The monetary value assigned to any non-liquid asset used for reserves will be 60% of the current value of the asset.

I. FINANCING AND CREDIT REQUIREMENTS

1. Credit Requirements and Credit Reports - All borrowers (including a non-borrowing spouse) are required to submit copies of their credit report from all three credit bureaus (Equifax, Experian, & TransUnion) as part of the eligibility application package. Housing Trust will request a copy of the credit report for all borrowers from the Senior Lender.
 - a. The Credit report shall contain the following:
 - i. A tri-merged credit report and credit scores from all three credit bureaus (Equifax, Experian, & TransUnion).
 - ii. Display the full name, date of birth, and previous addresses.
 - iii. Housing Trust may request alternative credit if borrowers' credit history is less than two years.
 - b. In the event that the Senior Lender is unable to submit a copy of the borrowers' credit report, Housing Trust can order a credit report from its vendor at the request of the borrowers.
 - i. The cost of the credit report is at the expense of the borrowers on application.
 - ii. The cost of the credit report is \$53.75 for a single applicant. For joint applicants, the cost is \$86.50. The cost is subject to change.
 - c. Non-borrowing spouses can obtain their credit report and FICO scores through <https://www.annualcreditreport.com/index.action>.
 - i. A credit report and FICO score are required from all three credit bureaus.
 - ii. A non-borrowing spouse can request Housing Trust order a credit report from its vendor, at the non-borrowing spouse's expense.
 - The cost of the credit report is \$53.75 for a single applicant. The cost is subject to change.
 - iii. Monthly installment debt and credit payments for the non-borrowing spouse are included in the calculation for debt ratios.
2. Credit Scores-Credit scores are required for all borrowers, including non-borrowing spouses for a Home Access loan. The credit scores are examined to ensure compliance with the minimum credit score requirement.

- a. Credit score: The borrower(s) must have a minimum middle FICO credit score of 620.
 - b. A borrower's spouse with no credit score may be eligible if the borrower with the credit scores meets the minimum representative credit score requirement.
 - c. When all borrowers have a credit score, they must **all** meet the minimum representative credit score requirement for the program.
 - d. The middle score of the lowest scoring borrower will be used to determine eligibility.
3. Age of Credit Reports - Credit reports submitted by the borrowers or the Senior Lender must be within thirty (30) calendar days old at the date of application submission and cannot be more than **90 calendar** days old at the date of closing. An updated tri-merged credit report will be required from the borrower(s).
 4. Requirements for Non-borrowing Spouse -Housing Trust require a credit report for a non-borrowing spouse.
 5. Derogatory Credit - Letters of explanation from the borrowers and non-borrowing spouse are required for **any and all** derogative credit on the credit report without regard to length of time. Letter of explanation must identify the derogatory debt and a clear and concise reason for the derogatory status.
 - a. Liens and judgments must be paid prior to loan approval.
 - b. Collections: Collections *may* require repayment terms. Borrowers cannot have more than \$2,000 in total collections excluding medical collections. Medical Collections and charge off accounts are excluded from repayment requirement.
 6. Student Loans - Student loans will be included in the debt-to-income ratio unless they have a deferment or forbearance of 12 months or more at the time of the loan application and prior to closing of escrow.
 7. Bankruptcy/Short Sales/Foreclosures- Applicants/co-applicants with past bankruptcy, short sales, or foreclosure will be considered an exception and may apply if they can demonstrate compensating factors and;
 - a. Completed short sales or bankruptcy (discharge date) is over four (4) calendar years, or
 - b. Completed foreclosure is over seven (7) calendar years, and
 - c. Applicants/Co-Applicants must demonstrate compensating factors for consideration and provide a letter of explanation regarding the event.
 - d. Viable third-party documentation must be provided.
 - e. Applicants/Co-Applicants must demonstrate sufficient reestablished credit. Housing Trust may require an additional borrower contribution for the transaction.
 8. Letters of Explanation-Letters of explanation must be signed and dated by the applicant providing the explanation. All letters of explanation must acknowledge that the applicant understands the statements provided are under penalty of perjury of the law.
 - a. The letter of explanation must be clear and provide responses to the additional information requested from the Housing Trust staff.
 - b. The letter should answer the following clarifying questions: who, what, where, when and how.
 - c. **The letter of explanation must be accompanied by supporting and verifiable documentation.**
 - d. Any information received by Housing Trust that is contradictory to a letter of explanation may disqualify the applicant.

9. Non-occupant Co-signers- Housing Trust will not allow any non-occupant borrowers or co-signers for the senior loan or any Housing Trust loan programs.

10. Debt Payoff prior to Closing- Housing Trust funds cannot be used to pay off all or any portion of the borrower's consumer debt, collections, liens, or judgments. This is not permitted even if required by the Senior Lender as a condition of loan approval and even if paid through escrow.

11. Debt Ratios- Each applicant household for a Home Access loan must meet debt to income ratios to qualify for a loan. These ratios apply to all Housing Trust Homebuyer Assistance Loan programs.
 - a. The **Front-end** ratio is calculated by dividing the total housing payment by the applicant's gross income. The minimum Front-end ratio is 25%. The Front-end ratio shall not be more than 40% and includes the following:
 - i. Principal and interest payments on the senior mortgage
 - ii. Real estate taxes
 - iii. FHA MIP/PMI/MI monthly premium
 - iv. Hazard insurance premium
 - v. Flood insurance premium, if applicable
 - vi. Monthly Homeowners' Association dues for condominiums and for homes located in a planned unit development (PUD).
 - vii. Utility Allowance for garbage collection, sewer, water, electricity, and gas
 - viii. Property Maintenance and Repair Costs (monthly average)

 - b. The **Back-end** ratio or the total debt-to-income ratio is calculated by adding together the total monthly payments of all existing long-term debt (debt with a remaining term of 10 or more months) and the total monthly housing payment and dividing that sum by the applicant's gross monthly income. The Back-end ratio shall not exceed 45% of the applicant's gross monthly income. The Back-end ratio includes:
 - i. The monthly housing payment as defined above
 - ii. Long term installment debt beyond 10 months remaining to be paid
 - iii. Revolving credit account and lines of credit
 - iv. Alimony, child support or maintenance, if applicable

Housing Trust requires submittal of the Fannie Mae 1008 Underwriting form and Automated Underwriting System approval from the Senior Lender for all programs as one source of ratio calculation. The Housing Trust will also calculate ratios based on its income calculations of the borrowers' income.

