



PLANNING AND DEVELOPMENT DEPARTMENT
HOUSING FINANCE DIVISION

**PERMANENT LOCAL HOUSING ALLOCATION (PLHA)
MORTGAGE ASSISTANCE PROGRAM (MAP) Guidelines
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PERMANENT LOCAL HOUSING ALLOCATION (PLHA) MORTGAGE ASSISTANCE PROGRAM (MAP) GUIDELINES

PROGRAM OVERVIEW

The City of Fresno Mortgage Assistance Program (MAP) provides mortgage assistance and non-recurring loan closing costs to qualified low-income families purchasing their first home within the City of Fresno limits. MAP bridges the gap between the total purchase price, inclusive of eligible closing costs, and the amount of the buyer's first mortgage loan (the maximum loan for which the buyer qualifies). The City offers a silent second mortgage loan (second lien position) in the form of a 15-year Forgivable Deferred Payment Loan (DPL) of up to \$100,000, with a zero percent (0%) interest rate. This loan does not require monthly payments; however, the full loan amount becomes due upon sale, transfer of title, or if the property ceases to be owner-occupied during the period of affordability.

APPLICATION PROCESS

1. Applicant(s) complete a required 8-hour homebuyer education class and provide a certificate. The certificate must be dated within six months of closing, but no more than a year old at the time of submission.
2. Mortgage Assistance Program (MAP) applicant(s) select one of the City's participating lenders or mortgage brokers and receive pre-approval for a First Mortgage prior to applying.
3. The lender or mortgage broker assists the buyer in determining the amount of funds they are eligible for and the price range of homes they may purchase.
4. Applicant(s) sign a Purchase Contract and open escrow.
5. A completed application packet (Document Checklist in the Eligibility Worksheet for required documents) is submitted by the lender or mortgage broker and processed on a first-come, first-served basis. An Incomplete application packet is returned to the submitting lender or mortgage broker and is not time-stamped until completed.
6. The purchased property must pass an inspection by City staff for lead-based paint hazards and building, health, and safety code deficiencies.

7. Approval of the first mortgage lender does not guarantee eligibility for the City's MAP loan. The City will conduct an extensive review of all necessary documentation to determine eligibility. Both the applicant and the lender or mortgage broker must verify that the minimum eligibility requirements are met. Failure to meet these requirements will prevent the Division from processing the loan application.

The entire City's loan approval process may take up to 30 days.

BORROWER ELIGIBILITY

1. Income

Income eligibility is based on the gross projected income of all household members who will live in the home. For households with multiple family members on title, income from all sources for each family member must be verified. This gross projected income may not exceed 80% of the Area Median Income (AMI), adjusted for household size. A prior year's tax return does not establish projected income; current pay stubs must be used. Income verification documents must be no older than six months at the time of loan funding. It should be assumed that the current income circumstances will continue for the next 12 months unless there is verifiable evidence to the contrary. When collecting income verification documentation, consider any known or upcoming changes. Gross income from all sources must be included, even if the primary lender excluded some. This includes but is not limited to:

- A. Overtime pay, commissions, fees, tips, bonuses, and other compensation for personal services (before any payroll deductions).
- B. If an upcoming raise is noted on the Verification of Employment, calculate income based on the raise.
- C. Wages from a second job, even if the borrower has not been employed long enough for FHA underwriting guidelines to consider it.
- D. The regular periodic payments such as Social Security, Supplemental Security Income (SSI), annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar sources. These amounts should not be grossed up.
- E. Payments in lieu of earnings, including unemployment, disability compensation, worker's compensation, and severance pay.
- F. Periodic and determinable allowances such as alimony, child support, and regular contributions or gifts from persons not residing in the household.

G. Interest, dividends, retirement accounts available to applicant, and other net income from personal property. If the household net assets exceed \$5,000, gross income includes the greater of:

a) The actual income derived from all assets; or

b) 2.5% of the total value of all assets.

➤ **Self-Employed person:** Income qualification is based on prior year income tax returns. Net income plus depreciation from business or professional operations will be used.

➤ **Seasonal Employees with fluctuating incomes:** Income averaging is allowed.

➤ Income limits issued by HCD can be found at the following link:

<https://www.hcd.ca.gov/grants-and-funding/income-limits/state-and-federal-income-rent-and-loan-value-limits>

Income Calculation Example:

Name	Position in Family	Age	Income Sources		
George Smith	Head	40	Full-time at \$19/hour. Receives Bi-weekly payments.		
Ellyn Smith	Spouse	36	Works 20 hours at \$14/hour. Also receives \$50/month from her mother to help with house expenses.		
John Smith	Son	16	*Full-time student at high school. Has a part-time, 15 hours/week at \$9/hour		
*Note: Earned income of minors is <u>not</u> counted. However, unearned income attributable to a minor (e.g., child support, TANF payments and other benefits paid on behalf of a minor) is included.					
PROJECTED ANNUAL INCOME					
Name	Wages/ Salaries	Benefits/ Pensions	Public Assistance	Other Income	Asset Income
George	\$ 39,520				Enter the greater of lines 4 or 5 from
Ellyn	\$ 14,560			\$600	
John	\$ 0				

					above
Total	\$ 54,080			\$600	N/A
Enter total of items from above. This is Annual Income					\$54,680*

*Asset Income to be added if any

Explanation

- **George:** His earnings from work are counted as income. His annual income is calculated as:
 - \$19/hour x 40 hours/week x 52 weeks/year, = **\$39,520**.
- **Ellyn:** Her income includes wages and regular gift income:
 - Wages: \$14/hour x 20 hours/week x 52 weeks/year = **\$14,560**
 - Gift income: \$50/month x 12 months = **\$600**
 - Total Income = **\$15,160**
- **John:** As noted, the earned income of minors is **not** counted as income.

