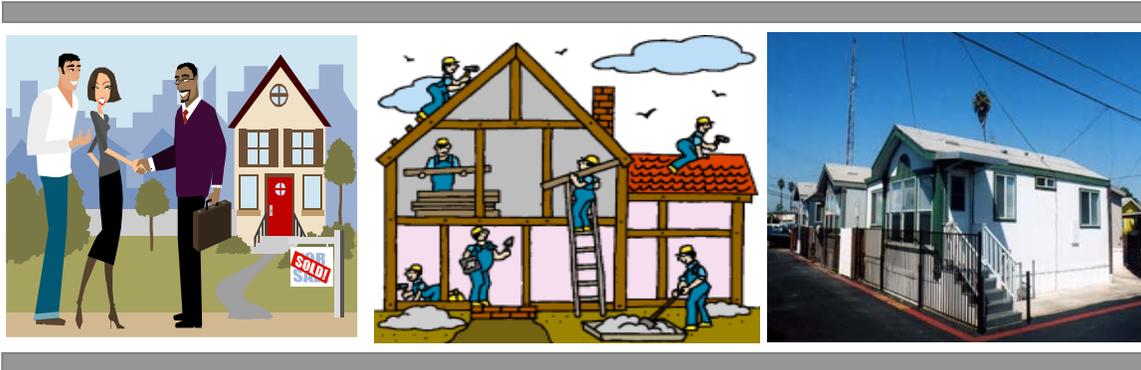


CITY OF OXNARD AFFORDABLE HOUSING & REHABILITATION DIVISION



CalHome-14 Program Policies & Guidelines

*Affordable Housing & Rehabilitation Division
435 South 'D' Street
Oxnard, CA 93030*

Effective as of March 3, 2017



**EQUAL HOUSING
OPPORTUNITY**



PROGRAM OVERVIEW

PURPOSE

The CalHome Mortgage Assistance (MA) Program is a program funded by the California Department of Housing and Community Development (HCD) to help low- and-very low-income families purchase their first home by providing mortgage assistance funds to ensure affordable monthly housing costs. The MA program is designed to provide “gap financing.” Gap financing is defined as the gap between (A) the purchase price and (B) the amount of the purchaser’s first mortgage loan (the maximum loan for which the buyer qualifies) plus the required 1% cash down payment contribution from the purchaser (Exhibit B). The gap financing may be used for non-recurring loan closing costs and mortgage assistance.

The total of the program loan may not exceed \$30,000 (minus activity delivery costs) (Exhibit B), and is provided at a three percent (3%) interest rate. The loan shall be secured with a Deed of Trust that will subordinate to the primary loan (second lien position). The maximum sales price and/or value cannot exceed 95% of the area median purchase price using the pre-Economic Stimulus Act figures published by FHA for its 203(b) program (Exhibit C). The loan will be due upon sale, transfer of the property, loan maturity date, or when the home is no longer the buyer’s principal residence. A federal HOME funded loan in the amount of up to 3% will be used for closing costs (specifically the recurring loan closing costs). This loan also will be secured with a Deed of Trust that will be subordinate to the CalHome Mortgage Assistance Program loan (third lien position). Activity delivery costs are actual costs incurred in processing and underwriting of the loan and will be refunded to the City directly.

REUSE PLAN

Program Income from the CalHome Program loan will be used for eligible activities in the manner described herein (Exhibit B) and in the CalHome Reuse Account Plan. Up to 5% of funds deposited may be used toward the cost of loan servicing. If any CalHome funds are left, the original Promissory Note is to be discounted, and those funds are to be placed into the Reuse Account. Any interest earned on those funds while in the interest bearing “holding” account must also be placed into the Reuse Account.

CONFLICT OF INTEREST

In accordance with Title 24, Chapter V, Part 570, Section 570.611, no members of the Oxnard City Council and no other official, employee, or agent of the City government who exercises policy, decision-making functions, or responsibilities in connection with the planning and implementation of the CalHome Program shall directly or indirectly be eligible for this Program. This ineligibility shall continue for one (1) year after an individual's relationship with the City ends. Exception to this policy can be made only after public disclosure and formal approval by the Oxnard City Council.

