

**CITY OF SUISUN CITY REDEVELOPMENT AGENCY
FORECLOSURE FIRST-TIME HOMEBUYER PROGRAM GUIDELINES
Suisun City Redevelopment Project Area**

Purpose The City of Suisun City Redevelopment Agency (“**Agency**”) has created a first-time home buyer affordable housing program (“**Program**”) to eliminate blight, enhance property values, and provide affordable home ownership opportunities to low- and moderate-income households within the existing neighborhoods of the Suisun City Redevelopment Project Area, as depicted on Exhibit 1 attached hereto (“**Project Area**”).

PROGRAM REQUIREMENTS

Definition of a First-Time Homebuyer A first time homebuyer is defined as a person or household who has not owned a principal place of residence in the past three (3) years.

Income Requirements Household income must be certified and cannot exceed applicable moderate-income levels determined by household size as follows:

Household Size	1	2	3	4	5	6	7	8
2010 Max Income Limit	\$66,550	\$76,050	\$85,550	\$95,050	\$102,650	\$110,250	\$117,850	\$125,450

Excess Assets as Household Income Households are required to utilize assets exceeding \$5,000 in cash value as part of their household income in determining income eligibility for the Program (given they have provided proof of their minimum 3% homebuyer contribution towards the downpayment).

Example:

Annual Household Income for Family of 4:	\$63,300
Family has \$6,000 in a non-interest-bearing account; Total asset (or cash value) amount:	\$6,000
Current Passbook (Savings) Rate*:	2%
Imputed Income from Assets Calculation: $\$6,000 \times .02 =$	\$120
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TOTAL Household Income:	\$63,420

Affordable Housing Cost

Total monthly housing costs include: loan principal and interest payments, property taxes, homeowner’s insurance, homeowner association dues (if any), utilities, and maintenance/repair costs (collectively, “**Housing Cost**”). Monthly maintenance/repair costs will be calculated at 0.50% of the purchase price divided by twelve. Estimated utility costs are provided as follows:

Bedroom Size	1	2	3	4
Estimated Monthly Utility Allowance	\$163.00	\$211.00	\$221.00	\$267.00

Total **allowable** monthly housing cost amounts are shown in the table below. The total calculated housing cost of any applicant **cannot be less than 28%** of the actual gross income of the household and cannot exceed 35% if moderate-income or 30% if low-income of the Area Median Income by household size:

Household Size	1	2	3	4	5
Very-Low Income Limits	\$27,750	\$31,700	\$35,650	\$39,600	\$42,800
Low Income Limits	\$44,350	\$50,700	\$57,050	\$63,350	\$68,450
Moderate Income Limits	\$66,550	\$76,050	\$85,550	\$95,050	\$102,650

Household Size	1	2	3	4	5
Max Monthly Housing Cost (If Very-Low Income)	\$693.13	\$791.88	\$891.25	\$990.00	\$1,071.88
Max Monthly Housing Cost (If Low Income)	\$970.38	\$1,108.63	\$1,247.75	\$1,386.00	\$1,500.63
Max Monthly Housing Cost (If Moderate Income)	\$1,779.02	\$2,032.48	\$2,287.54	\$2,541.00	\$2,751.15

Preferences in Qualifying

The Program contains preferences for certain individuals (described below). The preferences are determined when the application is processed for completeness. If the applicant has preference points, the applicant moves ahead of other applications that have yet to receive a letter from Staff confirming a complete application.

A household receives preference for a Loan if one of its members meets any of the following criteria:

- Lives in the City 3 points
- Works in the City 3 points
- Veteran/Active Military 2 points
- Public Service Employee 1 point
- Senior (62 years +) 1 point
- Permanently Disabled¹ 1 point

¹ Permanently Disabled shall be defined as any person who has a physical disability or impairment, whether from birth or by reason of accident or disease, that results in a functional limitation as to employment or substantially limits one or more major life activities of that person, and that has been diagnosed as permanently affecting the person’s ability to function, including, but not limited to, any disability or impairment that affects sight, speech, hearing, or the use of any limbs. Further, the Executive Director has the sole discretion to determine whether a household is eligible or not to receive points under a specific category.