Calculating Asset Income Example:

Family Members	Assets	Asset Value
Juan	Savings account	\$870 average 6-month balance with an interest rate of 2.7%
	Checking account	\$2,000 average 6-month balance with no interest
	Inheritance	Received an inheritance of \$30,000 that he used to buy a new car for \$12,000, pay off his \$3,000 credit card bill, and open a mutual fund account (no associated account costs) to invest the remaining \$15,000 at an annual interest rate of 5.3%

Family Member	Asset Description	Current Market Value	Income From Assets
Juan	Savings account	\$870	\$23
	Mutual funds	\$15,000	\$795
	Checking account	\$2,000	\$0

1. Net Cash Value of Assets:		\$17,870	
2. Total Actual Income From Assets:		-----	\$818
3. If Line 1 is greater than \$5,000, multiply by .025 and enter results here, otherwise leave blank.		-----	\$447

The asset income to be used in the annual income calculation is **\$818**, as the actual income generated by the assets is greater than the imputed income (2.5% of total assets).

Explanation:

- Savings account: Interest income is based on the 6-month average balance and the account's interest rate: $\$870 \times 0.027 = \mathbf{\$23}$

Inheritance:

- Car: Not counted as an asset since it is used for personal purposes
- Mutual fund: Considered an asset, income is based on the fund's earning rate: $\$15,000 \times 0.053 = \mathbf{\$795}$

Total Actual Asset Income:

$\$23$ (savings) + $\$795$ (mutual fund) = **\$818**

2. Household Size

For qualification purposes, "**household size**" is determined as follows:

- A. Immediate household members and dependents must be verified using the prior year Federal Income Tax Return and the Household Composition Form. Any change in household members must be supported with verifiable documentation demonstrating that the new household member will live with the applicant.
- B. If the borrower's spouse is not shown on the tax return (e. g., the borrower filed Head of Household), the spouse's tax return or a signed affidavit must be provided, even if the borrower is taking title as a sole and separate borrower. Any income from the spouse must be included, and the spouse will be counted as part of the household.
- C. Families who do not file Federal Income Tax Returns must verify dependents through acceptable documentation such as:
 - a. Child support orders or payment records
 - b. Temporary Aid for Needy Families (TANF) eligibility documents

- c. Social Security eligibility letters
- d. Birth certificates
- e. Other verifiable records

To add a member, documentation must prove that the individual is a supportive, needy family member who will live in the home.

- D. Do not count the following individuals when determining family size:
- a. Foster children
 - b. Unborn children
 - c. Children for whom legal custody is being pursued but who are not currently living in the home.

3. First-Time Homebuyer

To be eligible, the borrower must be a first-time homebuyer, defined as someone who has not owned a home in the last three years. However, previous participation in any City of Fresno homebuyer assistance program renders the borrower ineligible for MAP, even if they no longer have ownership interest in the property. For example, if the borrower previously received a Down Payment Assistance Program (DAP) loan or a Lower Income Homebuyer Program (LIHP) loan, whether as a primary borrower or a co-borrower, they are not eligible for MAP.

Note: Homebuyer assistance programs offered by the City of Fresno are considered a once-in-a-lifetime opportunity, regardless of the borrower's role in the transaction.

4. Non- Occupying Co-Borrowers

Non-occupying co-borrowers or co-owners are not permitted under the Mortgage Assistance Program (MAP). All borrowers listed on the loan and title must intend to occupy the property as their primary residence.

5. Home Purchase Loan

The borrower must be prequalified for a home purchase mortgage loan through a participating lender. The base loan amount must reflect the maximum loan for which the borrower qualifies, based on the lender's underwriting criteria.

6. Buyer's Contribution

No minimum cash contribution.

7. Home Buyer's Education Class

Taking an 8-hour Homebuyer Education class early in the homebuying process is required.

All borrower(s) are required to complete a HUD-approved homebuyer education course and submit a certificate of completion with their application package. The certificate must be dated within six months of closing, but no more than a year old at the time of submission.

The homebuyer education curriculum must cover the following topics:

- ✓ Preparing for homeownership
- ✓ Available financing and credit analysis
- ✓ Loan closing and homebuyer responsibilities
- ✓ Home maintenance and loan servicing

Note: The City does not offer these courses directly. However, they are available through various local organizations. A recommended provider is the Community Housing Council. You can contact them at (559) 221-6919 or visit chcfresno.org for class schedules and registration information.

PROPERTY ELIGIBILITY

To qualify for the Mortgage Assistance Program (MAP), the property must meet the following criteria:

1. **Owner-Occupancy:** The home must be the applicant's principal place of residence
2. **Property Type:** The Property must be a single-family residence or condominium. Properties with mother-in-law units, guest quarters, or any structures intended for rental use are not eligible.
 - a. Any attached room that cannot be accessed from inside the home is considered a separate unit and disqualifies the property
3. **Location:** The property must be located within the City of Fresno limits
 - a. County islands are not eligible for MAP
4. **Inspection Requirements:** The property must be inspected by a licensed and certificated inspector. This requirement can be satisfied by:
 - a. An FHA appraisal/inspection
 - b. A Fannie Mae appraisal/inspection
 - c. Another City-approved certification

For homes built before 1978, the appraiser report must include a statement regarding "chipping or peeling paint" The appraiser must clearly state on an addendum whether there "is" or "is not" chipping or peeling paint on the interior or exterior.

- If "chipping or peeling paint" is noted, the issue must be corrected before loan approval

5. **Lead-Based Paint Disclosure:** Buyers of homes built before to 1978 must receive a

copy of the *EPA's Protect Your Family From Lead in Your Home* guide, available at: <https://www.epa.gov/node/5197>

ELIGIBLE COSTS

MAP funding may be used for mortgage assistance, including non-recurring closing cost, up to \$100,000. Ineligible costs include the borrower's outstanding debts, liens or judgements.

UNDERWRITING REQUIREMENTS

1. Loan Amounts and Use of Funds

- Up to \$100,000 is available for mortgage assistance and non-recurring loan closing costs.
- Assistance is calculated as the difference between the purchase price (plus eligible closing cost) and the sum of the maximum first mortgage loan and buyer's contribution, if any.
- MAP funds cannot be used to pay off any portion of a borrower's consumer debt, liens or judgements.