FAIR HOUSING

This Program will be implemented in ways consistent with the City's commitment to Fair Housing and in accordance with State and Federal fair lending regulations to assure non-

discriminatory treatment. No person shall be excluded from participation in, denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part with CalHome funds on the basis of his or her age, sex/gender identity, race, color, creed, ancestry, national origin, religion or religious affiliation, marital status, familial status (children), physical disability (including testing HIV-positive or contracting AIDS), mental disability or handicap, medical condition (including cancer), sexual orientation, source of income or other arbitrary cause.

GENERAL POLICIES AND PROCEDURES

BORROWER ELIGIBILITY

Income

The CalHome Programs are designed to provide homebuyer assistance to owner-occupants with incomes that do not exceed the low-income household threshold. Low-income households are defined as households with incomes less than eighty percent (80%) of the County median income as defined by HCD (Exhibit A).

Participant must demonstrate a need to obtain homeownership assistance. Need will be determined by the Loan Review Committee and will be based upon these Program Guidelines and Procedures, the requirements of the primary lender, and the ability of the household to meet such requirements.

The CalHome Program uses Part 5 Methodology (formerly known as Section 8) from the U.S. Department of Housing and Urban Development (HUD) publication, “*Technical Guide for Determining Income and Allowances for the HOME Program*.” Income eligibility is based on gross anticipated income of all household members eighteen (18) years old or older who will be living in the home. In cases where there will be multiple household members on title, income from all sources must be verified for each household member. This gross anticipated income may not exceed 80% of the area median income adjusted for household size as shown in the table on Page 4. Prior year’s tax return does not establish anticipated income; current pay stubs should be used. The income verification may not be more than six months old at the time of loan funding. It should be assumed that the current circumstances will continue for the next twelve (12) months even when it is not clear that the type of income received currently will continue in the coming year, unless there is verifiable evidence to the contrary. When collecting income verification documentation, also consider any known or upcoming changes.

Gross income from all sources must be used. This includes:

- Overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services (before any payroll deductions).
- If an upcoming raise is shown on the Verification of Employment, it must be calculated as current income.
- Wages from a second job, even if the borrower has not been on the job long enough for the FHA underwriter to use those wages.

- The regular amount of periodic payments received from Social Security, Supplemental Security Income (SSI), annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts. These amounts should not be grossed up.
- Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay.
- Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling.
- Interest, dividends, and other net income of any kind from personal property.
- If the household's net assets are greater than \$5,000 gross income includes the greater of:
 - the actual income, if any, derived from all the assets; or
 - .06% (Passbook rate) of the value of all such assets.

Income qualification for self-employed persons is based on prior year income tax returns. Net income plus depreciation and one-time costs from the operation of a business or profession will be used.

Income averaging is allowed **only** when the borrowers are seasonal employees with fluctuating incomes.

Household Size

For qualification purposes, "household size" shall be determined in the following manner:

- Immediate Household members and dependents shall be verified from the prior year Federal Income Tax Return. Examples of items that can change the number shown on the tax returns would be the birth of a child in the current year or official documentation from a court that shows guardianship of a child was obtained in the current year. However, if a dependent that is listed on the most recent tax return is 18 years of age or older, they must be currently enrolled in a trade school, community college or college full time (12 units or more) to be counted as a dependent. A class schedule must be provided as documentation for enrollment in school.
- When the borrower's spouse is not shown on the tax return (i. e., borrower filed as Head of Household), the spouse's tax return or affidavit must be included even if the borrower is taking title as a sole and separate borrower. The income, if any, must be included and the spouse's income will be included as part of the household income.
- Families who do not file Federal Income Tax Returns must verify dependent support through child support documents, Temporary Aid for Needy Families (TANF) eligibility documents, Social Security eligibility letters, birth certificates, or other verifiable documentation.

- Immediate household members or other persons, who cannot provide proof of support, shall not be included in the household size for qualifying purposes.
- The following household members shall not be counted when determining household size: 1) foster children; 2) unborn children; or 3) children being pursued for legal custody who are not currently living with the household.
- In the event of a death, a certified death certificate will be required to remove said person from the household size.
- In the event of a divorce, an official divorce decree will be required to remove said person from household size.

