



ReCoverCA Homebuyer Assistance Program

Board of Supervisors Presentation

Presented by
Golden State Finance Authority





ReCoverCA Homebuyer Assistance Program

- » What:
 - Homebuyer Assistance (HBA) up to \$350,000 per household.
- » Who:
 - Low-to-moderate Income (LMI) Households who lived in a High or Very High Fire Hazard Severity Zone at the time of the eligible 2018/2020 CA wildfires
- » Why:
 - Assist with home purchase outside High [Fire Hazard Severity Zones](#)



\$28 Million Grant Provided by the California Department of Housing and Community Development (HCD)



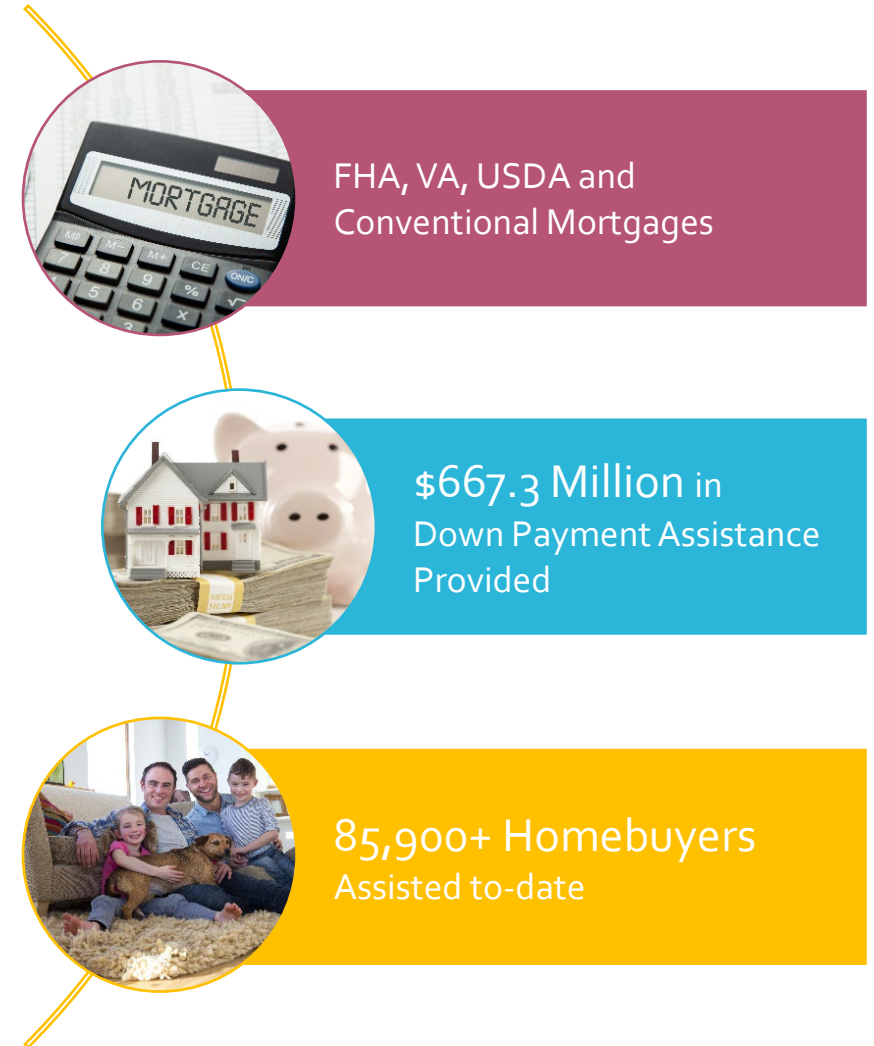
Funded through a Community Development Block Grant - Disaster Recovery (CDBG-DR) grant from HUD.



GSFA is Program Manager/Administrator

Supporting California Homebuyers for More than 31 Years

- » Public Entity and Agency in California
- » Organized in 1993
- » Affordable Housing Programs
 - Provide a source of financing
 - Network of Lenders to originate loans
 - Ensure borrower ability to pay



The Benefits of Homeownership



» Impact on Families/Communities⁽¹⁾

- Improves stability in neighborhoods
- Increases educational achievement
- Increases civic engagement
- Improves physical and psychological health
- Correlates to crime reduction