2. Debt-to-Income (DTI) Ratios

- The standard maximum front-end (housing) ratio is 35%
- The standard maximum back-end (total debt) ratio is 43%
- Two exceptions allow the front-end ratio to exceed 35%, but not more than 38%, if either of the following conditions is met:
The borrower has demonstrated, for at least 12 consecutive months, the ability to pay housing costs equal to or greater than the anticipated new housing cost. The borrower's new monthly housing expense will not increase more than 5% over their current housing expense.

3. Primary Loan Requirements

- The borrower must qualify for and obtain a first mortgage loan for the maximum amount they are eligible for
- MAP ratios are based on the primary lender's standards, with the following guidelines:
 - a. The top ratio may not exceed 35% unless an exception applies; the total ratio may not exceed 43%
The amount of the City's MAP assistance may not exceed the amount of the primary mortgage.

4. Creditworthiness Requirements

Borrowers must demonstrate the ability to responsibly manage debt. At the time the MAP package is submitted:

a.

- b. No past due or collection accounts may be present
- c. No unpaid liens or judgments may exist
Any bankruptcy must have been discharged at least three years prior to application.

5. Loan Type Restrictions

- Only fixed-rate mortgages with equal monthly payments over the full term allowed
- The following loan types are not permitted:
 - Adjustable-rate mortgages (ARMs)
 - Graduated payment mortgages (GPMs)
 - Negative amortization loans
 - Ballon payments
 - Deferred interest loans

6. Loan Documentation and Terms

- Only full documentation loans are eligible; must be FHA or Fannie Mae approved
- Sub-prime loans are not allowed
- Temporary buy-downs are not permitted
A permanent buy-down is allowed only if the cost does not exceed 1% of the loan amount

7. Cash Out of Escrow

- Borrowers may only receive cash back from escrow equal to any funds they personally deposited and that are not needed for any lender-required minimum down payment.

8. Title Insurance Requirement

- An ALTA Lender's Policy must be obtained for the full amount of the MAP loan at close of escrow.

9. Insurance Requirements

- Borrowers must maintain fire insurance (and flood insurance, if applicable) for at least the replacement value of the home's improvements.
- ✓ The City of Fresno must be named as additional loss payee on the fire insurance policy.

Loss Payee Clause:

City of Fresno
Planning and Development Department
Housing Finance Division
2600 Fresno Street, Room 3065
Fresno, California 93721
Loan #: PLHA-MAP-XXXX

PRIMARY MORTGAGE (FIRST LOAN) REQUIREMENTS

1. Loan Term:

The primary mortgage must have a minimum term of 30 years.

2. Interest Rate:

The loan must carry a market-rate or below-market interest rate.

3. Loan Type:

Only fixed-rate mortgages with consistent monthly payments over the life of the loan are permitted. Adjustable-rate mortgages (ARM's) and graduated payment mortgages (GPM's) are not allowed.

4. Loan Structure:

Loans must be fully documented and conform to FHA or Fannie Mae standards. Sub-prime loans are not permitted. The following features are also prohibited:

- Temporary buy-downs
- Negative amortization
- Principal increases
- Balloon payments
- Deferred interest provisions

A permanent interest rate buy-down is permitted, provided the cost does not exceed 1% of the loan amount.

5. Impound Account:

Primary lender must establish and maintain an impound account for property taxes, assessments, and insurance payments for the life of the mortgage.

LOAN-TO-VALUE LIMITS

The combined loan-to-value ratio for a MAP loan, including all other secured debt on the property, must not exceed 100% of the sales price.

MAP LOAN TERMS

1. Loan Security and Position

The MAP loan will be secured by a Deed of Trust for up to \$100,000 and will be subordinate to the primary mortgage (i.e., second lien position).

2. Loan Structure and Forgiveness

The MAP loan is a 15-Year Forgivable Deferred Payment Loan (DPL). The unforgiven balance becomes due in full upon:

- Sale or transfer of title
- Ceases to be owner occupy
- Cash-Out refinancing

Transfers to a joint tenant may be allowed without repayments, subject to restrictions. If the primary mortgage is refinanced and includes "cash out", the MAP loan must be repaid in full.

3. **Repayment Terms**

- No monthly payments required
- Zero (0%) interest
- No prepayment penalties
- No loan fees
- MAP loans are not assumable.

4. **Refinance and Subordinations**

Refinancing or subordination of the primary mortgage will be allowed only for:

- The existing principal balance, and
 - Reasonable closing costs
 - The new primary loan must:
 - Be fully amortized
 - Have no balloon payments or call dates
- No cash-out (including payoff of other debts or credit accounts).

5. **Sale or Transfer During Affordability Period**

The property may be sold during the 15-year affordability period, however, if the owner sells, transfers title or stops using the property as their principal residency for any reason during this time, the City of Fresno will recapture the full amount of the PLHA assistance subsidy provided to the owner, in accordance with the terms of the PLHA Promissory Note. This recapture must occur before the owner receives any return from the sale.

The recapture amount is limited to the net proceeds available from the sale or foreclosure.

- a. If the property has appreciated in value, the borrower may retain any net proceeds exceeding the PLHA assistance amount.
- b. Amounts repaid to the City shall be deposited into the City's PLHA account and reused for additional down payment assistance consistent with PLHA Regulations and HCD Guidelines. If, at any point prior to full repayment of the PLHA deed, the property is no longer the homeowner's primary residence due to sale, transfer, lease, or any other reason, repayment will be subject to Section 302(c)(6) of the PLHA Guidelines. In such cases, the City of Fresno shall ensure compliance through a recorded deed restriction requiring one of the following actions, unless doing so conflicts with another public funding source or law:
 - i. Repayment of the PLHA loan and any accrued interest to the City's PLHA account, with all repayments reused in accordance with PLHA Eligible Activities;
 - ii. Sale of the home at an affordable housing cost to a qualified Lower-Income or Moderate-Income household;

- iii. Execution of an equity-sharing agreement between the homeowner and the City, with proceeds reused consistent with PLHA requirements.
- c. If the property had depreciated or is sold under foreclosure, and the net proceeds are insufficient to cover the full PLHA assistance amount, recapture limits to the amount of net proceeds remaining after all senior debts have been paid.
- *Ownership Transfer*: If ownership of the property changes during the 15-year affordability period, the entire PLHA grant becomes immediately due and payable to the City of Fresno.