First-Time Homebuyer

The borrower must be a first-time homebuyer as defined in the State CalHome Program Regulations (Title 25, Division 1, Chapter 7, Subchapter 9, Section 7716(m). “First-time Homebuyer” means a borrower(s) who has not owned a home during the three-year period before the purchase of a home with CalHome assistance:

- Eligible homebuyers cannot be currently on title to real property. Persons may be on title of a manufactured home unit, who are planning to sell the unit as part of buying a home located on real property.
- Units to be purchased must be the principal residence of the participant.
- However, if the borrower has received any previous type of homebuyer assistance from the City of Oxnard, the borrower is not eligible for this program even if they have signed off their interest in the property. For example, if the borrower was a co-borrower for someone else and during that process obtained a Citywide Homebuyer Loan, Citywide Rehabilitation Loan or any other City Loan in their name they would not be eligible for this program. Home buying programs through the City of Oxnard are a once in a lifetime opportunity, whether as a borrower or a co-borrower.

The following individual or individuals may not be excluded from consideration as a first-time homebuyer under this definition:

- A displaced homemaker who, while a homemaker, owned a home with his or her spouse or who 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 obtaining or upgrading employment, and who worked primarily without remuneration to care for his or her home and household;
- 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

- An individual or individuals who owns or owned, as a principal residence during the three-year period before the purchase of a home with CalHome assistance, a dwelling unit whose structure is:
 - not permanently affixed to a permanent foundation in accordance with local or state regulations; or

Co-Borrowers

Non-occupying co-borrowers or co-owners will not be allowed for the CalHome Mortgage Assistance Program.

Residency in the City of Oxnard

The borrower must have lived and/or worked in the City of Oxnard for the past six months prior to the date of the application.

Primary Purchase Mortgage Loan

In order to qualify for the MA Program Loan, the borrower must be prequalified for a home purchase mortgage loan from a participating lender. The amount of the primary loan shall be the maximum loan for which the buyer qualifies.

Homebuyer Cash Contribution

The City requires that the borrower provide a 1% cash contribution (based on the purchase price) toward the purchase of the home. The 1% cash contribution can be a gift if the donor is a relative of the borrower or a non-profit organization. A signed gift letter must be included before submission of the package. The letter must specifically state that there are no expectations that the gift amount is to be returned or paid back.

Homebuyer's Counseling Class

The borrower(s) must attend a **city-approved and HUD certified** homebuyer education training and provide certification of completion before the submission of the package. Homebuyer education curriculum shall be in-person and at a minimum, shall include the following topics:

- preparing for homeownership;
- available financing and credit analysis;
- loan closing and homebuyer responsibilities; and
- home maintenance and loan servicing.

PROPERTY ELIGIBILITY

Location and Characteristics

The property must:

- Be located within the city limits of Oxnard; and
- Have a maximum sales price and/or value that cannot exceed the pre-Economic Stimulus Act Single Household Mortgage Limits under Section 203(b) as published by HUD (Exhibit C); and
- Be the applicant’s principal place of residence; and
- Be considered “modest housing”, so it may not exceed three bedrooms and two bathrooms unless there are documented extenuating circumstances (e.g. – it would create an overcrowding situation, there is not a reasonable inventory of homes of this size, etc.) and the Loan Review Committee approves the exception request. In addition, in-ground pools may not be eligible if the cost of pool maintenance and operation (utilities) causes the housing ratio to exceed 40%; and
- Be a single household residence, manufactured units, cooperative unit or condominium; and
- Not have second units, guest quarters, or any form of unit which may be used for rental purposes. Any attached room that cannot be accessed from inside the home is considered a separate unit and such properties are not eligible for this program; and
- Provide proof of flood insurance with an endorsement naming the City as additional insured, if located within a 100-year flood zone, in order to close escrow; and
- Be owner occupied (by the seller), rented by the proposed borrower(s) or vacant at the time the CalHome Program package is submitted to the City for review; and
- Have a property inspection performed by City staff.

The value of the property is to be determined by an appraisal which meets the following CalHome requirements:

- The appraisal shall be prepared by a State-licensed, residential property appraiser; and
- The appraisal shall use the sales of comparable properties approach to determine value.