12. Compensating Factors- Housing Trust may consider compensating factors for credit scores or debt ratios that fall outside of its guidelines. The compensating factors include, but are not limited to:
 - a. The applicant's proven ability to devote a larger amount of income to housing expenses.
 - b. The applicant has substantial reserve funds (well beyond the 1-month minimum requirement).
 - c. The applicant's down payment exceeds the program minimum.
 - d. The applicant's new monthly housing expense will not increase more than five percent over previous housing payments.
 - e. Length of time at the same job or with the same employer.
 - f. Excellent credit score and history.
 - g. Applicants have very little non-housing debt.
 - h. Applicants have a substantial non-taxable income.

J. MORTGAGE REQUIREMENTS

1. Senior Mortgage Requirements-Prior to obtaining a loan from the Home Access Program, the applicant must provide evidence of Senior Lender approval for the maximum senior mortgage loan amount and purchase price. Senior Lenders must follow all required guidelines for Debt-to-Income ratios (DTIs), minimum and maximum program loan amounts, Loan to Value (LTVs) and Combined Loan to Value (CLTVs), percentage of program loan amount, FICO scores, etc.
 - a. All applicants are required to have a senior mortgage provided by a State of California licensed residential lender (including credit unions) with standard loan origination and underwriting and closing capabilities. Private-party, family member, or seller/agent loans, gifts, etc. may not be used in full or part as a substitute for a senior mortgage equal to at least 55% of the purchase price.
 - b. The following loan types **are not allowed** including reverse mortgages, stated income, Adjustable-Rate Mortgages (ARM), interest-only, 203(k) loans, and other home rehabilitation loan products, and loans with potential for negative amortization, balloon payments, or principal increase on deferred interest. Housing Trust reserves the right to identify and prohibit any loan programs and/or their characteristics.
 - c. Senior mortgage must be a **fully documented** loan. No stated income or limited documentation loans are allowed.
 - d. Senior mortgage must be a 30-year **fully amortized, fixed rate** loan that, in connection with other factors, allows for an affordable monthly housing cost.
2. Program Loan to Value-Loan Amount-DTI Ratios-FICO Score Table

Loan to Value-Loan Amount-DTI Ratios-FICO Score Table	
Minimum – Maximum Loan to Value (LTV) for senior mortgage	55%- 80%
Maximum Combined Loan to Value (CLTV) senior mortgage and program loan	97%.
Maximum Program Loan Amount Percentage of the purchase price	40%
Maximum Program Loan Amount	\$200,000
Minimum Loan Amount	\$100,000
Minimum-Maximum Front-end Debt-to-Income (DTI) Ratio	25-40%
Maximum Back-End Debt (DTI) Ratio	45%
Minimum FICO Score	620

3. Program Loan Lien Priority- The Home Access program loan will be in **SECOND LIEN** priority and only subordinate to the senior mortgage lien.
4. Loan Assumability - The Home Access program loan is not assumable.
5. Subordinate Financing- No subordinate financing may have a balloon, deferred or negative amortization payment **prior to the term of the Home Access loan**. Fees and/or charges for subordinate financing shall be consistent with industry standards.
 - a. All subordinate financing provided shall defer principal and interest payments for the term of the Home Access program loan.

- b. Any consideration for subordinate financing must be reviewed and approved by the Housing Trust at eligibility determination. Housing Trust reserves the right to identify and prohibit any subordinate loan programs and/or their characteristics.

K. PROPERTY REQUIREMENTS

1. **Eligible Housing Units**- Borrowers must occupy the property within sixty (60) calendar days of closing. Eligible types of program-assisted housing units include single family detached and attached homes including condominiums and townhomes.
 - a. The property must be intended for residential use only.
 - b. The property cannot be a manufactured home, a mobile home, or a property with an Accessory Dwelling Unit (ADU).
 - c. The housing unit must be in Alameda County or Contra Costa County.
 - d. Sales Price and the appraised value of property does not exceed the posted Maximum Property Sales Price for the county where it is located (see Section A(1)(d)).
 - e. **Occupancy Status at Purchase**- A property for sale must be owner occupied or vacant and not tenant occupied. Purchase of tenant occupied properties is not allowed.
 - f. Properties with affordability restrictions (affordable homeownership by a local municipality offered through its Below Market Rate purchase program) may qualify if its covenants and resale restrictions meet the terms and the conditions of the Home Access Program loan.
 - g. Condominiums- The condominium project and/or the Homeowners' Association of the project cannot be in litigation. The condominium project must show it is Fannie Mae and/or Freddie Mac Eligible or Approved.
 - h. New Construction homes - Borrowers must be able to close escrow within 120 calendar days of Housing Trust being in receipt of program Purchase Loan Application and ratified Purchase Sales Agreement for the property. Applicants must remain eligible through the escrow period.
2. **Arms-Length Transaction**- The purchase transaction must be an ARMS-LENGTH transaction. There cannot be any undisclosed agreements or preferential treatment to the applicant household, the sellers, or the realtors.

L. PROGRAM LOAN AND SENIOR LENDER DOCUMENTATION AND PROCESS

1. **Program Loan Disclosures**- Housing Trust will provide all its required loan disclosures for the HOME ACCESS program to borrower/co-borrowers upon submission of the Housing Trust Purchase Loan Application and ratified purchase sales agreement submitted by the Senior Lender. An email is sent to the Title Company with copies of the Truth in Lending (TILA) and Good Faith Estimate (GFE) requesting an estimated Buyer's settlement statement showing expected program costs, such as title and escrow charges, recording fees, and hazard insurance.