A transfer of ownership includes, but not limited to:

- The sale of the property
- The conveyance of any legal, beneficial or equitable, interest in the property, whether voluntary or involuntary, or by any method
- The death of the borrower during the 15-year affordability period, even if the property passes to a successor or beneficiary in accordance with state law.

MONITORING

The City of Fresno will conduct annual monitoring on all MAP loans for a period of fifteen (15) years from the date of escrow closing, or until the home is no longer the borrower's principal residence, whichever comes first. Monitoring may include an annual verification letter requiring the borrower to confirm the property remains their primary residence, or other verification methods as determined by the City. As part of the monitoring process, borrowers must provide proof of active fire insurance (and flood insurance, if applicable), as well as evidence of property tax payments. Homeowners are required to cooperate fully with the City's monitoring procedures. Failure or refusal to comply will be considered a material breach of the loan agreement between the homeowner and the City.

APPEALS

If an applicant is denied by City staff, the applicant has the right to appeal the decision in writing within ten (10) days of receiving notice. The written appeal must clearly state the grounds for the appeal. Appeals should be submitted to the Housing Finance Division Manager, who will review the case and issue a written response within fifteen (15) days. If the applicant is dissatisfied with the Division Manager's decision, a further appeal may be submitted to the Planning and Development Department Director within thirty (30) days of the previous decision. The Director will attempt to provide a final determination within fifteen (15) days. The Director's decision is final and binding.

AMENDMENTS TO PROGRAM RULES

The Fresno City Manager's, or designated representative(s), may amend program requirements as needed to meet program goals and objectives. All amendments must remain consistent with the overarching Program guidelines.

LENDER OR MORTGAGE BROKER PARTICIPATION AND LOAN PROCESSING GUIDELINES

1. Letter of Participation

The lender or mortgage broker must submit an original signed Letter of Participation to the City of Fresno, confirming their willingness to comply with all program rules as outlined in the letter.

2. Prequalification

The lender or mortgage broker is responsible for prequalifying the borrower for a mortgage loan to purchase an eligible home.

3. Cash Requirements Determination

The lender or mortgage broker must determine the borrower's required cash contribution, beyond the lender's loan amount, needed to complete the home purchase.

4. Eligibility Worksheet Completion

Using the City-provided *Home Buyer Assistance Program Eligibility Worksheet*, the lender or mortgage broker must verify:

- ✓ The borrower's income eligibility the MAP loan;
- ✓ The eligibility of the property and sales price; and
- ✓ The estimated amount of the MAP loan. .

5. Certification of Eligibility

An authorized representative of the lender or mortgage broker must sign the *Certification of Eligibility*, confirming both the borrower's and the property's eligibility.

6. Submission of Application Documents

The lender or mortgage broker must submit the following documents to the City of Fresno:

- ✓ Original signed *Eligibility Worksheet*
- ✓ Required income and property verifications
- ✓ Any additional documents listed on the worksheet
- ✓ Escrow instructions, including the escrow account number and escrow company details

Submit by Mail:

City of Fresno

Housing Finance Division, Planning and Development Department
Attention: Shin Ae Choi
2600 Fresno Street, Room 3065
Fresno, California 93721

Or Online Upload:

Upload the completed application packet to [CoF](#) File Uploader system, including "Mortgage Assistance Program for [buyer's name]" in the subject line.

*A link to the CoF File Uploader to be provided upon request.

City Review and Funding Process

The City will review all submitted documents for accuracy and completeness, including the lender's certification of borrower eligibility. Upon approval, the City will be issued payment (check or wire) to the escrow company and account designated by the lender. Disbursement occurs upon closing of escrow. The City's loan documents, including the Note, Deed of Trust with Deed Restriction, and Truth-in-Lending Disclosure Statement) will be sent to escrow along with instructions for execution.

Closing and Post-Closing Requirements

The City will review the estimated settlement statement before loan disbursement to confirm compliance with MAP guidelines. After closing:

- All original City loan documents and final settlement statement must be returned directly to the City.
- The City will perform a final review of the settlement statement
- If discrepancies are found, the City will issue a request for return of funds to the escrow company, with copies to the borrower and lender or mortgage broker.
- Upon return of funds, the borrower's MAP loan amount will be adjusted accordingly.

**CITY OF FRESNO
PLANNING AND DEVELOPMENT DEPARTMENT
PLHA MORTGAGE ASSISTANCE PROGRAM**

OWNER PARTICIPATION AGREEMENT

This Agreement is entered into on _____ by and between the City of Fresno, hereinafter referred to as "City" and _____ hereinafter referred to as "Buyer" for the purchase of the residence located at _____, Fresno, California, hereinafter referred to as "Residence".

This Agreement is entered pursuant to a Local Program operated by the City of Fresno under the California Department of Housing and Community Development (HCD) PLHA Mortgage Assistance Program including related Program Guidelines, requirements and Loan Documents, all incorporated herein (PLHA Mortgage Assistance Program or Program) providing financial assistance (PLHA MAP Loan or Loan) to eligible home buyers utilizing a purchase mortgage which is eligible under the Mortgage Assistance Program.¹ The City has received funds from the state HCD Permanent Local Housing Allocation to assist low-income households in the purchase of their first home.

The purpose of this Agreement is to provide financial assistance for low-income first-time home buyers to purchase a home to be used as Buyer's principal residence. Low-income is defined by the HCD as less than 80% of median income for the Fresno Metropolitan Statistical Area. The City will provide a Loan up to \$_____ to Buyer for mortgage assistance and/or non-recurring closing costs. This deferred Loan shall be in the form of a Note secured by a second Deed of Trust benefiting the City of Fresno, bear a zero percent (0%) interest rate, have no monthly payments, and will be forgiven in 15 years or repayable upon sale, transfer of title or when the home is no longer the Buyer's principal residence, whichever occurs first.