Conditions

- Once the participating homebuyer has executed a purchase agreement for a housing unit, and prior to commitment of Program funds, the following steps must be taken for the housing unit to be eligible for purchase under the Program:

- A property inspection will be performed by City staff to determine if it is structurally sound, and to identify any code related and health and safety deficiencies that need to be corrected. A list of code related repair items will be given to the homebuyers and their realtor or agent to be negotiated with the seller.
- When Federal funds are utilized and if the housing unit was constructed prior to 1978 then the lead-based paint requirements will apply.
 - **Lead Based Paint Hazards:** All housing units built prior to 1978 must undergo a visual assessment by a person who has taken HUD's online Visual Assessment course. Deteriorated paint must be stabilized using work safe methods. Clearance must be obtained after paint stabilization by a DHS certified LBP Risk Assessor/Inspector. Program loan funds may be used to pay for lead-based paint visual assessments, only if lead mitigation and clearance costs are incurred. The Program may incorporate the costs into the calculation of Program assistance.

The following requirements must be met:

- **Notification:** a) Prior to homebuyer's obligation to purchase a pre-1978 home, the Buyer will be given the most recent copy of and asked to read the EPA pamphlet —*Protect Your household From Lead in Your Home*” (EPA 747-K-94-001). A signed receipt of the pamphlet will be kept in the Sponsor's homebuyer file; b) A notice to residents is required following a risk assessment/inspection using form DHS 8552, which is provided by the DHS-certified Risk Assessor/Inspector; c) a notice to residents is required following lead-based paint mitigation work using Visual Assessment and Lead-based Paint Notice of Presumption and Hazard Reduction form, LBP – 1 (Exhibit D).
 - **Disclosure:** Prior to the homebuyer's obligation to purchase a pre-1978 housing unit, the HUD disclosure (Exhibit E), —Seller's Lead-based Paint Disclosure notice must be provided by the seller to the homebuyer. 3) **Inspections:** The Inspector shall conduct a —Visual Assessment of all the dwelling unit's painted surfaces in order to identify deteriorated paint. All deteriorated paint will be stabilized in accordance with CFR 35.1330 (a) and (b); and a Clearance shall be made in accordance with CFR 35.1340. 4)
 - **Mitigation:** If stabilization is required, the contractor performing the mitigation work must use appropriately trained workers. Prior to the contractor starting mitigation work the Program Operator shall obtain copies of the contractor's and workers' appropriate proof of LBP training, as applicable to the job in order to assure that only qualified contractors and workers are allowed to perform the mitigation.
- A clear pest inspection report will be required for each housing unit. Smoke detectors and Carbon monoxide detectors will be installed if there are none in place. The homebuyer is encouraged to secure a homeowner's warranty policy as part of the purchase of a resale housing unit.

- Progress inspections will be required prior to disbursement of funds. Upon completion of all work required by the City, appraiser, pest inspector and/or certified housing inspector, a final inspection will be conducted prior to close of escrow. The inspector will sign off on all required construction work assuring that each housing unit receiving Program assistance is in compliance with local codes and health and safety requirements at the time of purchase and prior to occupancy.
- Housing unit size shall be sufficient to meet the needs of the homebuyer household, without overcrowding. Generally, this means not more than two persons per bedroom. Exceptions may be made to accommodate large households.

ELIGIBLE COSTS

The CalHome Mortgage Assistance Program may be used for mortgage assistance up to \$30,000 (minus activity delivery). Recurring loan closing costs and the borrower's outstanding debt, liens or judgments are not considered as eligible costs.

UNDERWRITING REQUIREMENTS

- Up to \$30,000 (minus activity delivery) is available for mortgage assistance and non-recurring loan closing costs. The mortgage assistance portion is the difference between (A) the purchase price with closing costs and (B) the amount of the buyer's first mortgage loan (the maximum loan for which the buyer qualifies) plus the required 1% cash down payment contribution from the purchaser. The CalHome Mortgage Assistance Program loan cannot be used for recurring loan closing costs or to pay off all or any portion of a borrower's consumer debt, liens or judgments.

Debt-to-income ratios cannot exceed 38/45 with two exceptions. The top or front-end ratio is the ratio between monthly household income and monthly housing cost, including the first mortgage principal, interest, taxes, and insurance. The bottom or back-end ratio is the ratio between monthly household income and monthly housing costs plus all payments on long-term installment debt.