The following program loan disclosures are sent to the borrowers and co-borrowers within three (3) business days receipt of the program purchase loan application:

- a. Intent to Proceed with Loan Application
- b. Buyer's Disclosure Statement- HOME ACCESS Program
- c. Good Faith Estimate

- d. Acknowledgment by Applicant of Required Disclosures and Notices
 - e. Truth in Lending Disclosure Statement
 - f. Fair Lending Notice
 - g. Sample Promissory Note
 - h. Sample Deed of Trust
 - i. Your Home Loan Toolkit
 - j. Borrowers Authorization to Release Information
2. Close of Escrow Date – Housing Trust requires at least thirty (30) calendar days to facilitate close of escrow. A minimum of twenty-five (25) calendar may be accommodated with approval from Housing Trust. For a new construction home, the maximum close of escrow date is 120 calendar days.
3. Documents from the Senior Lender- Housing Trust will request lender documents to ensure program eligibility by the applicants. Housing Trust reserves the right to request additional documents, if needed, from the Senior Lender, to document compliance with any statutory funding source regulation or these guidelines.
- a. **Initial Lender Documents** -The initial lender documents requested at program application submission are the lender’s pre-approval letter, 1003, 1008, AUS/DU approval, and the credit report.
 - b. **Lender Documents at Purchase Loan Application** -At time of the purchase loan application, the following documents requested are the 1003, 1008, AUS/DU approval, appraisal, Loan Estimate, Loan Approval or Loan Commitment letter, and the credit report, if expired.
 - c. Documentation requested from the Senior Lender includes:
 - i. **Unexpired Pre-Approval Letter**-Must contain all the information necessary to determine program eligibility determination including date issued, expiration date, purchase price, Senior Lender loan-to-value, senior loan amount, borrower contribution, interest rate, name of mortgage loan originator, NMLS ID, and their contact information.
 - ii. **1003-Uniform Residential Loan Application (Fannie Mae)**- all sections of form 1003 must be filled in, including the name of Housing Trust Silicon Valley as the subordinate lender, the amount of subordinate financing, closing costs, and funds for closing. This form must be accurate and correctly reflect all the information that is found in Form 1008 and the DU/AUS decision.
 - iii. **1008-Uniform Underwriting and Transmittal Summary (Fannie Mae)**- all sections of form 1008 must be filled in, including the name of Housing Trust Silicon Valley as the subordinate lender, the amount of subordinate financing, closing costs, and funds for closing. This form must be accurate and correctly reflect all the information that is found in form 1003 and the DU/AUS decision.
 - iv. **Automated Underwriting System/ Direct Underwriting (AUS/DU) Approval** - all sections of the AUS/DU Approval must be filled in, including the name of Housing Trust Silicon Valley as the subordinate lender, the amount of subordinate financing, closing costs, funds for closing, and date-run and expiration date of the decision. This form must be accurate and correctly reflect all the information that is found in form 1003 and form 1008. AUS/DU Approval must show an Eligible Decision. Th AUS/DU Approval cannot be more than sixty (60) days at the submission date of application submission and at purchase loan application

- v. **Credit Report** – Senior Lender is required to send a copy of the borrowers’ credit report that is less than thirty (30) days old at application submission. The expiration date of a Program Eligibility Determination letter (Program Pre-approval) is based on the expiration date of the Senior Lender’s credit report but not more than ninety (90) days. In order to facilitate a longer program pre-approval time, the Senior Lender may be required to update the borrowers’ credit report. The Credit report cannot be more than ninety (90) days at the close of escrow.
 - vi. **Appraisal Report**- A copy of the appraisal report is required as part of the Purchase Loan Application package. The appraisal report cannot be older than ninety (90) days at the time of submission. The appraisal report must be completed by Uniform Standards of Professional Appraisal Practice standards, by a qualified appraiser holding a California Certified Appraisal License (issued by the Office of Real Estate Appraisers), with experience valuing similar properties in the Bay Area, and preferably with a Member of the Appraisal Institute member designation (issued by the Appraisal Institute).
 - vii. **Loan Estimate (LE)**- The Loan Estimate is requested after receipt of the Purchase Loan Application.
 - viii. **Loan Commitment letter** -The Loan Commitment Letter is required before Housing Trust can issue a Conditional Loan Approval, prepare program loan documents, and set up a One-on-One Counseling appointment with the borrowers.
 - ix. **Ratified Purchase Sales Agreement and All Addendums/Counteroffers** – Ratified Purchase Sales Agreement includes the complete address of the property, name of the borrowers on the program pre-approval letter, purchase price, signatures of all parties including the selling and buying agents and title company representative. All Counteroffers and addendums must be included. Any additional addendums ratified during the course of the transaction must be sent to Housing Trust for review and approval.
 - x. **Closing Disclosure (CD)** – is requested at program final loan approval and prior to the release of program loan documents to the title company.
4. **Loan Approval**- After the acceptance of the purchase loan application package, the applicants must provide any documentation required to maintain program eligibility including income and asset documents. After all conditions are received, the file is submitted for final review. Any additional documentation may be requested during final review.
- a. **Conditional Loan Approval** - All required documentation must be delivered, and all conditions must be met before Housing Trust can issue a Program Conditional Loan Approval.
 - i. A Program Conditional Loan Approval letter will be sent to the Senior Lender and the borrowers (via email).
 - ii. Lender confirms vesting and borrowers’ names for loan documents.
 - iii. A one-on-one counseling appointment is made with the borrowers. Program loan documents, disclosures, and the terms of the loan are reviewed with the borrowers.
 - b. **Final Loan Approval** - Upon completion of the one-on-one counseling appointment and receipt of signed program disclosures and the Lender’s Closing Disclosure, Housing Trust issues a Final Loan Approval letter to the Senior Lender and the borrowers.
 - i. An email is sent to the Title Company with the attached program Truth in Lending and Good Faith Estimate signed by the borrowers. The request is made to update the estimated settlement statements.

