

Finance Requirements

A FTHB Program Loan may not exceed the lesser of 15% of the maximum allowable purchase price, or \$60,000.

A FTHB Program Loan can only be issued in conjunction with a new first mortgage loan.

A borrower's first step will usually be to contact a lender to determine the amount of the first mortgage loan for which they can pre-qualify.

Participating lenders who have received specific program information include:

- First Horizon Home Loans, Mark Junod, 476-7880
- Bay Federal Credit Union, 479-6000 (mobile homes)

Interested lenders should use the following guidelines when structuring the amounts of the first mortgage, downpayment and Silent Second FTHB loan,

First Mortgage: 80% of purchase price
Silent Second FTHB: 15% of purchase price
Downpayment: 5% of purchase price

Up to 3% of the buyer's downpayment can be a private gift or an alternative loan (please see participating lenders for more information about additional downpayment assistance.)

Please contact the Housing Authority of the County of Santa Cruz (831) 4549455 Ext. 322 for more information.



No qualified person shall be excluded from participation or employment, denied program benefits, or subjected to discrimination based on race, color,

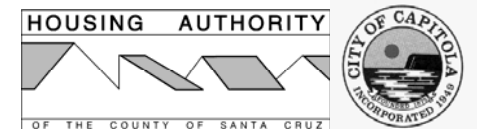
national origin, sex, age, handicap, religion, familiar status, or religious preference.

Housing Authority of the County of Santa Cruz
2931 Mission Street
Santa Cruz, CA 95060-5709

City of Capitola



First Time Homebuyer Program



www.hacosantacruz.org

Program Summary



The City of Capitola Redevelopment Agency (RDA) has established a First-Time Homebuyer Program (FTHB Program) to help low and moderate income households purchase homes in the City of Capitola. The program is funded by the City of Capitola RDA, and is administered by the Housing Authority of the County of Santa Cruz.

Assistance is in the form of 'silent second' loan to help meet the gap between purchase price and the principal first mortgage loan amount. The loan interest rate is 3% simple interest.

In most cases, eligible borrowers will pay no principal or interest on the FTHB loan for as long as they own their home.

The entire principal and interest on the FTHB loan is due and payable upon sale or transfer of the home, or at such time as the borrower no longer occupies the home as their principal place of residence.

For loans on real property, interest is 3% simple

Eligibility requirements are:

- Borrowers must be a First Time Homebuyer, defined as an individual or individuals, or an individual and his or her spouse, who have not owned a home during the three-year period before the purchase of a home with FTHB Program assistance.
- Borrowers must occupy the residential property purchased with the FTHB Home Program loan as their Principal Residence.

- At least one of the buyers within the purchasing household must be employed, or be under contract to be employed, at a place of employment located within Santa Cruz County. Households whose primary source of income is from other than employment (retirement, disability, etc.) are exempt.

- Among eligible applicants, priority to receive available loan funds will be given to those households whose current principal residence and/or primary place of employment is within the City of Capitola.

Mobile Homes Loans

Interest due on loans made to eligible borrowers who purchase mobile homes is in the form of 3% simple interest. Payments are deferred until sale or transfer of the home, or at such time as the borrower no longer occupies the home as their principal place of residence.

Eligible Properties

Eligible properties include any detached singlefamily house, condominium, townhouse unit, manufactured home or mobile home located within the City of Capitola.

A home eligible for the FTHB Program Loan must be vacant or owner-occupied at the time of sale, or occupied by the purchasing tenant.

Properties purchased with the assistance of the FTHB Program must comply with local housing standards.

If the residential property purchased through the FTHB Program was constructed or manufactured before 1978, it may need to be inspected for lead based paint hazards.

Income Requirements

To be eligible for the FTHB program, borrowers must earn below the following income limits, according to family size.

2007* FTHB Program Income Limits

Household Size (Persons)	Maximum Gross Annual Income (120% of Median)
1	\$68,300
2	\$78,100
3	\$87,800
4	\$97,600
5	\$105,400
6	\$113,200