- The primary loan must be for the maximum amount that the buyer qualifies for and includes the following:
 - The monthly housing cost (top ratio) must be at least 30% of the borrower's monthly household income however, it cannot exceed 38% unless one of the above exceptions applies and the total debt ratio cannot exceed 45%.
 - The amount of the City's assistance cannot exceed the primary loan.
- Credit worthiness of the borrower(s) shall indicate the ability to repay all debts and includes:
 - No past due or any type of collection accounts at the time the CalHome Mortgage Assistance Program package is submitted to the City for review.
 - No unpaid liens or judgments at the time the CalHome Mortgage Assistance

Program loan is recorded.

- No bankruptcies that have not been discharged at least three years prior to the application for financing under the CalHome Mortgage Assistance Program.

➤ Additional underwriting requirements:

- Fixed rate mortgages with the same monthly payment amount for the full term of the loan are allowed; adjustable rate mortgages (ARM's) or graduated payment loan (GPM's) are not allowed.
- Full documentation loan only; either FHA or Fannie Mae (no sub-prime loan). No temporary buy downs, negative amortization, principal increases, balloon payments or deferred interest loan provisions. A permanent loan buy down is permitted as long as it does not cost more than 1% of the loan amount.
- Cash out of escrow to the borrowers is limited to the amount deposited into escrow by the borrowers and not needed for any lender-required minimum down payment.
- An ALTA Lenders Policy must be obtained in the amount of the CalHome Mortgage Assistance Program loan at close of escrow. CalHome is to be no lower than 2nd position for the mortgage assistance and rehabilitation loan directly after the primary mortgagee.
- Borrowers must maintain fire insurance (and flood insurance where applicable) on the property in an amount at least equal to the replacement value of the improvements. In the case that the property is a condominium or has common areas where homeowner has shared ownership with other homeowners equally, an H6 hazard policy is required. In case of disaster or destruction to the specific homeowner's unit, the complete unit will be restored, including the interior walls, areas, and or systems within the homeowner's walls, which would not be covered under a HOA's hazard insurance. In addition, where property is a condominium, Homebuyer shall furnish from the Homeowners' Association (HOA) and primary lender (if impounds are paid through an escrow account) current certificates of insurance demonstrating that hazard insurance is in force for the condominium on an annual basis throughout the term of the loan and resale restriction account for 15 years.
- The City of Oxnard must be named as additional loss payee on the fire insurance policy.
- The City of Oxnard will record a Deed of Trust in 3rd position in the amount of up to \$5,000 or 3% (whichever is less) which will be used to cover a portion of the closing costs, specifically the recurring loan closing costs, prepaids and discount points. If the total closing costs, prepaids and discount points are less than \$5,000, only the actual amount will be funded. The source of funds will be

federal Home Investment Partnerships (HOME) Program.

FIRST TRUST DEED LOAN (PRIMARY LOAN)

- The term of the primary loan shall be for at least 30 years.
- The interest rate shall be market rate or below market rate.
- Fixed rate mortgages with the same monthly payment amount for the full term of the loan are allowed; adjustable rate mortgages (ARM's) or graduated payment loan (GPM's) are not allowed.
- Full documentation loan only; either FHA or Fannie Mae (no sub-prime loan). No temporary buy downs, negative amortization, principal increases, balloon payments or deferred interest loan provisions. A permanent loan buy down is permitted as long as it does not cost more than 1% of the loan amount.
- First trust deed lenders are required to collect and manage an impound account for payment of taxes, assessments and property insurance for the term of the first mortgage.

LOAN-TO-VALUE LIMITS

The loan-to-value ratio for a CalHome Mortgage Assistance Program loan, when combined with all other indebtedness to be secured by the property, shall not exceed one hundred (100) percent of the **sales price** plus a maximum of up to five (5) percent of the sales price to cover actual closing costs.

LOAN TERMS OF THE CALHOME MORTGAGE ASSISTANCE PROGRAM LOAN

- The CalHome Mortgage Assistance Program loan will be secured with a Deed of Trust in the amount of up to \$30,000 (minus activity delivery) and will be subordinate to the primary mortgage loan (second position).
- Deferred payment loan.
- The loan will be a balloon payment due in 30 years or repayable in full upon sale, transfer of title, or when the property ceases to be owner-occupied. Transfers of interest that do not require repayment of the CalHome Program loan are transfers to a joint tenant with certain restrictions. If the primary loan is refinanced and the costs of that transaction or "cash out" are included in the new loan, the City's loan must be paid off.
- Three (3%) interest.
- No prepayment penalties.
- No CalHome loan fees.