5. Request for Program Loan Documents - Housing Trust will send Request for Program Loan Documents instructions at the Senior Lender's request. This form must be completed and emailed back to Housing Trust staff as soon as possible. Program Loan documents require up to 48 hours' notice to be prepared. **Non-borrowing spouses will always be included in the program Promissory Note and Deed of Trust.**
 - a. Loan documents for the Home Access Program shall include but will not be limited to:
 - i. Program Promissory Note
 - ii. Program Deed of Trust
 - iii. Program Condominium/PUD Rider (if applicable)
 - iv. Request for Notice
 - b. One-on-One Counseling Session- At the time of the Conditional Loan Approval and Prior to Final Loan Approval, Housing Trust will contact the borrowers for a one-on-one counseling session. The one-on-one counseling session will allow the borrowers to ask any questions regarding financing and repayment terms. The borrowers will also review program loan disclosures and program loan documents.
 - i. ALL Borrowers (including non-borrowing spouses) are required to attend this session with a Housing Trust program staff member.
 - c. Lender and Housing Trust coordinate the release of loan documents concurrently. The Title Company will be notified and Escrow officer contacts borrowers for signing. Loan documents must remain in the custody of the Title Company or its designated representative at all times.
6. Vesting Requirements -At the time of the Program Loan Documentation prep, Housing Trust will request from the Senior Lender, the type of vesting the borrowers (including the non-borrowing spouse) will hold.
 - a. The borrowers cannot hold a "tenancy in common" vesting.
 - b. Allowable types of vesting are sole ownership, joint tenancy, community property, and community property with the right of survivorship.

M. TITLE AND ESCROW DOCUMENTATION AND REQUIREMENTS

1. Preliminary Title Report- The Preliminary Title Report cannot be more than ninety (90) days old at the date of closing. The Preliminary Title Report must include the legal description of the property. The documentation requested from the identified title company will be:
 - a. Preliminary Title Report including wire instructions
 - b. Plat map
 - c. Copy of earnest money deposit funds and any additional funds by the borrowers whether cashier's check or wire receipt.
 - d. Copy of Title Company's receipt for the initial deposit and any additional funds deposited by the borrowers.
2. Title and Escrow Documents Required Prior to Funding- After Senior Lender and program loan documents have been signed the Escrow Officer will send a physical and electronic funding package to Housing Trust. The following documents should be included:
 - a. Certified Program Escrow Instructions
 - b. Certified estimated settlement statements for the program loan and the buyers

- c. Certified combined estimated settlement statement for the buyers and sellers
- d. Recording Order
- e. Certified copies of the Senior Lender’s promissory note and the deed of trust, including any riders
- f. Certified copies of the program’s promissory note and the deed of trust, including any riders
- g. Copy of the Hazard Insurance Policy
- h. Copy of the Master Policy if there is a Homeowners Association (HOA)
- i. Certified copy of the source of funds to close

3. Title Policy Requirements for a Home Access Loan- Housing Trust **requires** an ALTA lenders title insurance policy in the amount of the program loan. This must show on the settlement statement along with any other associated title and escrow charges for the HOME ACCESS loan and is a funding condition prior to the close of escrow.
 - a. Any funds required to close escrow must be deposited into an escrow account.
 - b. Housing Trust requires proof of Hazard Insurance and a Master Insurance (for a property with a Homeowner’s Association) policy that shows Housing Trust as the second mortgagee/loss payee. This must be provided prior to funding.
 - c. Housing Trust requires signed documents, and any required documentation to be returned to Housing Trust, in accordance with escrow instructions, prior to funding.
 - d. Cash out of escrow, to applicants, **is limited and requires approval from Housing Trust prior to funding.**

N. INSURANCE REQUIREMENTS AND DOCUMENTATION

The Housing Trust will require the applicant to obtain hazard insurance for the program loan, which includes the amount of the program loan, at the close of escrow. Hazard/Fire Insurance (and flood insurance if property is located in a FEMA designates Special Flood Hazard Area) requirements are as follows:

1. Hazard Insurance Policy- Borrowers must maintain insurance on the property in an amount **at least equal to the replacement value of the improvements**; and
 - i. Housing Trust must be named as an additional loss payee (Second Loss Payee/Second Mortgagee) on the policy.
2. Master Insurance Policy- For a property with a homeowner’s Association, a Master Insurance policy must be attained showing Housing Trust as the second mortgagee/loss payee.
3. Mortgagee Clause for Housing Trust Silicon Valley – The mortgagee clause is the name and address of the company and the corresponding Housing Trust loan number.
 - **For example: Housing Trust Silicon Valley or its assignees
75 East Santa Clara Street, Suite
1350 San Jose, CA 95113
Home Access Program # 000**

O. CLOSING DOCUMENTATION AND PROCEDURES

1. Funding Process- The Housing Trust’s Lender Instructions submitted with the loan documents are the “Master Instructions or Escrow Instructions” mandated by the Housing Trust regarding Recording and Closing procedures for all Housing Trust loans.

- a. Contribution of program funds may be suspended if the title/escrow company fails to comply with the Master Instructions or Escrow Instructions.
 - b. Program loan documents are to be delivered to the title company and remain in the custody of the title company or its designated representatives (notary).
 - c. The Escrow Officer must sign and return a copy of the Escrow Instructions, along with a complete funding package, to Housing Trust prior to funding the HOME ACCESS loan.
 - d. Escrow must provide the Funding Package of all executed documents, required conditions and any additional conditions requested at least **24 hours** prior to Release of HOME ACCESS Funds.
2. Funding and Wire Release of Funds - Upon receipt and review of **all** the required funding conditions, compliance with the Senior Lender's instructions, funds are wired within 24 hours. The timing of the funding is based on the date and time of receipt and review of the last funding condition required to fund the program loan, and confirmation of the Senior Lender's funding of the senior mortgage.
3. Recording and Closing Procedures
- a. All documents must be recorded in sequential order as stated in the Housing Trust Lender/Escrow Instructions.
 - b. Upon close of escrow, the Title Company is required to notify Housing Trust staff of any funds due to the buyer and confirm Title Company is allowed to release those funds.
 - c. Title Company will send to Housing Trust a final HUD-1 settlement statement and all required documents as listed in the Lender/Escrow Instructions.