THEREFORE, THE DEPARTMENT AND THE BUYER AGREE AS FOLLOWS:

1. Buyer must: (1) be a first-time home buyer, defined as not having owned a home for the past three calendar years; (2) not have received any previous type of homebuyer assistance from the City (3) have income within the limits of the Program; and (4) purchase the Residence for (i) owner-occupancy (ii) located within Fresno City limits and is not in a County island and (iii) meets minimum housing standards and inspected by a FHA certified inspector before a release of funds.

2. The City, upon its approval thereof, will provide a deferred PLHA MAP of up to \$_____ for gap financing. Gap financing is the difference between the purchase price with closing costs and the amount of the borrower's first mortgage loan and down payment requirement. This Loan will be secured with a deed of trust that will record subordinate to the primary loan (second lien position). This Loan will be provided at a zero percent (0%) interest rate with no monthly payments required. This Loan, in its entirety, is forgivable in 15 years or payable upon the earlier of: (1) sale, transfer of title, lease or encumbrance, (2) the Residence ceases to be owner-occupied, or (3) the maturity date or full repayment of any senior deed of trust upon the property.

¹ Cal. Health & Safety Code §§ 50470 et seq.;

3. The purchase shall be subject to Buyer qualifying for a Program-eligible first trust deed through conventional Fannie Mae, FHA or CalFHA underwriting criteria. It shall be Buyer's responsibility to ensure that all appropriate documentation is received by Department to process the Loans, including title insurance, a title report (as necessary), credit report, appraisal, income, and employment verifications, etc. Buyer will select and cooperate with a real estate agent, title /escrow company and/or lender participating in the Program. The Residence shall be decent, safe, and sanitary housing and be inspected by a FHA certified inspector. This verification is for the City's internal underwriting purposes only and makes no representations or warranties to Buyer. Buyer is encouraged to have their own independent home inspection performed.
4. Buyer agrees to attend a homebuyer education class and provide a certificate of attendance.
5. Buyer hereby certifies that he/she in all respects qualifies under the City's Mortgage Assistance Program as a low-income household and is not purchasing the property for any purpose other than a principal place of residence.
6. Funding of the Department's Loans will be made into escrow at the time the first trust deed loan funds. Buyer agrees to cooperate in completing the loan process for the first trust deed and City's second deed of trust. Buyer hereby certifies that he/she is not qualifying as a non-occupying co-borrower or co-owner.
7. Buyer and City's agree that all revisions to the purchase price, location, change in lender or title companies, supplemental escrow instructions, etc. during the course of loan approval and escrow shall be by signed writing. It is expressly understood between Buyer and City that misrepresentation of the qualifications and eligibility of Buyer or renting of the Residence will cause outstanding Loans to be accelerated and become immediately due and payable to the City. The City Loans are not assumable and refinancing of the primary loan will not accelerate the City Loans as long as the refinance does not include any "cash out" or costs of the refinance transaction in the new loan.
8. Buyer agrees to assist and facilitate annual monitoring procedures as administered by the City on all loans provided. The monitoring may consist of a letter that will be sent out annually asking participants to verify that the Residence is still Borrower's principal place of residence, or other means of verification, as identified by the City. Monitoring will continue for a period of 15 years from the date of the close of escrow or until the Residence is no longer the participant's principal place of residence. Verification of Fire insurance (and Flood insurance where applicable) and payment of property taxes is required on all loans and will be included as part of the annual monitoring.
9. Buyer agrees to maintain the Residence in accordance with Building Codes, City of Fresno ordinances, Department Quality Standards, and the Uniform Housing Code, and agrees not to accumulate debris, inoperable or abandoned vehicles on site, or have any other unsightly or dangerous conditions on site.
10. Buyer agrees to abide by the terms and conditions of the City's Mortgage Assistance Program in order to participate in the program, including maintaining the Residence as the principal place of residence.

11. To the furthest extent allowed by law, the Buyer shall indemnify, hold harmless and defend CITY, State of California, and their officers, officials, employees, agents and authorized volunteers from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property damage) incurred by CITY, State of California, Buyer or any other person, and from any and all claims, demands and actions in law or equity (including attorney's fees and litigation expenses), arising or alleged to have arisen out of the performance of this Agreement. Buyer's obligations under the preceding sentence shall apply regardless of whether CITY, State of California or any of their officers, officials, employees, agents, or volunteers are negligent, but shall not apply to any loss, liability, fines, penalties, forfeitures, costs, or damages caused solely by the gross negligence, or by the willful misconduct, of CITY, State of California or any of their officers, officials, employees agents or authorized volunteers.

12. Throughout the life of this agreement, Buyer shall maintain Homeowner's Insurance on the property, and the City of Fresno shall be names as a Loss Payee

(Buyer)	(Date)	(Buyer)	(Date)
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(Buyer)	(Date)	(Buyer)	(Date)
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City of Fresno

EQUAL HOUSING OPPORTUNITY



City of Fresno
HOUSING FINANCE DIVISION
PLHA Mortgage Assistance Program
2600 N. Fresno St., Room 3065
Fresno, CA 93721

**2025 HCD INCOME
LIMIT GUIDELINES**

1 PERSON - \$52,600
2 PEOPLE - \$60,100
3 PEOPLE - \$67,600
4 PEOPLE - \$75,100
5 PEOPLE - \$81,150
6 PEOPLE - \$87,150
7 PEOPLE - \$93,150
8 PEOPLE - \$99,150

APPLICATION

DATE:

PROPERTY ADDRESS:

APPLICANT NAME:

DATE OF BIRTH:

SOCIAL SECURITY:

PHONE (Cell):

(Work):

EMAIL:

CURRENT ADDRESS:

☐ MALE ☐ FEMALE

VETERAN ☐ YES ☐ NO

SINGLE HEAD OF HOUSEHOLD ☐ YES ☐ NO

MARITAL STATUS: ☐ MARRIED

☐ UNMARRIED

☐ SEPARATED

☐ SINGLE

RACE(S): ☐ American Indian/Alaskan Native

☐ Asian

☐ Black/African American

☐ Native Hawaiian/Pacific Islander

☐ White

☐ Other

ETHNICITY (select only one):