- Loan is not assumable.

Refinance/subordinations of the first lien mortgage will be allowed for the current principal balance of the primary loan at the time of the requested subordination. The new loan shall not contain any balloon payments or call dates. It must be a fully amortized loan. The new senior lien must be for rate and term only, and may include finances closing costs. Cash out from a new lien in a position senior of the CalHome lien is not permitted. The term of the new senior lien must be at least for the period of time remaining on the CalHome loan. It must mature concurrently or after the CalHome lien. The new lien must collect impounds to ensure that taxes and insurance will be paid in a timely manner.

- There are no resale restriction allowed on properties where CalHome funds are the only subsidy. If there are resale restrictions, regulatory agreements, CCR's tied to other subsidy loans they must be recorded after the CalHome loan. In any loan transaction where the CalHome Program loan is the only subsidy, the borrower cannot be restricted from selling the home at its fair market value at any time.

LOAN TERMS OF THE FINANCING SUBORDINATE TO THE CALHOME MORTGAGE ASSISTANCE PROGRAM LOAN

- The City of Oxnard will record a Deed of Trust in 3rd position, subordinate to the CalHome Mortgage Assistance Program loan, in the amount of up to \$5,000 to cover a portion of the closing costs, specifically the recurring loan closing costs, prepaids and discount points. If the total closing costs, prepaids and discount points are less than \$5,000, only the actual amount will be funded. The source of funds will be federal Home Investment Partnerships (HOME) Program.
- The City of Oxnard's loan cannot be used to payoff all or any portion of a borrower's consumer debt, liens or judgments.
- Deferred payment loan.
- The Loan will be due and payable in full upon sale, transfer of title, or when the property ceases to be owner-occupied. If the primary loan is refinanced and the costs of that transaction or "cash out" are included in the new loan, the City's loan must be paid off.
- Zero (0%) interest.
- No prepayment penalties.
- No City of Oxnard loan fees.
- Loan is not assumable.
- A deed restriction will be recorded with the HOME funded Deed of Trust. It will discuss

the terms of the affordability period which is five years. If the home is sold within the affordability period, the City will apply the recapture option. For purposes of this deed restriction, year one shall be the 12-month period following execution of the Deed of Trust, with each succeeding year beginning on the anniversary of the document execution and ending 12 months later. There will be no partial years.

- Refinance/subordinations of the first lien mortgage will be allowed for the current principal balance of the primary loan at the time of the requested subordination. The new loan shall not contain any balloon payments or call dates; it must be a fully amortized loan. No cash out (this includes paying off installment or credit accounts) or costs of the refinance transaction will be allowed in the new loan.

MONITORING

The City of Oxnard will perform annual monitoring procedures on all loans provided. The monitoring may consist of a letter that will be sent out once a year asking participants to verify that the home is still their principal place of residence, or other means of verification as identified by the City. Monitoring will continue for a period of thirty (30) years from the date of the close of escrow or until the homeowner's obligations to comply with the terms of the loan cease. Verification of Fire insurance (and Flood insurance where applicable) and payment of property taxes is required on all loan and will be included as part of the annual monitoring. Homeowners will be required to assist and facilitate annual monitoring procedures as administered by the City. Homebuyers/homeowners are required to authorize the City to collect information from the Ventura County Assessor's Office as may be necessary to determine that the homeowner is in compliance with payment of property taxes, no transfers or sale without City approval and verification of owner occupancy for the CalHome mortgage assistance and owner occupied rehabilitation loan and HOME loan.

APPEALS

If the borrower's 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. The appeal will be filed with the Affordable Housing and Rehabilitation Division (AHRD) Manager, who will review the appeal and respond within 15 days. If the appellant is not satisfied with that response, the appeal may be presented to the Housing Director within thirty (30) days of the Division Manager's response. The Director will attempt to resolve the grievance within fifteen (15) days. The ruling of the Director will be final.