Homebuyer Education	Homebuyer must complete a HUD Approved Homebuyer Education Class (a list of classes held in Solano County is available upon request).
Buyer's Down Payment	Households must contribute an equity downpayment of at least three percent (3%) of the total purchase price.
Eligible Housing Unit	Homes eligible for the Program consist of any home available as a result of a foreclosure within the Project Area and rehabilitated foreclosed homes as approved through the City (" Rehabilitated Home "). ²
Ineligible Applicants	Applicants who are determined to be in violation of other City administered funding programs will be deemed ineligible for assistance until the issue has been resolved satisfactorily.

LOAN REQUIREMENTS

Amount and Use of Loan	Qualifying households may be eligible to receive a shared equity down-payment assistance loan of up to twenty five percent (25%) of the total purchase price including closing costs for foreclosed homes. Qualifying households may be eligible to receive a shared equity down-payment assistance loan of up to thirty five percent (35%) of the total purchase price including closing costs for Rehabilitated Homes. Use of Agency Loan proceeds for payment of closing costs is limited to four thousand dollars (\$4,000). Loan funds will be disbursed by the Agency for the purpose of financing a portion of the cost of acquisition of a foreclosed home that will be owner-occupied. The Loan funds may only be used to finance that portion of the costs between the mortgage lender's requirements and the buyer's cash down-payment, including closing costs. Loan proceeds cannot be used as borrower reserves, to offset the payment of borrower's bills in escrow or to pay for property repairs.
Loan Terms	The loan payments are deferred at zero percent interest until the sale or transfer of the home, or refinancing of the initial mortgage or violation of a Program covenant (transfer of the home, conversion of the home to rental property, unapproved mortgage, etc.), at which time the principal amount of the loan and shared appreciation is due and payable. Loan will be forgiven if the initial buyer remains in the home for the full 45-year term.
Allowable First Mortgage Loans	Level payment fixed rate loans, no interest only loans or adjustable rate loans are allowed.
Resale Restrictions	A 45-year resale restriction will be recorded against the property. During the restrictive period, the Agency will have an option to purchase the home. In the event of a sale during the restrictive period, the outstanding

² A list of rehabilitated homes is available from the Suisun City Redevelopment Agency.

loan balance and shared equity appreciation (as defined below) are paid to ensure protection of the Agency's investment and return of the funds to the Housing Set-Aside Fund for future affordable housing assistance.

Shared Appreciation

In exchange for providing a zero-interest rate loan, the Agency will share a portion of the home's appreciation when the home is resold or upon repayment of the principal of the loan. The Agency's share is determined by dividing the original amount of the Agency loan by the original purchase price of the home; multiplying the resulting percentage by the amount of appreciation (resale/refinance amount less original purchase price, less closing costs and costs of approved capital improvements).

Refinancing

The Resale Restriction allows for refinancing but places restrictions on the loan amount.