☐ Hispanic or Latino

☐ Not Hispanic or Latino

CO-APPLICANT NAME:

DATE OF BIRTH:

SOCIAL SECURITY:

PHONE (Cell):

(Work):

EMAIL:

CURRENT ADDRESS:

☐ MALE ☐ FEMALE

VETERAN ☐ YES ☐ NO

SINGLE HEAD OF HOUSEHOLD ☐ YES ☐ NO

MARITAL STATUS: ☐ MARRIED

☐ UNMARRIED

☐ SEPARATED

☐ SINGLE

RACE(S): ☐ American Indian/Alaskan Native

☐ Asian

☐ Black/African American

☐ Native Hawaiian/Pacific Islander

☐ White

☐ Other

ETHNICITY (select only one):

☐ Hispanic or Latino

☐ Not Hispanic or Latino

IS THE HEAD OF HOUSEHOLD/AND OR ANY MEMBER OF THE HOUSEHOLD DISABLED? ☐ YES ☐ NO

IS THE DISABILITY A MOBILE IMPAIRMENT? ☐ YES ☐ NO

Household Composition

Property Address: _____

Please complete this form for yourself and your household members. Include all sources of income even if the primary lender will not include.

Name	Relationship to Head of Household	Date of Birth (MM/DD/YY)	F/T Student (Y or N)	* Gross Income	Employer Name or Source of Income

***Submit this form along with copies of supporting documentation for all sources of income. Sources of income include employment, social security, child support, unemployment, etc.**

****Family members over 18+ will be required to complete a self-certification form.**

I certify under Penalty of Perjury under the laws of the State of California that the foregoing is true and correct.
Executed on the date shown below.

Signature of Applicant

Date

Signature of Co-Applicant

Date

ASSETS		
<i>NAME OF BANK:</i>		
BANK ADDRESS:		
<input type="checkbox"/> CHECKING	<input type="checkbox"/> SAVINGS	<input type="checkbox"/> IRA <input type="checkbox"/> STOCKS <input type="checkbox"/> BONDS <input type="checkbox"/> MONEY MARKET ACCT \$ _____
<i>NAME OF BANK:</i>		
BANK ADDRESS:		
<input type="checkbox"/> CHECKING	<input type="checkbox"/> SAVINGS	<input type="checkbox"/> IRA <input type="checkbox"/> STOCKS <input type="checkbox"/> BONDS <input type="checkbox"/> MONEY MARKET ACCT \$ _____
OTHER REAL ESTATE OWNED? <input type="checkbox"/> YES <input type="checkbox"/> NO		
DECLARATIONS		
ARE YOU A FIRST TIME HOMEBUYER? <input type="checkbox"/> YES <input type="checkbox"/> NO		
ARE YOU A CO-ENDORSER OF ANY OUTSTANDING LOANS MADE BY OTHER PEOPLE? <input type="checkbox"/> YES <input type="checkbox"/> NO		
IF YES, WHO ARE YOU CO-SIGNING FOR, WHO IS THE LOAN WITH, AND WHAT IS THE OUTSTANDING LOAN BALANCE:		
Name of person you are co-signing for:	Name of Lending Agency:	Loan Balance:
HAVE YOU EVER FILED FOR BANKRUPTCY? <input type="checkbox"/> YES <input type="checkbox"/> NO		
IF YES, WHAT YEAR DID THE BANKRUPTCY OCCUR?		
ARE YOU A PARTY TO A LAWSUIT? <input type="checkbox"/> YES <input type="checkbox"/> NO		
ARE YOU PRESENTLY DELINQUENT OR IN DEFAULT ON ANY FEDERAL DEBT OR ANY OTHER LOAN, MORTGAGE, FINANCIAL OBLIGATION, BOND OR LOAN GUARANTEE? <input type="checkbox"/> YES <input type="checkbox"/> NO		
IF YES, PROVIDE DETAILS:		
CERTIFICATIONS AND ACKNOWLEDGMENTS		
I/We understand that the information reported in this application and the information submitted by the lender will be used to determine eligibility for the City's program, as well as the amount of homebuyer assistance needed from the City. Initials: ____ ____		
I/We acknowledge that approval of all funding is subsequent to meeting all underwriting criteria, stated in the most recent City underwriting guidelines issued to the lender. Initials: ____ ____		
I/We certify that I/we have not owned a home in the past three years. Initials: ____ ____		
I/We certify that the property will be my/our <u>principal place of residence</u> . Initials: ____ ____		
I/We understand that the funding will be provided as a deferred loan, forgivable in 15 years or repayable upon sale, transfer of title or when the home is no longer the Buyer's principal residence, whichever occurs first. Initials: ____ ____		
I/We acknowledge and agree that the loan requested by this application will be secured by a deed(s) of trust on the property described herein. Initials: ____ ____		
I/We agree to maintain fire insurance (and flood insurance, if applicable) in an amount at least equal to the replacement value of the improvements, and to name the City of Fresno, Housing and Community Development Division, as a loss payee for that amount. Initials: ____ ____		
I/We further authorize verification or re-verification of the information contained herein, and additional normal inquiries related to or associated with this application from employers, creditors, banks, loan institutions, and from any other sources as may be required. Initials: ____ ____		
I/We acknowledge the City reserves the right to rescind my application at any time upon my failure to comply with the above listed conditions. Initials: ____ ____		
I/We acknowledge that this program is voluntary in nature and the City reserves the right to reject any and all applications at its sole and absolute discretion. Initials: ____ ____		

The City of Fresno will require annual monitoring procedures be accepted by all applicants. The monitoring may consist of a letter that will be sent out once a year asking you to verify that the home is still your principal place of residence, or other means of verification as identified by the City. You will be required to provide principal place of residency verification on the letter, sign, and return the letter to the City of Fresno. This will continue for a period of fifteen (15) years from the date of the close of escrow or until the home is no longer your principal place of residence.

