

Guidelines for SAOR/HAF Closing Cost/DPA Program

The purpose of these funds is to provide assistance to families that otherwise would not be able to afford the cost of closing a home loan. The maximum dollar amount provided per family will be 2% (not to exceed \$7500.00) of the sales price of the property. Funds may be used for recurring or non-recurring closing costs or down payment. The funds will be a gift. There will be no repayment necessary and no lien will be recorded against the property.

Eligibility Requirements

- Property must be located in Solano County or American Canyon
- Buyer's RE Agent or lending agent must be a member of the Solano Association of Realtors®
- Client must be a U.S. Citizen or a permanent resident alien
- Maximum income limits - 140% of the Area Median Income (AMI) as posted by the state of California.
- No negative amortization on first trust deed
- Maximum sales price - \$500,000.00
- Client must attend a HUD certified Home Buyer Education class
- \$150.00 application fee – paid at escrow out of funds from grant

Stated Income

1. Stated income loans will only be accepted by those that are self-employed
2. Minimum credit score of 680 (middle score)
3. Must provide 12 consecutive months bank statements (both personal and business) to support stated income
4. Maximum debt to income – 55%
5. Must be self-employed for a full 2 years unless previous line of work was in same field – then 1 full year would be acceptable
6. Reserves – one month's housing payment in liquid reserves (savings, checking, CDs)

Alt/Full Doc

Standard Freddie/Fannie guidelines apply with the following exceptions:

- Undocumented income may be used if 12 consecutive months of bank statements support income claimed
- Maximum debt to income – 55% with compensating factors
- No reserves required

Any excess funds are to be returned to the SAOR/HAF fund - no cash back to the borrower.

Please remember that these are guidelines and exceptions may be made on a case by case basis (depending on compensating factors).

Documentation Checklist

Employment and Income History

- Past 30 days pay stubs for all borrowers
- Social Security, SSI, pension, or other benefit award letters for all borrowers
- Evidence of any other income (child support, part-time employment, seasonal employment, etc.)
- W-2s for last two years & previous years federal tax returns

Self-Employed

- Past two (2) years federal income tax returns
- 12 consecutive monthly bank statements (personal & business - stated income clients only)

Credit Items

- Completed 1003 & 1008 from lender
- Copy of tri-merged credit report
- Explanation letter for past or present credit issues (620 minimum credit score or no lates within the past 12 months)

Asset Verification

- Account statements for all qualifying accounts (checking, savings, 401K's) for past two months

Other Items

- Cover letter stating why funds are needed – signed by realtor member
- Terms and conditions of other financing (copy of lender & lock approval, & GFE's)
- Certificate of completion of Certified Homebuyer Education class
- Copy of note and final settlement statement at COE

Area Median Income 3/21/2007	Solano County 1	2	People Living in Household					7	8
			3	4	5	6			
140%	73,900	84,450	95,000	105,550	114,000	122,450	130,900	139,350	

For more information visit:
www.SAOR.org
 or call 707/552-HOME(4663)

This information is intended for Realtors® and lenders use only.

Effective date: 3/5/08

This information is intended for Realtors® and lenders use only.

Effective date: 3/5/08