P. PROGRAM LOAN REPAYMENT TERMS FOR BORROWERS

1. Conditions of Repayment Terms – The terms of the program loan are for the life of loan. The terms and conditions of the loan are based on these Policies and Procedures, program guidelines, and program loan documents, and outlined in Exhibit #A-Terms and Policies Matrix for the policies and procedures.
 - a. Security/Default- The Home Access Program loan is separately secured by a second deed of trust on the property which creates a second lien on the property. The Home Access Program loan including any deferred principal, accrued deferred interest, and any other charges, if applicable, are due and payable at the earlier of one of the following events:
 - i. Transfer of title (except under specific circumstances, see Section R-Permitted Transfers below)
 - ii. Transfer of title and sale of residence
 - iii. Upon formal filing and recording of Notice of Default
 - iv. At the maturity date of the program loan, which is thirty (30) years from the date of the program Promissory Note
 - v. Default from failure of borrowers to maintain owner occupancy in the property as their primary residence.
 - vi. Default of the payments for senior mortgage, real estate taxes, Homeowner Association dues, and/or maintaining required hazard insurance
 - vii. Prepayment of the program loan (may be in part or in whole)
 - viii. Applying for a Home Equity Line of Credit (HELOC).
 - ix. Refinancing of senior mortgage loan, except for hardship
 - Cash-out refinance of the senior mortgage
2. Hardship Notification - A borrower is required to contact Housing Trust and receive written approval

before refinancing the Senior Mortgage for the reason of hardship. A rate and term refinance provides the borrower with an opportunity to lower the interest rate on their current senior mortgage with a new senior loan.

3. Subordination- Housing Trust Silicon Valley may agree to subordinate its security interest on a real estate loan when the following conditions have been met to the satisfaction of the Asset Management Department of Housing Trust Silicon Valley. Questions regarding loan payoffs and subordination requirements should be directed at the Asset Management Department of Housing Trust Silicon Valley
 - a. Subordination Requests – Subordination requests for the program loan are **limited to Refinance due to hardship**.
 - b. Housing Trust reserves the right to review and approve all documents supporting the hardship and proposed subordination including, but not limited to, borrowers' income, tax, and asset documentation, and appraisals of the property, etc.
4. No Prepayment Penalty - No prepayment penalty- A borrower may pay the Home Access Principal Loan amount, in part or in whole, at any time without penalty. Payment is first applied to any accrued interest. Any remaining amount is then applied to the principal loan amount.
5. Payoff Requests- To pay off the program loan, the Borrower must send a certified written notification to the Asset Management Department of Housing Trust Silicon Valley to request a written payoff demand for the program loan **prior to** the close of a sale transaction or obtaining a new senior mortgage.
 - a. The borrower must indicate if the home is being sold or if the borrower is refinancing. The borrower must provide the name of the title company involved.
 - b. Reduced principal payoffs will not be approved. Short sale requests for any amount less than the outstanding principal balance of the Home Access loan will not be approved.
6. Refinancing - Borrowers seeking to refinance their current senior mortgage loan must pay off the program loan unless the refinancing qualifies for hardship. The Asset Management department reviews the hardship request and supporting documentation for hardship determination.
 - a. The new senior mortgage lien must be for rate and term only and may include financed non-recurring closing costs.
 - b. The term of the new senior lien must be at least for the period of time remaining on the Home Access loan. It must mature concurrently or after the Home Access lien.
 - c. The new senior mortgage loan must be amortized for the entire term of the loan. Negative amortization, balloon payments, or changes in payments are not allowed. All terms required of a senior mortgage lien placed concurrently with a Home Access lien will apply.
 - d. The borrower must submit a copy of the insurance declarations page to showing that the Housing Trust is still identified as an additional Loss Payee.
 - e. Cash-out from a new mortgage lien in a position senior to the Home Access lien is not permitted.
 - f. Applying for a home equity loan or line of credit is considered as cash-out and is not permitted under the Home Access Program.
 - i. After subordination, the total indebtedness or CLTV (Combined Loan to Value) evidenced by all liens against the property shall not exceed ninety percent (95%) of the appraised value of the property.
 - ii. Housing Trust shall have the right to review and approve all documents supporting the

hardship and proposed subordination including, but not limited to, borrowers' income, tax, and asset documentation, and appraisals of the property, etc.

7. Repayment at Maturity Date- At maturity date, borrower will contact Housing Trust to determine payoff amount of principal loan and interest. If borrower determines that payoff of the principal loan amount and interest will be a hardship, borrower can request a Hardship Review by Housing Trust. If it is determined by Housing Trust that repayment of the Home Access Program loan at the maturity date causes a hardship for the Borrower, Housing Trust has two other options. They are:
 - a. Amending the note and deed of trust to defer repayment of the amount due at Loan maturity, that is, the original principal and the accrued interest, for up to an additional 30 years (at 0 percent additional interest), this may be offered one time, or
 - b. Converting the debt at Loan maturity, that is, the original principal balance and any accrued interest, to an amortized Loan, repayable in 15 years at 0 percent additional interest.
8. Loan Assumption- All HOME ACCESS loans **are not assumable** by subsequent purchasers or any other parties, except for permitted transfers.