Initials: ____ ____

I/We acknowledge and agree that the City makes no representations or warranties, express or implied, to the applicant(s) regarding the property, the condition of the property, or the value of the property.

Initials: ____ ____

NOTIFICATIONS

Applicant(s), shall indemnify, hold harmless and defend the City and each of its officers, officials, employees, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, costs and damages incurred by the City, Applicant(s) or any other person, and from any and all claims, demands and actions in law or equity (including attorney's fees and litigation expenses), arising or alleged to have arisen directly or indirectly in the performance of this Program. Applicant's obligations under the preceding sentence shall apply regardless of whether the City or any of its officers, officials, employees, agents or volunteers are passively negligent, but shall not apply to any loss, liability, fines, penalties, forfeitures, costs or damages caused by the active negligence or by the willful misconduct of the City or any of its officers, officials, employees, agents or volunteers.

Section 504 of the Rehabilitation Act of 1973, as amended, no otherwise qualified individual with disabilities in the United States shall, solely by reason of his or her disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

Appeals: If an application is turned down by City staff, the applicant may appeal, in writing, within ten (10) days after the occurrence. The appeal must clearly state the reasons for the appeal, including complaints alleging actions prohibited under HUD's Section 504 regulations (discrimination on basis of disability in federally conducted programs). The appeal will be filed with the Housing and Community Development Division Manager, who will review the appeal and respond. If the appellant is not satisfied with that response, the appeal may be presented to the Department Director, or his designee, within (30) days of the Division Manager's response. The Director will attempt to resolve the grievance with fifteen (15) days. The ruling of the Director will be final.

I/we understand that if my records are audited and the income information provided is found to be incorrect (over the allowable income limits) at the time of funding, I will immediately start to repay the City funds, plus interest at current rates.

_____ Signature of Applicant	_____ Date	_____ Signature of Co-Applicant	_____ Date
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The Housing Financial Discrimination Act of 1977 Fair Lending Notice

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

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

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

For any person, bank, mortgage company, or other financial institution that provides financial assistance for the purchase, organization, or construction of any housing accommodation to discriminate against any person or group of persons because of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, source of income, or disability in the terms, conditions, or privileges relating to the obtaining or use of that financial assistance.

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

If you have any questions about your rights, or if you wish to file a complaint, contact the management of this financial institution, or:

Department of Fair Employment
and Housing
611 West Sixth St., Suite 1500
Los Angeles, CA 90017
(800) 233-3212

Fair Housing and Equal Opportunity (FHEO)
U.S. Dept. of Housing & Urban Development
One Samsome Street, Suite 1200
San Francisco, CA 94104
(800) 347-3739; TTY (415) 436-6594

If the loan applied for is for the purchase, construction, rehabilitation, or refinancing of a housing accommodation, information regarding your race/national origin, sex of applicant and co-applicant and marital status is requested by the State of California and the Federal government to monitor this financial institution's compliance with the Housing Financial Discrimination Act, Equal Credit Opportunity Law, and Fair Housing Law. The law provides that a financial institution may neither discriminate on the basis of this information nor on whether or not it is furnished. **Furnishing this information is optional.**

You have a right to file a written grant application and to receive a copy of this institution's underwriting standards.

I (we) hereby acknowledge receipt of a copy of this Notice.

Signature

Date

Signature

Date

**CITY OF FRESNO
HOUSING FINANCE DIVISION**

BORROWER'S CERTIFICATION AND AUTHORIZATION

I/We applied for a loan from the City of Fresno Housing Finance Division's Mortgage Assistance Program. In applying for the loan, I/we completed a loan application containing information regarding income.

I/We made no misrepresentations in the loan application or other documents nor did I/we omit any pertinent information.

I/We authorize the City of Fresno Housing Finance Division staff to verify information contained in our loan application and other documents, either before the loan is closed or after, as part of its audit program, including obtaining a credit report from a credit reporting agency.

I/We authorize you to provide to the City of Fresno Housing Finance Division any and all information staff requests. Such information includes, but is not limited to, employment history, bank accounts, credit reports, title reports and income tax returns.

A copy of this authorization may be accepted as an original.

I/We understand that it is a federal crime punishable by fine or imprisonment, or both, to knowingly make false statements when applying for this loan, as applicable under the provisions of Section 1014 of Title 18, United States Code.

Signature

Social Security Number

Print Name

Date

Signature

Social Security Number

Print Name

Date

MORTGAGE ASSISTANCE PROGRAM ELIGIBILITY WORKSHEET

Name of Applicant(s): _____

Address of Property
Being Purchased: _____

Zip Code: _____ Assessor's Parcel Number (APN): _____

Principal Lender: _____

Mortgage Assistance Program Requirements:

- Has borrower owned a home in the past three years?

Yes ___ No ___

If **yes**, the borrower **is not** eligible for assistance; **stop here**.

- Has borrower completed the Homebuyer's Education class?

Yes ___ No ___

Date Completed: _____

- Has the property to be purchased had an appraisal?

Yes ___ No ___

Date of Appraisal: _____

If **no** to either of the last two questions, borrower must first obtain appropriate certification before proceeding with this worksheet.

If the answer to both questions is **yes**, please proceed.

- Loans such as No Income Verified, Quick Qualifier, or E. Z. Docs are **NOT** allowed.

Full Documentation Loans Only. Is this loan (check one):

_____ FHA (fully amortized with **NO** call or balloon dates)?

_____ Fannie Mae (fully amortized with **NO** call or balloon dates)? or

_____ Freddie Mac (rate, fully amortized with **NO** call or balloon dates)?

If the proposed loan **is not** one of the options above, financing **is not** eligible for assistance; **stop here**.

If the proposed loan **is** one of the options above, please proceed.

Eligibility:

1. Applicant Eligibility

(a) Number of persons residing within household: _____

Total* _____

* This total must be supported by documentation.