AMENDMENTS TO PROGRAM RULES

The AHRD may change program requirements from time to time to meet program objectives. All changes will be required to meet CalHome and/or HOME Program guidelines.

EXHIBIT A

| 2020 VENTURA COUNTY INCOME ELIGIBILITY Effective 4/30/2020 | |
|---|--|
| A | B |
| HOUSEHOLD SIZE | MAXIMUM ANNUAL INCOME LIMITS (Low-Income 80% AMI) |
| 1 | \$63,250 |
| 2 | \$72,300 |
| 3 | \$81,350 |
| 4 | \$90,350 |
| 5 | \$97,600 |
| 6 | \$104,850 |
| 7 | \$112,050 |
| 8 | \$119,300 |
| As Set forth in 25 Cal. Regs. Section 6932 – Revised Annually | |

Determination of Income Limit for Households Larger than Eight Persons: Per person (PP) adjustment above 8: (1) multiply 4-person income limit by eight percent (8%), (2) multiply result by number of persons in excess of eight, (3) add the amount to the 8-person income limit, and (4) round to the nearest \$50.

Yuba County

E X A M P L E

| E X A M P L E | 4 persons | 8% PP Adj | + 8 persons | =9 persons |
|----------------------|------------------|------------------|--------------------|-------------------|
| Extremely Low | 24,600 | 1968 | 39,550 | 41,500 |
| Very Low Income | 29,950 | 2396 | 39,550 | 41,950 |
| Lower Income | 47,900 | 3832 | 63,250 | 67,100 |
| Moderate Income | 71,900 | 5752 | 94,900 | 100,650 |

| 8 person + | 8% Adj x 2 | =10 persons |
|-------------------|-------------------|--------------------|
| 39,550 | 3936 | 43,500 |
| 39,550 | 4792 | 44,350 |
| 63,250 | 7664 | 70,900 |
| 94,900 | 11504 | 106,400 |

SOURCE: State of California Department of Housing and Community Development (HCD) 2020 Income Limits

EXHIBIT B

MORTGAGE ASSISTANCE PROGRAM “GAP” FINANCING ESTIMATES

| | |
|---|----------------|
| Purchase Price | \$200,000 |
| Non-Recurring Closing Costs (5%) | <u>+10,000</u> |
| Total Estimated Costs | \$210,000 |
| Maximum First Loan | -180,000 |
| Minimum Homebuyer Payment Contribution (1%) | <u>-2,000</u> |
| Required “Gap” Financing for Mortgage Assistance (MA) | \$ 28,000 |

CALHOME MAXIMUM PROGRAM ASSISTANCE ESTIMATES

| | |
|--|---------------|
| Grant Cap per Loan | \$ 30,000 |
| Eligible Activity Delivery Fees | <u>-1,625</u> |
| Available Loan Funds/Down Payment Assistance (MA) | \$ 28,375 |
| Promissory Note/Maximum Allowable Loan Based on Need | \$ 28,000 |

EXHIBIT C

MAXIMUM PURCHASE PRICE/AFTER-REHAB VALUE LIMIT (For Acquisition and/or Rehabilitation of Existing Housing)

FOR VENTURA COUNTY-THOUSAND OAKS, CA MSA

As per HOME regulations at 24 CFR 92.254(a)(2)(iii)

(HOME Value Limits Effective April 1, 2020)

| Existing Homes HOME/HTF Purchase Price Limit | | | | | | | |
|---|---------------|---------------|---------------|--------------------------------|-----------------------------------|--|-----------------------------|
| 1-Unit | 2-unit | 3-unit | 4-unit | Unadjusted Median Value | Years Worth of Sales Data* | Number of Sales for Unadjusted Median** | Geographic Area Used |
| \$527,000 | \$675,000 | \$817,000 | \$1,012,000 | \$555,000 | 1 | 2,459 | County |

| New Homes HOME/HTF Purchase Price Limit | | | | | | | |
|--|---------------|---------------|---------------|--------------------------------|-----------------------------------|--|-----------------------------|
| 1-Unit | 2-unit | 3-unit | 4-unit | Unadjusted Median Value | Years Worth of Sales Data* | Number of Sales for Unadjusted Median** | Geographic Area Used |
| \$543,000 | \$695,000 | \$842,000 | \$1,043,000 | \$571,836 | 1 | 65 | County |

Maximum Purchase Price/After-Rehab Value Limits change annually as per United States Department of Housing and Urban Development (HUD).