Q. PERMITTED TRANSFERS

1. Permitted Transfers - The following transfers of interest shall not require repayment of the Home Access Loan and are considered Allowable Transfer Under Specific Circumstances:
 - a. Transfer to a surviving joint tenant by devise, descent, or operation of law on the death of a joint tenant; or
 - b. A transfer, in which the transferee is a person who occupies or will occupy the property, which is:
 - i. A transfer where the spouse becomes an owner of the property; or
 - ii. A transfer resulting from a decree of dissolution of marriage, legal separation agreement, or from an incidental property settlement agreement by which the spouse becomes an owner of the property; or
 - iii. A transfer into an inter vivos trust in which the Borrower is and remains the beneficiary and occupant of the property

R. SENIOR LENDER PARTICIPATION-LOAN DOCUMENTS AND PROGRAM GUIDELINES SUBMISSION

In general, the HOME ACCESS Program is open to participation from all senior mortgage lenders, mortgage bankers, mortgage brokers, or Mortgage Loan Originators (MLO). There are no participation fees or origination volume requirements.

1. Requirements for Lender Participation:
 - a. Senior Lenders wishing to provide senior mortgage financing in connection with the HOME ACCESS Program must be licensed through the State of California.
 - b. Email homebuyer@housingtrustsv.org to request a Senior Lender Participation package, please provide:
 - i. Contact information (name, title, phone number and email address) of underwriting, legal, and/or compliance staff responsible for reviewing program guidelines and legal documents.
 - ii. Lender Participation Agreement and Homebuyer Assistance Loan program documents must be reviewed and approved by Senior Lender's Compliance or Legal department
 - c. The Senior Lender will provide the Housing Trust with a written verification of the review signed by the company's authorized signer.
 - d. The Senior Lender will maintain an up-to-date approved Lender Participation Agreement on file.

- e. The Senior Lender maintains its standing in the Nationwide Multistate Licensing System in good standing.
- f. Senior Lender can also go to the Housing Trust webpage “*Lender Partners*” located under Homeownership Assistance or click on this link: <https://housingtrustsv.org/programs/lender-realtor-resources/for-our-lender-partners/>

2. *Mortgage Loan Originator (MLO) Participation* - Recommends interested MLOs to attend a Lender training workshop to gain program knowledge and successfully assist first time homebuyers navigate the application and loan process. A participating MLO is expected to perform the following:

- a. Offers program knowledge and assistance to first-time homebuyers interested in Housing Trust Silicon Valley Homebuyer Assistance Programs.
- b. Assist the applicant with lender pre-approval for a senior mortgage loan prior to applicant meeting with the Housing Trust and submitting their Program Eligibility Application.
- c. Review Housing Trust Program Eligibility (Pre-approval) letter to ensure senior mortgage information is correct.
- d. Submit a Homebuyer Assistance Program Purchase Loan Application on behalf of their Program Eligible (Housing Trust Pre-Approved) applicant along with supporting documents upon ratification of a purchase sales agreement.
- e. Comply and follow Housing Trust procedures for Program Eligibility (Pre-approval) and Purchase Loan Application.
- f. Attend a yearly Housing Trust Senior Lender training workshop for program updates.
- g. Maintains their standing in the Nationwide Multistate Licensing System in good standing.
- h. Demonstrates a thorough knowledge and understanding of Housing Trust general and program underwriting guidelines.
- i. Mortgage Loan Originators have access to program flyers via the Housing Trust website.

First-time homebuyers can contact Housing Trust to verify a mortgage loan originator has attended a training. Homebuyers can also check with Housing Trust if the mortgage loan originator’s company is a participating lender.

3. *Certified Mortgage Loan Originator*- Housing Trust invites Mortgage Loan Originators who have attended a lender training to become a Certified Mortgage Loan Originator by completing the following steps:

- a. Attend a Certified Mortgage Loan Originator training and pass a Certified Mortgage Loan Originator test.
- b. Attend a Lender training workshop for program updates yearly.
- c. Upon the recommendation of Housing Trust staff based on pre-approvals and purchase loan application activity and a command of the program guidelines.

4. *Preferred Mortgage Loan Originators*- Housing Trust may invite a Certified Loan Officer or Mortgage Loan Originator to become a Preferred Loan Officer at its discretion. The MLO will meet the following criteria:

- a. Must be a Certified Mortgage Loan Originator.
- b. Demonstrates extensive knowledge and understanding of Housing Trust general and program underwriting guidelines.
- c. Attends the Preferred Mortgage Loan Origination training session and pass the exam

- d. Preferred Mortgage Loan Originators will answer all homebuyer inquiries in a timely manner.
- e. Maintains their standing in the Nationwide Multistate Licensing System in good standing.

Benefits:

- a. Preferred Mortgage Loan Originators will have the opportunity to participate in homebuyer or realtor events coordinated by Housing Trust.
- b. Preferred Mortgage Loan Originators will be listed on Preferred Loan Officer contact list.

It is at the sole discretion of the Housing Trust's Homebuyer Programs department to select an MLO as a Preferred or a Certified Mortgage Loan Originator. The Housing Trust reserves the right to remove any inactive and/or non-compliant MLO from the Preferred or a Certified Mortgage Loan Originator list without notice. Mortgage loan originators are responsible for notifying the Housing Trust of any changes in contact information or employment.

VI. Post-Closing Activities

A. MONITORING AND COMPLIANCE

1. Quality Control- Housing Trust Silicon Valley may retain an outside firm to audit loan files on a periodic basis as required.
2. Loan Monitoring- Housing Trust Silicon Valley will monitor all homebuyer loans on an annual basis to confirm compliance with program guidelines. The monitoring program will consist of a letter and questionnaire sent to all borrowers of outstanding loans.
 - a. The Program requires the borrowers to:
 - i. Occupy the home as their principal residence throughout the life of the loan; and
 - ii. Maintain insurance coverage; and
 - iii. Timely property tax payment; and
 - iv. Good standing with senior mortgage loan.

The purpose of the monitoring program is primarily to determine compliance with the occupancy requirement. The program also provides an opportunity for Housing Trust Silicon Valley to maintain contact with the recipients and offer its assistance.

