

What is Down Payment Assistance?

Shasta County has money to help first-time home buyers with their down payment and closing costs. The Shasta County Down Payment Assistance Program (DAP) provides a loan to qualified, low-income, first-time home buyers. Federal money from this program comes from grants awarded to Shasta County by the California Department of Housing and Community Action Programs

How does DAP work? Here is an example...

A person purchasing a home for \$250,000 with an appraised value of \$250,000 will need to get a loan from the lender of their choice for a **minimum** of \$162,500. The maximum DAP loan would be 40% of \$250,000 (**not all clients receive the maximum**), and the DAP applicant must contribute 3% of the purchase price; in this instance \$7,500. The maximum combined loan to value (loan from chosen lender + DAP) is 97% of the appraised value which in this example would be \$242,500. The DAP home owner retains all of the appreciated value of the home and enjoys the benefits of deducting home loan interest and property tax payments from their income tax.

Please check with your lender for additional costs to close the sale.



\$162,500
From Lender

+



\$80,000
From DAP

+



\$7,500
3% Applicant
Contribution

=



\$250,000
Total Home
Value

Housing and Community Action Agency

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Relay Service: (800) 735-2922
Fax: (530) 225-5345
Email: adacoordinator@co.shasta.ca.us



Shasta County Down Payment Assistance Program



Now serving **all** of Shasta County
outside the city limits of Redding.

Who Is Eligible for DAP?

DAP Basic Guidelines

Potential DAP home buyers must meet the definition of a first-time home buyer, be able to obtain first mortgage financing for the purchase, and must qualify under the following income guidelines.

Family Size	Maximum Gross Annual Income
1	\$47,050
2	\$53,800
3	\$60,500
4	\$67,200
5	\$72,600
6	\$78,000
7	\$83,350
8	\$88,750

Maximum purchase price is \$351,000

The DAP loan you obtain can be up to 40% of the purchase price.

The DAP loan (second mortgage) will accrue interest at 0% without payments until loan is due.

The DAP loan is due when home is sold, title changes hands, refinanced, or loan recipient ceases to live in home (must be owner occupied).

Borrower will be required to contribute at least 3% of the purchase price (may be a gift).

Home must pass an inspection for Health and Safety Standards and local codes.

A class in home ownership is required of all participants.

Not all areas of the County may be eligible. Call for more information.

The combination of both loans (first and second) may not exceed 97% of the appraised value.



Things to consider when you apply...

Do you have a stable income?

Do you have at least 3% of the purchase price for a down payment and closing costs?

Have you addressed any negative credit issues?

Do you have too many other financial obligations to purchase a home?

Are you ready to take on the responsibility of owning a home?

What homes qualify?

Eligible homes include newly constructed homes, existing homes, manufactured homes on permanent foundations, and condominiums.

For more information call our office
530-225-5160