(b) Monthly gross household income: _____

If borrower is married, but taking title as sole and separate property, does the spouse receive any income? If applicable, state amount and add to the monthly gross income of borrower. In addition, please include all income from a second job, child support, disability, and social security. _____

Total income from all sources \$ _____

(c) Enter maximum allowable gross monthly income for **total household** size listed on line 1(a); (**refer to Income Eligibility**): \$ _____

If income listed on line 1(b) exceeds the amount on line 1(c), borrower **is not** eligible for assistance; **stop here.**

If income listed on line 1(b) is less than or equal to the amount on line 1(c), borrower **is** eligible for assistance; please proceed.

(d) Enter the debt-to-income ratio: _____

If the debt-to-**household income** ratio exceeds 35/43 or if the housing ratio (top ratio) is not between 30 and 35, borrower **is not** eligible for assistance; **stop here.**

Two exceptions are allowed; see guidelines.

If the debt-to-income ratio does not exceed 35/43 and the housing ratio is between 30 and 35, borrower **is** eligible for assistance; please proceed.

2. Property Eligibility

(a) Is property located within the City of Fresno?

NOTE: County islands are not eligible

Yes ____

No ____

(b) Is property being purchased for use as the principal residence of the applicant?

Yes ____

No ____

If **no** to either of the last two questions, property **is not** eligible for assistance; **stop here.**

- (c) Does the property to be purchased include any accessory living quarters such as mother-in-law units, guest quarters/apartments or any form of unit which may be used for rental income?

Yes ____

No ____

If **yes**, **stop here**; property **is not** eligible for assistance.
If **no**, please proceed.

- (d) Sales price of home being purchased: \$ _____

- (e) Maximum allowable sales price:
(100% of the current median sales price for the county) \$ _____

If amount entered on line 2(d) is greater than line 2(e),
property **is not** eligible for assistance; **stop here**.

If amount entered on line 2(d) is less than or equal to
line 2(e), property **is** eligible; please proceed.

- (f) Required inspection - please enter the name and telephone number of the person who will provide access to the home for the City inspector. The City will schedule the inspection.

(Name)

(Telephone Number)

3. **Calculation of Amount of Mortgage Assistance Program Loan**

- (a) Sales price of home: \$ _____

- (b) Non recurring closing costs (whole dollars only) \$ _____

- (c) Recurring closing costs (whole dollars only) \$ _____

- (d) Total Purchase Price [(a) + (b) + (c)] \$ _____

- (e) First mortgage amount (base loan only): \$ _____

- (f) Total buyer contribution: \$ _____

- (g) **Mortgage Assistance Program
Loan Amount [(d) – (e) - (f)]** **\$ _____

**** NOTE:** This amount must be rounded to the nearest dollar and cannot exceed the amount of first loan, and should agree with the amount entered on Page 5 of 6.

Failure to provide all of the following materials could cause your package to be returned by mail. Materials must be provided in the order listed. *All working family members aged 18 years and older must provide copies of the following documents, marked with “*”.

- ☐ Mortgage Assistance Program Eligibility Worksheet (**all pages original**) with “Page 5 of 6” signed by the lender’s authorized signatory.
- ☐ Mortgage Assistance Application
- ☐ Owner Letter of Participation
- ☐ Fair Lending Notice
- ☐ Borrower Authorization Form
- ☐ Household Composition Form
- ☐ Verification that applicant has received the “Protect Your Family from Lead in Your Home” pamphlet for any home built prior to 1978. **Must state “ I have received the Protect Your Family from Lead in Your Home”, sign and date.**
- ☐ Copy of borrower’s identification and copy of social security card.
- ☐ Typed and signed primary loan application (1003). Must be signed by applicant and loan officer.
- ☐ Mortgage Credit Analysis Worksheet or the Uniform Underwriting and Transmittal Summary **signed by the underwriter (1008).**
- ☐ Good Faith Estimate.
- ☐ Documentation of applicant’s income (3 months of current pay stubs). *
- ☐ Verification of Employment (no processor’s certification).*
- ☐ Six current statements for checking, savings, money market accounts, stocks, bonds, 401K, retirement accounts and other forms of capital investments. *
- ☐ All pages of the last **three years** income tax returns (with W2's) or affidavit of non-filing. The copy of the income tax returns **must be signed by the borrower(s).** *
- ☐ Credit report.
- ☐ Preliminary Title Report with legal description.
- ☐ Lender's Property Appraisal prepared by a State-licensed, residential property appraiser. This appraisal shall use the sales of comparable properties approach to determine value. **This must include a statement from the appraiser regarding “chipping, peeling paint.” They must state on an addendum whether there “is” or “is not” chipping, peeling paint on the interior or exterior of the home. If chipping, peeling paint is identified, it must be corrected before the homebuyer package is submitted.**
- ☐ Executed Residential Purchase Agreement and Joint Escrow.
- ☐ Signed Supplemental Vesting Amendment from escrow.
- ☐ Certification of participation in Homebuyer's Education class.

(Signature of Preparer)

(Date)

CERTIFICATION OF ELIGIBILITY

Borrowers' Name(s)

Property Address

Pursuant to the Letter of Participation between _____ (Lender/Broker) and the City of Fresno, I have reviewed the foregoing information and find that it is true and accurate to the best of my knowledge and certify that the applicant is eligible for the following Mortgage Assistance Program loan.

Mortgage Assistance Program loan: \$ _____

(Signature of Authorized Official)

(Date)

(Name)

(Title)

(Telephone No.)

(Email)

(for City Use Only)

Source of Funds: _____ PLHA Mortgage Assistance Program Funds

Approved: City of Fresno

Planning and Development Department

(Date)

Reviewed By:

(Date)

TABLE 1	
INCOME ELIGIBILITY Mortgage Assistance	
A	B
HOUSEHOLD SIZE	MAXIMUM ALLOWABLE GROSS INCOME (For Household Size Listed in Column A)
1	\$ 52,600
2	\$ 60,100
3	\$ 67,600
4	\$ 75,100
5	\$ 81,150
6	\$ 87,150
7	\$ 93,150
8 and Over	\$ 99,150
Date of Last Revision: 4/2025	