B. LOAN TERMINATION

1. Reconveyance of Deed of Trust and Cancellation of Notes- Upon the full repayment of the amount due under the program loan, Housing Trust Silicon Valley will cause the release of the program deed of trust and return a cancelled promissory note to the borrower.



EXHIBIT A

HOME ACCESS PROGRAM POLICIES AND TERMS MATRIX

Purpose	To assist eligible low-income first-time homebuyers to purchase homes in Alameda County or Contra Costa County.
Method/Assistance	Eligible homebuyers may qualify for a deferred interest loan to supplement the borrowers' equity in the form of down payment. Deferred interest loans are second mortgages which require that homeowners repay not only the initial subsidy that they received, but any accrued deferred interest. No payments are required for 30 years, unless the owner sells, no longer occupies the home, defaults on any terms of the program loan, defaults on the senior mortgage, or refinances the home (unless under specific terms), at which time the principal and any accrued deferred interest must be repaid.
Projected Funding	Approximately \$3 million is expected to be made available from CalHome Reuse funds held by Housing Trust Silicon Valley
Expected Program Start	March 26, 2025
Eligibility	
Location	Eligible homes anywhere in Alameda County or Contra Costa County.
Property Type	Single-family homes (attached or detached), including condominiums or townhomes, (excluding purchase of multi-unit properties, but not single units within the properties or single-family homes with accessory dwelling units).
Borrower	
Owner-Occupancy	The owner must certify that he/she will be an owner-occupant and must maintain homeownership during the term of the loan by filing of a homeowner's exemption with the County Office of the Assessor where the property is located.
First-Time Homebuyer	A first-time homebuyer, according to Title 25 of the California Code of Regulations §8201(l), is defined as an individual or individuals, or an individual and his or her spouse, who have not owned a home or had an ownership interest in a home during the three-year period prior to the date of application. Furthermore, the individual cannot have held or shared title to a home (whether in Alameda County or Contra Costa County or elsewhere) for 3 years prior to Home Access Program Application submission. (This would mean that a buyer who had previously owned a home but no longer owns one (whether through divorce, sale, foreclosure, etc.) is eligible for the program so long as they have not owned a home during the prior 3 years.)
Household Income	Not to exceed 80% of Area Median Income. For the purposes of this program, household income will only be used at the time of application and not on an ongoing basis. The homeowner is only required to qualify at the time they apply for the program.
Target populations	<ul style="list-style-type: none"> • Borrower's place of employment is located within a reasonable commute distance from the primary residence, which is the subject property being purchased. • Property is located in one of the following counties: Contra Costa or Alameda

Homeownership Counseling	Must have attended a HUD-certified 8-hour Homebuyer Education course conducted by a HUD-approved non-profit counseling agency. The Certificate of completion must be less than 2 years from the date of the application.
Loan Terms	
Use of Loan Proceeds	Only for payment into escrow to purchase the property.
Housing Trust Lien	Second Deed of Trust on the property
Subordination	<p>Housing Trust may agree to subordinate its security interest on a real estate loan when the following conditions have been met:</p> <ul style="list-style-type: none"> a. Refinance due to hardship - the purpose of refinance is to lower the interest rate of the senior mortgage thus lower the mortgage payment. <ul style="list-style-type: none"> i. The total indebtedness shall not exceed ninety percent (95%) of the appraised value of the property; and b. Cash out refinance is not allowed.
Type of Senior Mortgage	30-year Fixed rate, fully amortizing loan (Reverse mortgages, adjustable-rate mortgages, balloon or non- amortizing mortgages are not permitted)
Home Equity Line of Credit (HELOC)	Borrowers are prohibited from taking out a home equity line of credit (HELOC). If the borrower wishes to obtain a HELOC, the Home Access loan, including any accrued deferred interest, must be repaid in full.
Title Insurance	Required for loan.
Interest Rate	Deferred simple interest- 3% per annum
Monthly Payment	No monthly payment required. Principal and interest are deferred for the term of the loan.
No Prepayment Penalty	There is no prepayment penalty- A borrower may pay the Home Access Principal Loan amount and any accrued interest, in part or in whole, at any time without penalty. Payment is first applied to any accrued interest. Any remaining amount is then applied to the principal loan amount.
Maturity	<p>Thirty (30) years from the date of the Note, or upon sale or transfer, assignment, or default; or prepayment or refinance of the senior loan; or change to non-owner occupancy status, whichever occurs first.</p> <p>If borrower determines that payoff of the principal loan amount and interest will be a hardship, borrower can request a Hardship Review by Housing Trust. If it is determined by Housing Trust that repayment of the Home Access Program loan at the maturity date causes a hardship for the Borrower, Housing Trust has two other options. They are:</p> <ul style="list-style-type: none"> a. Amending the note and deed of trust to defer repayment of the amount due at Loan maturity, that is, the original principal and the accrued interest, for up to an additional 30 years (at 0 percent additional interest), this may be offered one time, or b. Converting the debt at Loan maturity, that is, the original principal balance and any accrued interest, to an amortized Loan, repayable in 15 years at 0 percent additional interest.

