



Sunnyvale

First Time Home Buyer Program Workshop



EQUAL HOUSING
OPPORTUNITY





Sunnyvale

Below Market Rate (BMR) Program

This presentation will provide you with an overview of the BMR Program eligibility criteria, application submission process, and restrictions associated with participating in this Program.

BMR Home Ownership Program

- The BMR Program eligibility criteria applies to your entire household.
- A household is defined as:
 - ◆ all person(s) who occupy a single housing unit
 - ◆ all members of a family who currently rent a portion of a home and are a formed household as evidenced by an applicant(s) tax returns and who intend on occupying the BMR unit.

BMR Home Ownership Program

1. Eligibility Criteria – Geographic Preference

◆ Priority 1

- Households that live OR work in Sunnyvale at the time the BMR Application is submitted.

◆ Priority 2

- Households that do NOT live or work in Sunnyvale but DO live or work in Santa Clara County.

BMR Home Ownership Program

2. Eligibility Criteria - First-time homebuyer:

- ◆ Each household member must be a first-time home buyer as defined by the Home Ownership Program Guidelines.
- ◆ A **first-time homebuyer** is an individual/individuals, or an individual and his or her spouse, who have not owned a home during the three-year period prior to the date of application to purchase a BMR Home.
- ◆ There are three exceptions to this definition (see next three slides).

BMR Home Ownership Program

First time home buyer Exception:

1. A “displaced homemaker” who, while a homemaker, owned a home with his or her spouse or 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 in obtaining or upgrading employment; **and***
 - ◆ *worked primarily without remuneration to care for his or her home and family*

BMR Home Ownership Program

First time home buyer Exception:

2. 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*

BMR Home Ownership Program

First time home buyer Exception:

3. An individual(s) who owns or owned a mobile home not permanently affixed to a permanent foundation, in accordance with local or state regulations, is exempt from the first time homebuyer definition.

Please note: if you own a mobile home, you will be required to provide a current appraisal and copy of your current mortgage statement so that the net value of your home can be determined (appraised value minus the amount owed on the loan equals the net value).

You must also sell the mobile home prior to closing escrow on the BMR home.

BMR Home Ownership Program

If you think that you meet one of the exceptions listed in the previous three slides, please contact City Housing staff to discuss the exception and required documentation to support the exception.

BMR Home Ownership Program

3. Eligibility Criteria – Maximum Income:

- Your household must be a moderate or lower-income household for Santa Clara County, as determined annually by the California Department of Housing and Community Development (HCD).
- Your household’s income may not exceed moderate income limits based on the number of persons in the current household.

Household Size	80% Low Income	120% Maximum Income
1	\$102,300	\$154,800
2	\$116,900	\$176,900
3	\$131,500	\$199,050
4	\$146,100	\$221,150
5	\$157,800	\$238,850
6	\$169,500	\$256,550
7	\$181,200	\$274,250

BMR Home Ownership Program

4. Eligibility Criteria – Assets:

- Assets may not exceed 30% of the Maximum Resale Price of the BMR home in effect, based on the number of bedrooms that the household qualifies for.
- The households post-closing assets may not exceed 10% of the Maximum Resale Price of the home, for the number of bedrooms that the qualifies for.
- Prior to closing escrow, Housing staff will review and approve the Estimated Final Settlement Statement from Escrow, to ensure that this asset requirement has been meet.
- **When calculating assets, IRS-recognized retirement and college savings plan (529 Plan) are excluded from the total household assets.**

BMR Home Ownership Program

4. Eligibility Criteria – Asset Example:

Bedrooms	Maximum Home Purchase Price	Maximum Assets Allowed Pre-Purchase	Maximum Asset Allowed Post-Purchase
1	\$413,000	\$123,900	\$41,300
2	\$481,000	\$144,300	\$48,100
3	\$549,000	\$164,700	\$54,900
4	\$603,000	\$180,900	\$60,300
5	\$657,000	\$197,100	\$65,700

BMR Home Ownership Program

5. Eligibility Criteria – Purchase Ready:

- Being purchase ready means that you have the ability to obtain a mortgage loan and meet all the additional criteria listed below.
- After reviewing the next several slides, if you feel that your household is purchase ready your next step is to contact a Qualified Participating Lender to determine if you qualify for a mortgage.

