



C.A.R. TRANSACTION RESCUE WEBINAR 12/30/20

GSFA Down Payment Assistance Programs



Golden State Finance Authority

www.gsfahome.org | (855) 740-8422

Catalog CAR1230

12/30/2020

GSFA Down Payment Assistance (DPA) Programs

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- First Mortgage Loans
combined with
Various DPA Options



- Available throughout California
- NO first-time homebuyer requirement!
- Flexible Income Limits
- Up to 7.0% DPA available
- FICO scores as low as 620
- FHA, VA, USDA and Conventional Loans

How GSFA's Down Payment Assistance Helps Homebuyers

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Purchase Price
of Home

\$525,000



First Mortgage
Loan

\$509,250



Down Payment
Assistance from
GSFA

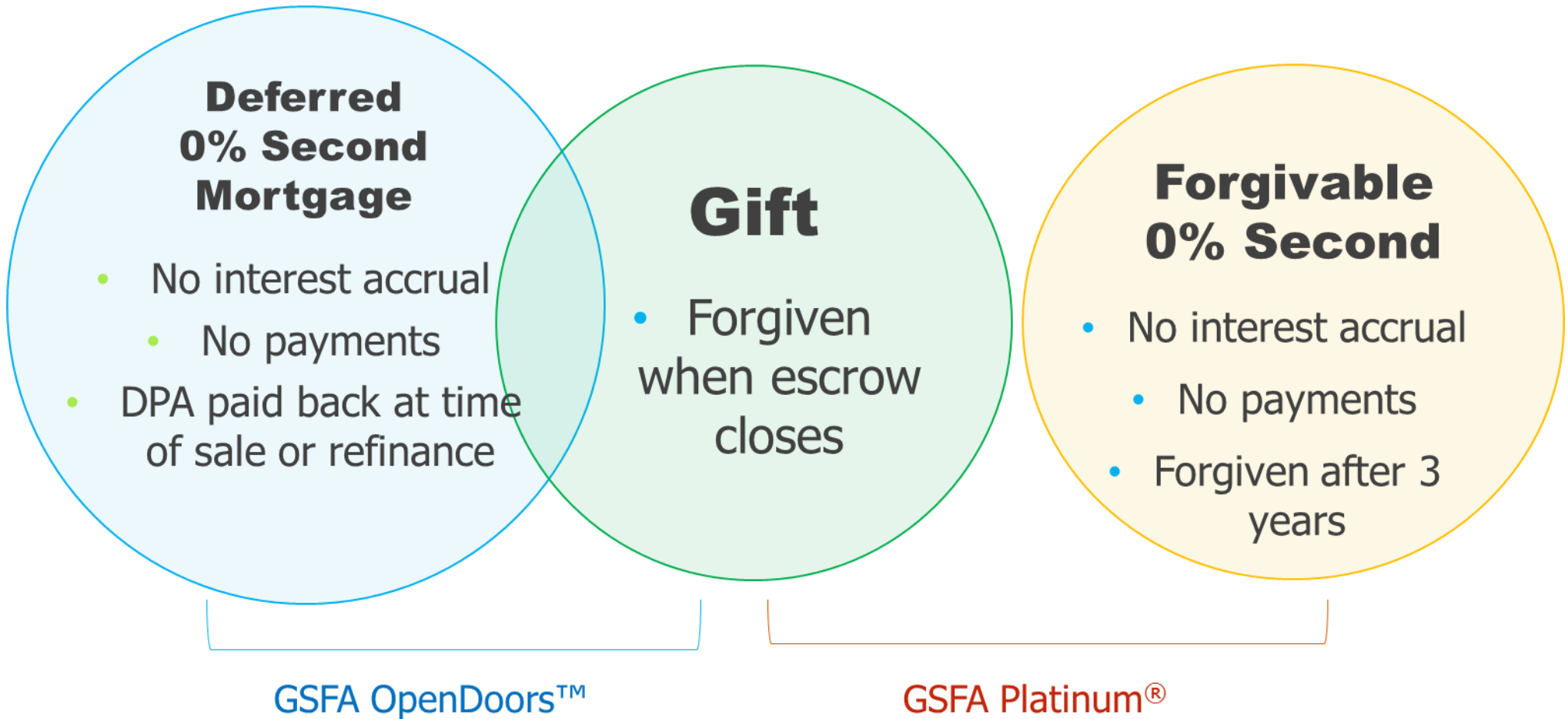
- \$17,823 Gift +
- \$17,823 Second Mortgage (0% interest rate)
- **\$35,646**
Total Assistance



Enough DPA to cover the entire \$15,750 required for down payment with \$19,896 remaining to use towards closing costs or to apply towards the mortgage loan.

For example purposes only. Scenario is based on a Conventional First Mortgage Loan of 97% Loan-to-Value.

GSFA Down Payment Assistance – Terms



GSFA OpenDoors[®] Program – Overview


- Borrower can get up to 7% in Down Payment Assistance
 - Up to 3.5% DPA in the form of a Silent Second
 - *ZERO interest accrual; no payments*
 - *DPA Second is due and payable upon sale or refinance*
 - Up to 3.5% more DPA as a Gift
 - *This portion is forgiven when escrow closes*

- General Eligibility
 - Minimum FICO
 - *Conventional loans:*
 - 620 (with LPA approval)
 - 680 for income above 80% of Area Median Income (AMI)
 - *Government Loans: FHA/VA = 620; USDA = 640*
 - Maximum DTI:
 - *Up to 55%, as allowed by AUS Approval*

GSFA Platinum® Program – Overview

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- Borrower can get up to 5% in Down Payment Assistance
 - DPA as a Gift for:
 - *FHA Energy Efficient Mortgage*
 - *USDA Guaranteed Home Loan*
 - *Public Safety or Education Occupations*
 - DPA as 0% Second Mortgage for:
 - *All other First Mortgage Loans*
 - *DPA Second is forgiven after 3 Years*
- General Eligibility
 - Minimum FICO:
 - *Conventional, VA and USDA = 640*
 - *FHA = 660*
 - Maximum DTI = 45%

Platinum "Select"	Down Payment Assistance GIFT - up to 5% - for "Select" Occupations
	
Law Enforcement Fire Fighters Paramedics Emergency Medical Technicians Fire Support Staff Teachers School Administration and Staff (Public and Private)	

GSFA DPA – General Guidelines

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- Primary Residences (1-4 units)
- 30-Year Fixed Rate Mortgages
 - FHA, VA, and USDA
 - Conventional Freddie Mac HFA Advantage
- Loan Limit:
 - \$548,250 (effective 01/01/21)
- Income Limit:
 - FHA/VA/USDA = No Limits
 - Conventional = Low-to-moderate Income
- Homebuyer Education
 - GSFA does not require, but follows agency guidelines, based on loan type

- Enhancements for Borrowers \leq 80% Area Median Income (AMI):
 - More attractive pricing and DPA options; and
 - Eligible for greatly reduced Mortgage Insurance Requirements on Conventional Loans

LTV	Standard Coverage	Charter Coverage
95.01 – 97.00%	35%	18%
90.01 – 95.00%	30%	16%
85.01 – 90.00%	25%	12%
80.01 – 85.00%	12%	6%

Borrower's End Result – Examples

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30-year
fixed-rate GSFA
Program Mortgages.

(1) For example purposes only;
Interest Rate published
10/15/2020, subject to change.

(2) Includes Up Front Mortgage
Insurance of 1.75% (required by
FHA)

(3) MI for Conventional Loan
examples is based on FICO of 720
with Charter level coverage on 2
borrowers through MGIC.

GSFA OpenDoors® Program	\$300k Purchase Price		\$400k Purchase Price		Max Purchase Price + Max DPA	
	FHA	Freddie Mac HFA Advantage	FHA	Freddie Mac HFA Advantage	FHA	Freddie Mac HFA Advantage
First Mortgage LTV	96.50%	97.00%	96.50%	97.00%	96.50%	97.00%
First Loan Interest Rate (1)	3.000	3.375	4.000	3.125	4.750	4.000
Purchase Price	\$300,000	\$300,000	\$400,000	\$400,000	\$519,000	\$525,000
Down Payment Required (%)	3.50%	3.00%	3.50%	3.00%	3.50%	3.00%
Down Payment Required (\$)	\$10,500	\$9,000	\$14,000	\$12,000	\$18,165	\$15,750
Total First Loan (2)	\$294,566.25	\$291,000.00	\$392,755.00	\$388,000.00	\$509,599.61	\$509,250.00
Gift DPA (%)	2.00%	1.00%	2.00%	1.00%	4.00%	3.50%
Gift DPA Amount	\$5,891.33	\$2,910.00	\$9,818.88	\$3,880.00	\$20,383.98	\$17,823.75
Second Mortgage DPA (%)	2.50%	3.50%	2.50%	3.50%	2.00%	3.50%
Second Mortgage Amount	\$7,364.16	\$10,185	\$7,855.10	\$13,580.00	\$10,191.99	\$17,823.75
Total OpenDoors DPA (%)	4.50%	4.50%	4.50%	4.50%	6.00%	7.00%
Total OpenDoors DPA	\$13,255.48	\$13,095.00	\$17,673.98	\$17,460.00	\$30,575.98	\$35,647.50
Monthly P & I (First Loan)	\$1,406.30	\$1,246.57	\$1,875.07	\$1,662.10	\$2,658.31	\$2,431.24
Monthly MI (3)	\$208.65	\$116.40	\$278.20	\$155.20	\$360.97	\$203.70
Total Monthly Payment	\$1,614.96	\$1,362.97	\$2,153.27	\$1,817.30	\$3,019.28	\$2,634.94
Borrower Out-of-Pocket for Down Payment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Remaining DPA for Closing Costs	\$2,755.48	\$4,095.00	\$3,673.98	\$5,460.00	\$12,410.98	\$19,897.50

12/30/2020

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GSFA DPA – Expectations AND Timeline

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Borrower Gets
Pre-Qualified

- ❖ FICO
- ❖ DTI
- ❖ Income Range
- ❖ Occupation of Borrower

First Mortgage
and DPA
Reserved
(60-day rate lock)

- ❖ GSFA Participating Lenders lock/reserve funds
- ❖ 150+ Lenders
(See GSFA Website)

Escrow Closes +
Loan Purchased by
Servicer
(within 60-days of Lock)

- ❖ No additional compliance review by GSFA.
- ❖ Lender closes escrow on Lender's timeline.

GSFA Guidelines or Best Practices

- Find Available DPA Programs here:
 - www.FindDownPayment.car.org OR
 - www.GSFHome.org
- Link with GSFA Approved Lender – KEY to Smooth/Fast Transactions
 - Only GSFA Participating Lenders can process GSFA DPA program loans
 - Lender helps determine 3 main qualifiers: Income, DTI, FICO
 - Lender helps determine best DPA option for homebuyer or stacking with other programs

Note: If client is not currently working with a GSFA Participating Lender, Approval and Training of Lender could delay process

Realtor / Lender Support

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■ GSFA Client Relations

- (855) 740-8422
- M-F 8:00 AM – 5:00 PM
- info@gsfahome.org

■ GSFA Website

- www.gsfahome.org
- Look up Participating Lenders
- Training Webinars
- Marketing Literature

The screenshot displays the Golden State Finance Authority website. At the top, there are navigation tabs for "Lender/Realtor Resources", "Housing Programs", and "About Us". Below this is a "Lender & Realtor Resource Library" section with three highlighted items: "Lender & Realtor Resource Library" (Maximize lending options by offering GSFA programs), "Housing Programs" (Explore program advantages, guidelines and more.), and "Energy Efficiency Financing" (Promote financing options for home energy upgrades.).

The "Recent News" section features a post from September 19, 2018, titled "GSFA Partners with USDA on Cash Back Program for Homebuyers". The text describes a partnership in Sacramento, CA, where GSFA Deputy Director Craig Ferguson joined Kim Dolbow Vann, U.S. Department of Agriculture (USDA) Rural Development California State Director, to announce a new gift program for rural homebuyers. The program offers individuals or families purchasing a primary residence in California with a USDA Rural Development Single Family Loan Guarantee through the GSFA Platinum Program an assistance of up to four percent in the form of a non-repayable gift. A "Read More..." link is provided.

The "Recent Posts" section includes three posts: a press release from September 19, 2018, about the cash back program; a bulletin from September 18, 2018, regarding updates to financing terms and marketing literature; and a post from September 13, 2018, announcing another enhancement to the GSFA Platinum homebuyer assistance program, which includes down payment assistance and closing cost assistance up to 4%.

On the right side, there is a "PROMOTIONAL OFFER" for a "\$350 OFF MCC Application Fee". Below this is a "GSFA MCC Program* Promotional Offer" featuring a photo of a smiling man and details: valid through December 31, 2018, a \$350 application fee on GSFA MCCs, and MCC reservations made concurrently with a GSFA Platinum Program reservation.

At the bottom right, the "About Us" section states that GSFA is a local housing finance authority and a duly constituted public entity, organized in 1993 and existing under Title 1 of the Government Code of the State of California. It also notes that GSFA has supported affordable homeownership in California for over two decades and has helped more than 74,200 individuals and families purchase homes.

KEY TAKEAWAYS & RESOURCES

■ GSFA Topics

- GSFA Affordable Housing Programs
 - *Link: <http://gsfahome.org/programs/index.shtml>*
- GSFA Approved Lenders
 - *<http://gsfahome.org/programs/platinum/lenders.aspx>*
- Training and Education
 - *<http://gsfahome.org/lender/training.shtml>*
- Marketing Literature
 - *<http://gsfahome.org/lender/marketing.shtml>*

Golden State Finance Authority (GSFA)

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- Carolyn Sunseri, Marketing Director
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 - csunseri@rcrcnet.org

- Client Relations Dept
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Presentation contains program highlights only. All guidelines are subject to change without notice. Visit www.gsfahome.org for complete program guidelines or call toll-free (855) 740-8422.

GSFA's affiliate organization, National Homebuyers Fund, Inc. (NHF) provides down payment assistance in states outside California. For more information, visit www.nhfloan.org.