



SAN DIEGO
HOUSING
COMMISSION

News Release

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STATE AWARDS \$1.5 MILLION GRANT TO SAN DIEGO HOUSING COMMISSION FOR FIRST-TIME HOMEBUYER PROGRAM

The CalHome grant increases funding for SDHC's First-Time Homebuyer Program

SAN DIEGO, CA—The San Diego Housing Commission (SDHC) has been awarded a \$1.5 million grant from the state of California to help low-income families buy their first home. SDHC received the maximum amount allowed under state application guidelines.

The new CalHome Program grant awarded to SDHC by the California Department of Housing and Community Development increases the total current funding for SDHC's First-Time Homebuyer Program to \$6,892,634.

“The San Diego Housing Commission’s First-Time Homebuyer Program helps low- and moderate-income San Diegans achieve the dream of homeownership within the City of San Diego,” said SDHC President & CEO Richard C. Gentry. “We are grateful to receive this state grant to help us continue this important work.”

First-time homebuyers are San Diegans who have not owned a home in the past three years. They must also meet income-eligibility requirements.

Since it began on August 13, 1990, SDHC’s First-Time Homebuyer Program has helped 4,397 families.

In addition to the CalHome grant, SDHC First-Time Homebuyer Program is also funded by the federal HOME Investment Partnerships Program, Inclusionary Housing funds, the San Diego Housing Trust Fund, and federal Community Development Block Grant funds.

The First-Time Homebuyer Program is overseen by the Loan Management Team in SDHC’s Real Estate Department.

SDHC’s First-Time Homebuyer Program assists families through deferred-payment loans, closing costs assistance and Mortgage Credit Certificates:

3% Interest, Deferred-Payment Loans

- Buyers earning no more than 100 percent of the San Diego area median income—currently \$72,300 a year for a family of four—may qualify for a deferred-payment, second trust deed loan of up to 17 percent of the purchase price, with the interest rate set at 3 percent.

- No payments are required for 30 years, unless the owner sells or no longer occupies the home; at which time the principal balance, including accrued interest, must be repaid.
- To qualify, the buyer must obtain a fixed-rate, first trust deed loan; have adequate income and a good credit rating; and provide a minimum down payment of 3 percent.

Closing Costs Assistance

- Buyers earning no more than 80 percent of the San Diego area median income—currently \$64,500 a year for a family of four—are eligible for up to \$15,000 or 4 percent of the purchase price, whichever is less.
- Buyers earning up to 100 percent of the area median income are eligible for up to \$10,000 or 4 percent of the purchase price, whichever is less.
- The assistance must be repaid if the home is sold, refinanced or no longer owner-occupied within the first six years, after which they are forgiven.

Mortgage Credit Certificates

- Qualified homebuyers with income not exceeding 140 percent of San Diego area median income may claim a federal income tax credit.
- Buyers earning 80 percent of San Diego's area median income or less or buying in a specified neighborhood may claim a tax credit of 20 percent of the annual interest paid on their mortgage; all other buyers receive a tax credit of 15 percent.
- The reduced tax burden helps the buyer qualify for a mortgage because it boosts net earnings.
- Buyers may have to pay a recapture tax if they sell the home within the first nine years.

Any lending institution may participate with SDHC in the First-Time Homebuyer Program after attending a training workshop.

For more information about SDHC's First-Time Homebuyer Program, visit www.sdhc.org.

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