

“Homebuyers Advantage and AdvantagePLUS”

Program Eligibility

1. Applicant(s) must be first time homebuyer(s) (may not have owned a home as their primary residence within 3 years prior to applying for this program);

AND

2. Gross household income CANNOT exceed program income limits and applicant(s) assets cannot exceed the lesser of \$100,000 or 50% of the purchase price of the home you are buying;

AND

3. Applicant(s) must fall into one of the following City Council Adopted Preference Categories:
 - Persons who live and work in Foster City
 - Persons who live in Foster City
 - Employees of the City of Foster City
 - Classroom teachers who are employees of the San Mateo-Foster City School District, the San Mateo Union High School District, or the San Mateo County Community College District
 - Persons who work in Foster City, and
 - All others who are income qualified

Maximum Purchase Price

There is NO limit on the purchase price

Eligible Property

Any single family residence – including condominiums, townhouses and duplexes. The residence MUST remain owner occupied for the duration of the City’s loan. Homes must be purchased within the City limits of Foster City.

Partnership Loan Program

In addition to the Advantage Program you may secure additional financing from the California Housing Finance Agency (CalHFA) through a partnership arrangement with the City of Foster City. Please see back panel for more information.

“Homebuyers Advantage”

Homebuyers Advantage is a Second Mortgage Loan Program designed to assist eligible first time homebuyers to purchase a home in Foster City. The city will provide a loan for the lesser of 25% of the purchase price or \$75,000. Program participants must be able to qualify for a first mortgage and have enough money to pay the down payment and closing costs required by the lender.

Example

	With “Homebuyers Advantage”	Without “Homebuyers Advantage”
Purchase price of home	\$500,000	\$500,000
Your down payment (5%)	\$25,000	\$25,000
Homebuyers Advantage	\$75,000	\$0
First Mortgage Loan	\$400,000	\$475,000

Loan Terms

This loan has an interest rate of 3% and a term of 30 years. However, there are NO payments and NO accrued (0%) interest for the first five years. Beginning in year 6 (the 61st month), equal monthly payments of principal and interest will commence and continue for the remaining 25 years.

The monthly payment on the example loan above would be \$355.66.

Appreciation Share

There is an Appreciation Share Provision for this Program, see the back panel of this brochure for details.

Income Limits

Annual gross income at the time of application cannot exceed:

Household Size	Moderate Income Limit	Household Size	Moderate Income Limit
1	\$79,800	5	\$123,100
2	\$91,200	6	\$132,250
3	\$102,600	7	\$141,350
4	\$114,000	8	\$150,500

“Homebuyers AdvantagePLUS”

Homebuyers AdvantagePLUS is an additional \$5,000 loan designed to provide extra assistance to eligible borrowers to help with down payment and/or closing costs.

“AdvantagePLUS” must be used in conjunction with the “Homebuyers Advantage” loan.

Example

	With “AdvantagePLUS”
Purchase price of home	\$500,000
Your down payment (5%)	\$25,000
“Advantage” Loan	\$75,000
“AdvantagePLUS” Loan	\$5,000
First Mortgage Loan	\$395,000

Loan Terms

There are NO payments and NO interest on this loan, and if you live in your home for at least five years, the loan will be fully forgiven. If, however, you sell, transfer title or convert your home to rental property prior to 5 years, the entire amount of the loan becomes due and payable at that time.

Income Limits

This additional funding is available if annual gross household income at the time of application does not exceed:

Household Size	Lower Income Limit	Household Size	Lower Income Limit
1	\$63,350	5	\$97,700
2	\$72,400	6	\$104,950
3	\$81,450	7	\$112,200
4	\$90,500	8	\$119,450

Loan Processing Fee

A \$300 non-refundable loan processing fee will be collected by the County when a purchase agreement has been accepted and City loan documents are being prepared.

Advantage / AdvantagePLUS
Appreciation Share

Upon disposal of your home or a disqualifying event the City's loan(s) become due and payable. The amount due will include unpaid principal and interest, plus a share of the net appreciation.

Example: Assuming the initial purchase price of your home was \$500,000 and the City's loan was \$75,000 (15% of the purchase price), and you sell your home for \$650,000 with expenses on the sale of \$50,000, your net appreciation would be \$100,000. (*\$650,000 sales price - \$500,000 original purchase price - \$50,000 cost to sell your home = \$100,000 net appreciation*).

Accordingly, the City's appreciation share would be \$15,000 (15% of \$100,000), to which the original loan of \$75,000 and any interest due would be added. In this example, the City would be repaid \$90,000 plus any accrued interest.

Appreciation Share with CalHFA Loan

The appreciation share when using the CalHFA Program with the City's loan is reduced by half.

Using the example above, the City's appreciation share would be 7.5% of the net appreciation of the property value or \$7,500 making the total payoff amount \$82,500.

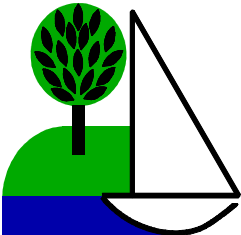
CalHFA

CalHFA provides low interest rate, long term purchase and down payment assistance loans for eligible low and moderate income first-time homebuyers and such loans may be used in conjunction with the City's Homebuyer's Advantage and AdvantagePLUS loans.

An information sheet is included with this brochure explaining the various CalHFA loans. For more information, please visit their website www.calhfa.ca.gov or contact one of CalHFA's authorized lenders.

City of Foster City
Community Development Agency
610 Foster City Blvd.
Foster City, CA. 94404

City of Foster City
Community Development Agency



Homeownership Programs for
First Time Homebuyers

**“Homebuyers Advantage”
&
“AdvantagePLUS”**

For more information, please call the
program administrator:

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Belmont, CA. 94002
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