Loan Due	Thirty (30) years from the date of the Note, or upon sale or transfer, assignment, or default; or prepayment or refinance of the senior loan; or change to non-owner occupancy status, whichever occurs first.
Loan Assumability	Not assumable.
Amount Due	<p>Original HOME ACCESS principal and any accrued deferred interest is due according to the terms of repayment. The unpaid Home Access Principal Loan is the loan amount borrowed by the borrower and applied as down payment towards the purchase of the property. The deferred simple interest of 3% per annum accrues based on the unpaid Home Access Principal Loan amount.</p> <p><i>For example: \$100,000 (Home Access Principal Loan Amount) X 3% (Simple Interest per annum) = \$3,000 (Interest Accrued per year)</i></p> <p>For example: Home is sold in Year 5 of loan:</p> <ul style="list-style-type: none"> • HOME ACCESS loan: \$100,000 • Home Access Loan Deferred Interest = \$100,000 (Home Access Loan) X 3% (Deferred Simple Interest Rate) = \$3,000 per year • Total Deferred Interest Accrued = \$3,000 X 5 (Years) = \$15,000 • Total Payment due: \$100,000 (Home Access Principal Loan) + \$15,000 (Total Deferred Interest Accrued) = \$115,000
Administration	
Oversight	Housing Trust Silicon Valley oversees the Home Access Program.
Referrals	Borrowers may refer themselves to the Program directly or may be referred by a Realtor, lender, or others.
Eligibility Determination	To be determined by Housing Trust Silicon Valley.
Determination of Equity	Appraisal ordered by senior mortgage lender.
Loan Closing	Loans will be originated by Housing Trust Silicon Valley.
Fund Disbursement	Housing Trust funds the Home Access Program with its CalHome Reuse Funds.
Servicing / Asset Management	By Housing Trust Silicon Valley
Compliance/Monitoring	<p>Housing Trust Silicon Valley will monitor annually to ensure the home has remained the program participant's primary residence. This monitoring may require contacting the homeowner annually to provide information regarding compliance with the program, including providing an annual signed self-certification to Housing Trust Silicon Valley.</p> <p>Annual monitoring will also include ensuring program participant is maintaining hazard insurance that lists Housing Trust Silicon Valley as an additional loss payee.</p>

EXHIBIT B

Eligibility Application and Purchase Transaction Timeline

- 1.** Program Eligibility Application - Purchase-ready Buyers submit a completed Homebuyer Assistance Program Eligibility Application and submit the required documents.
- 2.** Housing Trust staff request documents from the lender providing the Lender Pre-Approval letter for the Purchase-ready Buyer also known as the borrowers.
- 3.** The borrowers receive a HOME ACCESS Program Eligibility (Pre-approval) letter and work with a realtor to identify a home to purchase and make an offer to purchase the home. Once the offer is accepted, the borrowers notify the Lender and Housing Trust.
- 4.** The Lender submits a copy of the ratified purchase sales agreement to Housing Trust. The Lender and the borrowers complete a Purchase Loan Application. Housing Trust requests documents from Lender and Title Company.
- 5.** Housing Trust issues loan disclosures to borrowers within three (3) business days.
- 6.** Housing Trust staff review the documents from the Lender and Title Company, requesting any missing documents. Upon receipt of all documents, Conditional Loan Approval is issued. and the Program Eligible buyer loan application is submitted for final review.
- 7.** A one-on-one counseling session with the Borrowers to review loan terms and loan documents.
- 8.** Upon completion of the one-on-one counseling session, Housing Trust reviews for final review. Final Loan Approval is issued.
- 9.** HOME ACCESS Program loan documents are sent to Title company. Title company sets an appointment with borrowers to sign documents. for homebuyer's signature.
- 10.** Housing Trust receives the funding package from the Title company for completeness. Housing Trust wires funds and Title Company submits documents for recording. Transaction closes!

EXHIBIT C

Part 5 (24 CFR 5.609) REV-1 06/07

INCOME INCLUSIONS

(1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;

(2) The net income from operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;

(3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (2) above. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by the U.S. Department of Housing and Urban Development and subject to change;

(4) The full amount of periodic amounts received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a **periodic amount (e.g., Black Lung Sick benefits, Veterans Disability, Dependent Indemnity Compensation, payments to the widow of a serviceman killed in action). See paragraph (13) under Income Exclusions for an exception to this paragraph;**

(5) Payments in lieu of earnings, such as unemployment, disability compensation, worker's compensation, and severance pay, except as provided in paragraph (3) under Income Exclusions;

(6) Welfare Assistance.

(a) Welfare assistance received by the family.

(b) If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

(c) The amount of the allowance or grant exclusive of the amount specifically designated for shelter and utilities; plus

(d) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

(7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling; and

(8) All regular pay, special pay, and allowances of a member of the Armed Forces, except as provided in paragraph (7) under Income Exclusions.

(9) For Section 8 programs only and as provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 *et seq.*), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph “financial assistance” does not include loan proceeds for the purpose of determining income. *(Note: This paragraph also does not apply to a student who is living with his/her parents who are applying for or receiving Section 8 assistance.)*

INCOME EXCLUSIONS:

(1) Income from employment of children (including foster children) under the age of 18 years;

(2) Payments received for the care of foster children or foster adults (usually persons with disabilities unrelated to the tenant family, who are unable to live alone);

(3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker’s compensation), capital gains, and settlement for personal or property losses, except as provided in paragraph (5) under Income Inclusions;

(4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;

(5) Income of a live-in aide, as defined in 24 CFR 5.403;

(6) The full amount of student financial assistance paid directly to the student or to the educational institution (see Income Inclusions (9), above, for students receiving Section 8 assistance);

(7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire (e.g., in the past, special pay included Operation Desert Storm);

(8) (a) Amounts received under training programs funded by HUD (e.g., training received under Section 3);

(b) Amounts received by a person with a disability that are disregarded for a limited time for purposes of supplemental security income eligibility and benefits because they are set-aside for use under a Plan to Attain Self-Sufficiency (PASS);

(c) Amounts received by a participant in other publicly assisted programs that are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;

(d) Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the owner, on a part-time basis, that enhances the quality of life in the project. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, and resident initiative coordination. No resident may receive more than one such stipend during the same period of time; or

(e) Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training programs not affiliated with a local government) and training of a family member as a resident management staff person. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program.

(9) Temporary, nonrecurring, or sporadic income (including gifts);

(10) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era. (Examples include payments by the German and Japanese governments for atrocities committed during the Nazi era);

(11) Earnings in excess of \$480 for each full-time student 18 years or older (excluding the head of household and spouse);

(12) Adoption assistance payments in excess of \$480 per adopted child;

(13) Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump-sum amount or in prospective monthly amounts;

(14) Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit;

(15) Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or

(16) Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the *Federal Register* and distributed to housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary.