



DOWN PAYMENT ASSISTANCE PROGRAM (DAP)

(Effective 1-5-2009)

~ Information for Prospective Buyers ~

Q: What is the City of Stockton Down Payment Assistance Program (DAP)?

A: The program provides funds towards the purchase of a single-family home or a condominium unit. Funds can be used towards the down payment, prepaid mortgage insurance, closing costs, or permanent mortgage interest rate buy down (lowering the interest rate on your purchase loan by paying points). Additionally, some applicants may be eligible for up to \$10,000 of assistance with accessibility repairs to the residence for handicapped persons as a separate transaction.

Q: How do I know if I am qualified to use the program?

A: The first qualification is the income restrictions for the program. See below. The remainder of the program qualifications will be handled by your **lender**.

Income Eligibility by Household Size:

Household Size (Number of Persons to Reside in Home)	Maximum Allowable Gross Annual Income* (Per Household)
1	\$36,650
2	\$41,850
3	\$47,100
4	\$52,300
5	\$56,500
6	\$60,700
7	\$64,900
8	\$69,050

*80% of area median income
(Effective May 31, 2011)

Q: Do I have to live in Stockton?

A: The program is available to buyers who have lived within the city limits of Stockton for a minimum of 12 months prior to application OR have completed one year of employment within the city limits of Stockton.

Q: Where can I buy?

A: The property must serve as the purchaser's primary residence and must be located within the city limits of Stockton. No purchases outside of city limit boundaries can be assisted. *Take note of San Joaquin County boundary lines within the Country Club and Lincoln Village West areas.*

Q: How much money do I need to invest, if I use this program?

A: The minimum investment from the buyer must equal 1.5% of the purchase price. Buyers may use more of their personal money, if it is available, or verified gift funds.

Q: How much can I borrow?

A: The program will lend up to 5% of the purchase price, plus the closing costs towards the purchase of the home. The exact amount available to you will be determined based upon the details of your purchase, such as purchase price, amount of funds you will be contributing to purchase, amount of purchase loan from lender, etc.

Q: Do I have to pay the money back?

A: The funds are loaned for 30 years with a simple interest rate of 3% for the first 15 years and zero interest for remaining 15 years. Payments are not required during the 30 years; however, the loan principles and interest are due all at once (balloon payment) at the end of the 30 years. You will also have to repay the loan if you sell, refinance or no longer live in the property before the end of the 30-year loan term. If you choose, payments may be made during the 30 years in any amount you wish. There is no prepayment penalty. The City does not charge to make the loan.

Q: How Do I Apply?

A: There is no application, paperwork or sign-up list. Simply select a **lender** who will be loaning you the money to purchase your house. You may work with the lender of your choice. Because lenders charge different amounts, it is recommended that you “interview” at least 2-3 different lenders to compare interest rates and fees. Let the lender know that you are interested in using the City of Stockton Down Payment Assistance Program, and ask the lender to contact the City. You may give them a copy of this flyer if they do not know about the program. The City works directly with your lender to process your Down Payment Assistance loan.

Q: Do I have to attend any classes to use this program?

A: Yes. Each borrower is required to attend a home buyer class from a City-approved provider. You must provide a certificate of completion to your lender. Here are some trainers:

CITY-APPROVED TRAINER	TELEPHONE NUMBER
Visionary Home Builders of California	(209) 466-6811
By Design Financial Solutions- Stockton	(209) 956-1176
S.T.A.N.D Affordable Housing Program	(209) 937-7625
NeighborWorks	(209) 473-4363

Q: Is there anything else that I should know?

A: Ask questions! None of us are born knowing how to buy a house. Don't feel embarrassed because you don't understand something. If the lender or real estate agent does not take the time to explain things to you, they may not be the right person to help you. You should insist upon the same service and patience that is expected for any other large purchase.

Remember that you can only apply for this program through your mortgage lender.