BMR Home Ownership Program

6. Eligibility Criteria – Purchase Ready:

- You must have access to 10% of the purchase price in cash to participate in the Program.
 - 5% for the down payment of the home
 - 3% for closing costs
 - 2% savings reserves

EXAMPLES:

- *2-bedrooms sales price of \$481,000 – You should have \$48,100 cash*
- *3-bedrooms sales price of \$549,000 – You should have \$54,900 cash*
- *4-bedrooms sales price of \$603,000 – You should have \$60,300 cash*

BMR Home Ownership Program

7. Eligibility Criteria – Purchase Ready:

- No more than half of the required funds needed to purchase (10% cash) can be in the form of a gift from a family member(s)
- No bankruptcy or foreclosure within the last 5 years of application date
- Your credit score must be 620 or higher - www.annualcreditreport.com.
Please note that most lenders require a 700 or higher credit score.

BMR Home Ownership Program

8. Eligibility Criteria – U.S. Permanent Residency Required:

- U.S. Born or Naturalized Citizen
- Permanent Resident (Green Card Holder)
- Refugee or those granted asylum
- Temporary work visa are not adequate for applicants (buyers).

BMR Home Ownership Program

If your household meets the eligibility criteria outlined in the previous slides and you want to move forward in the home purchase process.

Please follow the next steps in the “How to Apply” slides.

How to Apply to the BMR Home Ownership Program

1. Contact City Housing staff to determine your eligibility and number of bedrooms your household qualifies for,
2. Review the BMR Home Ownership Program Guidelines,
3. Contact a Participating BMR Lender and obtain a preapproval letter,
4. Attend an 8-hour HUD-Certified Homebuyer Workshop,
5. Complete a BMR Eligibility Application and gather all required supporting documentation,
6. Email City Housing staff (Housing.ca.gov) to find out how to electronically submit your:
 - * Homebuyer Program Eligibility Application
 - * Supporting documentation
 - * And where to mail the \$75 nonrefundable fee

BMR Home Ownership Program - FAQs

What happens after I submit a BMR Eligibility Application?

- City staff will review your Application and make a determination of eligibility for the Program within 21 business days.
- If deemed eligible, staff will email you an eligibility letter outlining the next steps in the purchase process.
- If you are deemed ineligible for the Program, the eligibility letter will indicate why you've been deemed ineligible and how to appeal the decision, if possible.

BMR Home Ownership Program - FAQs

Once eligible for the Program, how do I find BMR Homes for Sale?

- Your application will be placed in the waiting list managed by the City based on the date of your eligibility determination letter and if necessary, your continued eligibility. Please note, it is the applicant(s) responsibility to remain eligible.
- Eligible buyers will be contacted by City Housing Staff when a home becomes available for you to view and potentially purchase.
- When available, the BMR homes are marketed only to the wait list of eligible buyers. If the first applicant in line does not purchase the home, the next applicant in line will be notified until a buyer is secured.

BMR Home Ownership Program – Key Requirements

- Each BMR home has restrictive documents recorded on the home that restrict the resale value of the home for **30-years**.
- You must occupy the BMR home as your primary residence (if you move out, you must sell it).
- You can not rent out the home or any room in the home and you must complete an annual audit each year.
- Prior to purchasing your home, you can request to meet with Housing staff to discuss, in detail, the restrictions on the BMR home.

Thank you for your interest in the BMR Program!

Questions?

Housing Division Answer Point:

(408) 730-7250

housing@sunnyvale.ca.gov

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www.sunnyvale.ca.gov – search “Home Buyer Programs”