

**REDEVELOPMENT AGENCY FOR THE CITY OF COSTA MESA**

**HOME BUYER ASSISTANCE PROGRAM**

**PRE-APPLICATION CHECKLIST**

This Pre-Application Checklist is only for purposes of preliminary self-qualification and is intended to be used **ONLY** as guide for a potential applicant to determine if they may be eligible for the Costa Mesa Redevelopment Agency's Home Buyer Assistance Program. Capitalized terms used in this checklist are defined in the Program Guidelines and Program Manual, copies of which are available at the Agency offices. This checklist should be completed by the potential applicant **PRIOR** to contacting any approved Lender to obtain a First Trust Deed Loan.

This Pre-Application Checklist does not establish, expressly or by implication, that a potential applicant will be eligible for, or will be approved for, an Agency Loan, nor does it guarantee that funding will be available at the time a Reservation Request Package is submitted.

**This checklist does not need to be submitted to the Program Director and is for the sole purpose of preliminary self-qualification by the potential applicant.**

**Costa Mesa Home Buyer Assistance Program**

# I. PROGRAM ELIGIBILITY

## A. INCOME ELIGIBILITY

1. Gross household income: \$ \_\_\_\_\_

Defined as the combined gross annual income (includes any and all sources of income) for ALL members of the household who will establish as their principal residence the property to be purchased under the Program. **Note: Income information will be verified by both the First Trust Deed Lender and the Agency's Program Administrator during the formal application process.**

2. Household Size: \_\_\_\_\_

"Household" is defined as all persons who will establish as their principal residence the property to be purchased under the Program. 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.

INCOME LIMITS <sup>1</sup>	
Household Size	Maximum Allowable Income (120% AMI)
1	\$70,600
2	\$80,700
3	\$90,800
4	\$100,900
5	\$109,000
6	\$117,000
7	\$125,100
8	\$133,200

Locate your household size on the above Income Limits chart. Is your gross household income less than the maximum allowable income limit?

Yes \_\_\_\_\_ No \_\_\_\_\_ **IF NO, THEN YOU ARE NOT ELIGIBLE FOR THIS PROGRAM.**

## B. ASSET LIMITATION AND SUFFICIENT FUNDS AVAILABLE

Total all personal funds you have available in the form of liquid assets (savings, checking account funds, and time deposits which are not subject to penalty for early withdrawal). Do NOT include any gifts or loans.

\$ \_\_\_\_\_

<sup>1</sup> Income Limits are provided annually by the Department of Housing and Urban Development (HUD) and are subject to change without notice.

### Down Payment Examples

Purchase Price	Required 3% Minimum Down payment
\$300,000	\$9,000
\$350,000	\$10,500
\$400,000	\$12,000
\$450,000	\$13,500
\$500,000	\$15,000
\$540,000	\$16,200

By using the above Down Payment table as an example, determine the required 3% minimum down payment for the home you'd like to purchase using this program. Compare your total personal funds that you calculated on the previous page to this amount. Do you have enough personal funds available for the minimum 3% down payment, plus an additional 2 – 3% to pay for closing costs?

Yes \_\_\_\_\_ No \_\_\_\_\_ **IF NO, THEN YOU ARE NOT ELIGIBLE FOR THIS PROGRAM.**

Deduct the amount of funds you anticipate to use for the down payment and closing costs from the total liquid assets listed above. Does the remaining amount equal more than six (6) months of housing costs plus \$10,000?

Yes \_\_\_\_\_ No \_\_\_\_\_ **IF YES, THEN YOU ARE NOT ELIGIBLE FOR THIS PROGRAM.**

### C. PRIOR HOME OWNERSHIP

Have you had any ownership interest in real property within the past three years?