APPLICATION PROCESS

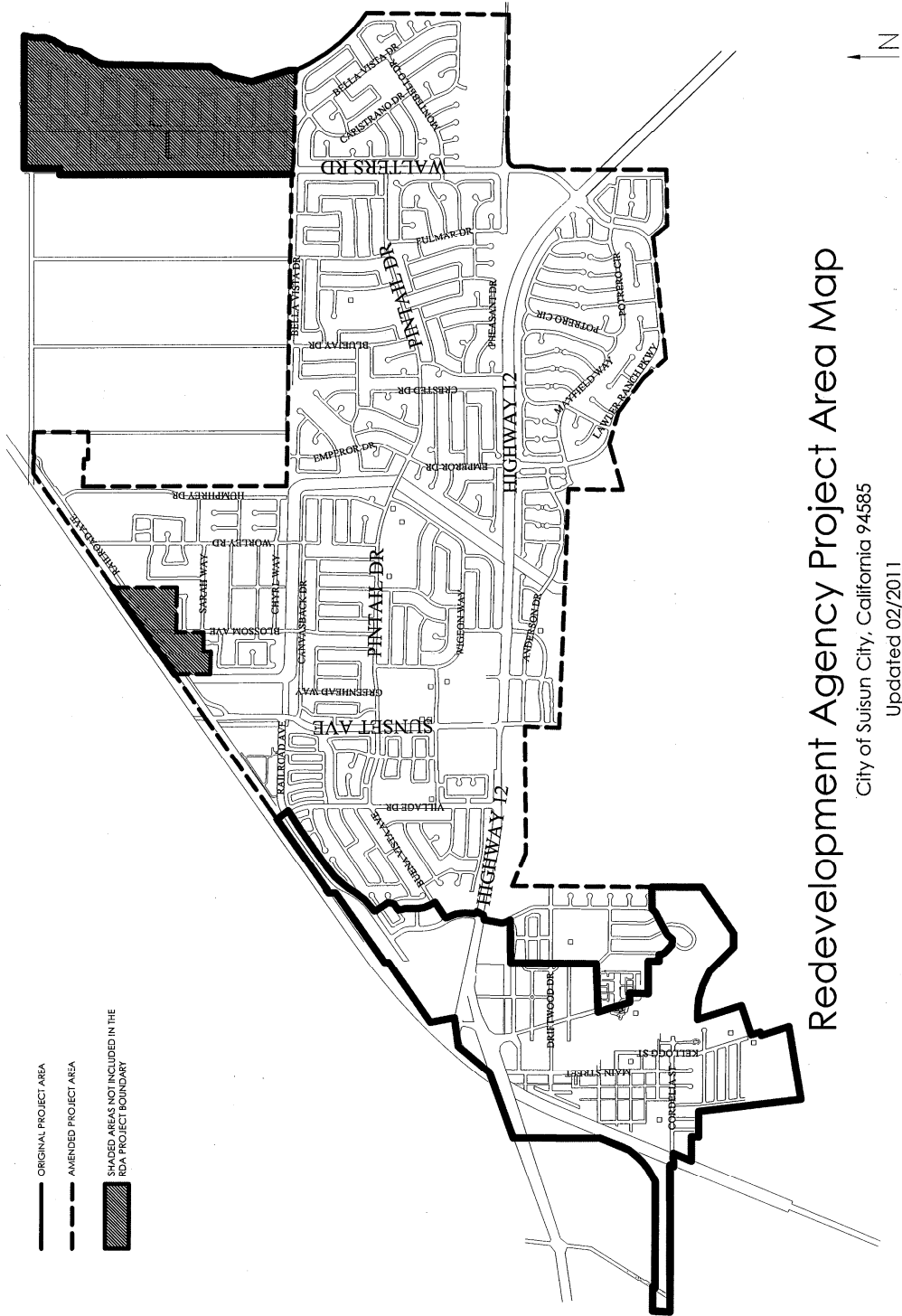
The process for applying for the Program loan is set out as follows:

1. Applications are available at the Agency's offices located at City of Suisun City Redevelopment Agency, 701 Civic Center Boulevard, Suisun City, CA 94585, California.
2. Completed applications must be returned to the Executive Director of the Agency at City of Suisun City Redevelopment Agency, 701 Civic Center Boulevard, Suisun City, CA 94585, California. The applications shall include all eligibility information required therein and any additional information requested by staff as necessary.
3. The Executive Director of the Agency and his/her designees will review each application, determine whether the requirements for eligibility have been met and schedule a meeting with all parties involved within thirty (30) days of receipt of the application by the Agency.
4. Consideration of applications will occur on a first come, first served policy. All loan requests will be submitted to the Executive Director for final approval, based upon health, safety, and welfare considerations, and the information and documentation provided with the Application.
5. Applications, loan agreements, deeds of trust and promissory notes must be examined and approved by Agency Counsel.

If you have any questions regarding this program, please call 707-421-7309.

EXHIBIT 1

DOWNTOWN WATERFRONT AFFORDABLE HOUSING PROGRAM AREA MAP



Redevelopment Agency Project Area Map

City of Suisun City, California 94585

Updated 02/2011