(Source: <https://www.hudexchange.info/>)

EXHIBIT D

LEAD-BASED PAINT

VISUAL ASSESSMENT, NOTICE OF PRESUMPTION, AND HAZARD REDUCTION FORM

| | | | |
|--|--|---|---|
| Section 1: Background Information | | | |
| Property Address: | | No LBP found or LBP exempt <input type="checkbox"/> | |
| Select one: | Visual Assessment <input type="checkbox"/> | Presumption <input type="checkbox"/> | Hazard Reduction <input type="checkbox"/> |

| | |
|--|--------------|
| Section 2: Visual Assessment. Fill out Sections 1, 2, and 6. If paint stabilization is performed, also fill out Sections 4 and 5 after the work is completed. | |
| Visual Assessment Date: | Report Date: |
| Check if no deteriorated paint found <input type="checkbox"/> | |
| Attachment A: Summary where deteriorated paint was found. | |
| | |

| | |
|--|--|
| Section 3: Notice of Presumption. Fill out Sections 1, 3, 5, and 6. Provide to occupant w/in 15 days of presumption. | |
| Date of Presumption Notice: | |
| Lead-based paint is presumed to be present <input type="checkbox"/> and/or Lead-based paint hazards are presumed to be present <input type="checkbox"/> | |
| Attachment B: Summary of Presumption: | |
| | |

| | |
|---|---------------------------|
| Section 4: Notice of Lead-Based Paint Hazard Reduction Activity. Fill out Sections 1, 4, 5, and 6. Provide to occupant w/in 15 days of after work completed. | |
| Date of Hazard Reduction Notice: | |
| Initial Hazard Reduction Notice? Yes <input type="checkbox"/> No <input type="checkbox"/> | Start & Completion Dates: |
| | |

| |
|---|
| If “No”, dates of previous Hazard Reduction Activity Notices: |
| Attachment C: Activity locations and types. |
| Attachment D: Location of building components with <u>lead-based paint remaining</u> in the rooms, spaces or areas where activities were conducted. |
| Attachment E: Attach clearance report(s), using DHS form 8552 (and 8551 for abatement activities) |

| | | |
|--|------------|-------|
| Section 5: Resident Receipt of Notice for Presumption or Lead-Based Paint Hazard Reduction Activity | | |
| Printed Name: | Signature: | Date: |

| | | | |
|---------------------------------------|----------|--------------------|--|
| Section 6: Contact Information | | Organization: | |
| Contact Name: | | Contact Signature: | |
| Date: | Address: | Phone: | |

EXHIBIT E

SELLERS LEAD-BASED PAINT DISCLOSURE

Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards

Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure

(a) Presence of lead-based paint and/or lead-based paint hazards (check (i) or (ii) below):

(i) ___ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).

(ii) ___ Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to the seller (check (i) or (ii) below):

(i) ___ Seller has provided the purchaser with all available records and reports pertaining to Lead-based paint and/or lead-based paint hazards in the housing (list documents below).

(ii) ___ Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgment (initial)

(c) ___ Purchaser has received copies of all information listed above.

(d) ___ Purchaser has received the pamphlet Protect Your Household from Lead in Your Home.

(e) ___ Purchaser has (check (i) or (ii) below):

(i) ___ received a 10-day opportunity (or mutually agreed upon period) to conduct a risk

assessment or

inspection for the presence of lead-based paint and/or lead-based paint hazards; or

(ii) _____ waived the opportunity to conduct a risk assessment or inspection for the presence of

Lead-based paint and/or lead-based paint hazards (NOT PERMISSIBLE FOR HOME AND CDBG).

Agent’s Acknowledgment (initial)

(f) _____ Agent has informed the seller of the seller’s obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

| | | | |
|--------|------|--------|------|
| Seller | Date | Seller | Date |
|--------|------|--------|------|

| | | | |
|-----------|------|-----------|------|
| Purchaser | Date | Purchaser | Date |
|-----------|------|-----------|------|

| | | | |
|-------|------|-------|------|
| Agent | Date | Agent | Date |
|-------|------|-------|------|