Yes \_\_\_\_\_ No \_\_\_\_\_ **IF YES, THEN YOU ARE NOT ELIGIBLE FOR THIS PROGRAM UNLESS YOU MEET THE DEFINITION OF A 'DISPLACED HOME MAKER' AS DEFINED BELOW.**

In order to participate in the Costa Mesa Home Buyer Assistance Program you must be a first time home buyer which is defined as an individual who has not owned real property within the three (3) years preceding application. The **ONLY** exception to this rule is for those individuals who meet the Department of Housing and Urban Development's (HUD) definition of a 'displaced homemaker'. A "displaced homemaker" is defined as an individual who is an adult who has not worked full-time, full-year in the labor force for a number of years but has, during such years, worked primarily without remuneration to care for the home and family and may be unemployed or underemployed and experiencing difficulty in obtaining or upgrading employment. **Note: You will be required to submit supporting documentation (divorce decree and other information requested by the Program Administrator) prior to final loan approval. Final determination of eligibility under this definition is at the sole discretion of the Agency and the Program Administrator.**

**II. PROPERTY INFORMATION** (only complete if a property to purchase has been identified)

**A. LOCATION**

Address of property to be purchased: \_\_\_\_\_

Is property located in the City of Costa Mesa, excluding the unincorporated areas?

Yes \_\_\_\_\_ No \_\_\_\_\_ **IF NO, THEN THIS PROPERTY IS NOT ELIGIBLE FOR THIS PROGRAM.**

**B. PURCHASE PRICE**

Is the purchase price of the property greater than \$540,000?

Yes \_\_\_\_\_ No \_\_\_\_\_ **IF YES, THEN THIS PROPERTY IS NOT ELIGIBLE FOR THIS PROGRAM.**

**C. Type of Property**

Is this property you wish to purchase a single family home, condominium or town home?

Yes \_\_\_\_\_ No \_\_\_\_\_

**IF NO, THEN THIS PROPERTY IS NOT ELIGIBLE FOR THIS PROGRAM.**

**D. Primary Residence**

Do you intend to make the property to be purchased through this Program your primary residence?

Yes \_\_\_\_\_ No \_\_\_\_\_

**IF NO, THEN THIS PROPERTY IS NOT ELIGIBLE FOR THIS PROGRAM.**

**III. REPAYMENT TERMS**

**A. Agency Loan**

Do you understand that the financial assistance the Agency is providing is in the form of a deferred loan that is secured by a second trust deed on the property and must be paid back? There is no forgiveness of the loan principal under any circumstances.

Yes \_\_\_\_\_ No \_\_\_\_\_

**IF NO, THEN YOU SHOULD REFER TO THE PROGRAM GUIDELINES AND SPEAK TO YOUR LENDER OR THE AGENCY FOR CLARIFICATION PRIOR TO PROCEEDING.**

Do you understand that if you purchase a home using this Program, that you will not be able to withdraw equity from the home in the future without first paying off the Agency loan and any applicable appreciation share?

Yes \_\_\_\_\_ No \_\_\_\_\_

**IF NO, THEN YOU SHOULD REFER TO THE PROGRAM GUIDELINES AND SPEAK TO YOUR LENDER OR THE AGENCY FOR CLARIFICATION PRIOR TO PROCEEDING.**

Do you understand that you will not be able to transfer the ownership or title of this property to another person without first paying off the Agency loan and any applicable appreciation share?

Yes \_\_\_\_\_ No \_\_\_\_\_

**IF NO, THEN YOU SHOULD REFER TO THE PROGRAM GUIDELINES AND SPEAK TO YOUR LENDER OR THE AGENCY FOR CLARIFICATION PRIOR TO PROCEEDING.**

Do you understand that up until year 30, you will be required to pay an appreciation share to the Agency in addition to the original principal amount? This appreciation share will be equal in percentage to the amount the Agency contributed at the original time of purchase.

Yes \_\_\_\_\_ No \_\_\_\_\_

**IF NO, THEN YOU SHOULD REFER TO THE PROGRAM GUIDELINES AND SPEAK TO YOUR LENDER OR THE AGENCY FOR CLARIFICATION PRIOR TO PROCEEDING.**

#### **IV. PRELIMINARY SELF-QUALIFICATION**

If you have completed this pre-application to the best of your ability and have not determined that you are ineligible, the next step would be to contact one of the approved lenders for the program. The lender will determine your eligibility for first mortgage financing and will instruct you in the next step necessary to submit a formal Program Commitment/Reservation Request Package for the Costa Mesa Redevelopment Agency's Home Buyer Assistance Program.