» Financial Impact on Individuals

- Median Homeowner 38X more net worth

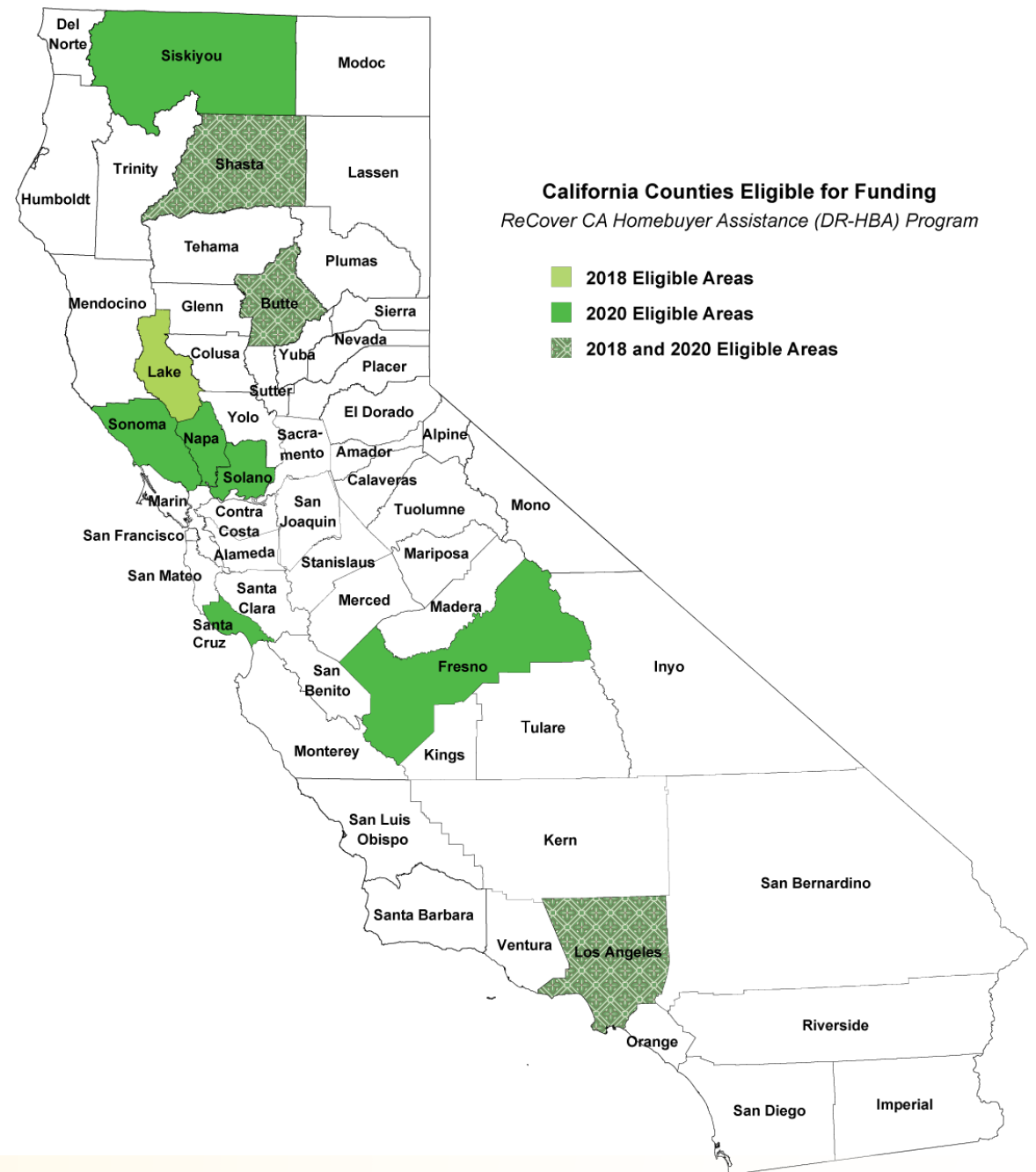
Homeownership Status	Median Net Worth ⁽²⁾
Owens a home	\$396,200
Doesn't own a home	\$10,400

(1) 2016 study by the National Association of Realtors®

(2) Federal Reserve 2022 Survey of Consumer Finances

Applicant Eligibility

- » Renters or Homeowners
 - Low-to-moderate Income
 - $\leq 80\%$ AMI
 - Based on Household Size
- » Primary residence was in a High or Very High Fire Hazard Severity Zone
 - During eligible fire-disasters
- » Eligible Fire-disaster Areas:
 - 2018: Butte, Lake, Los Angeles, and Shasta Counties
 - 2020: Butte, Fresno, Los Angeles, Napa, Santa Cruz, Shasta, Siskiyou, Solano, and Sonoma Counties



HBA Structure and Terms

- » HBA Amount:
 - Up to \$350,000
- » HBA Structure/Terms:
 - Forgivable 2nd Mortgage, 5-Year Term
 - Note rate 0% percent, deferred
 - No monthly payments, no interest accrual
- » HBA Forgiven
 - After 5 years of ownership and occupancy
 - 20% forgiven each year, pro-rata
 - Default on occupancy will result in recapture

» Use of HBA Funds

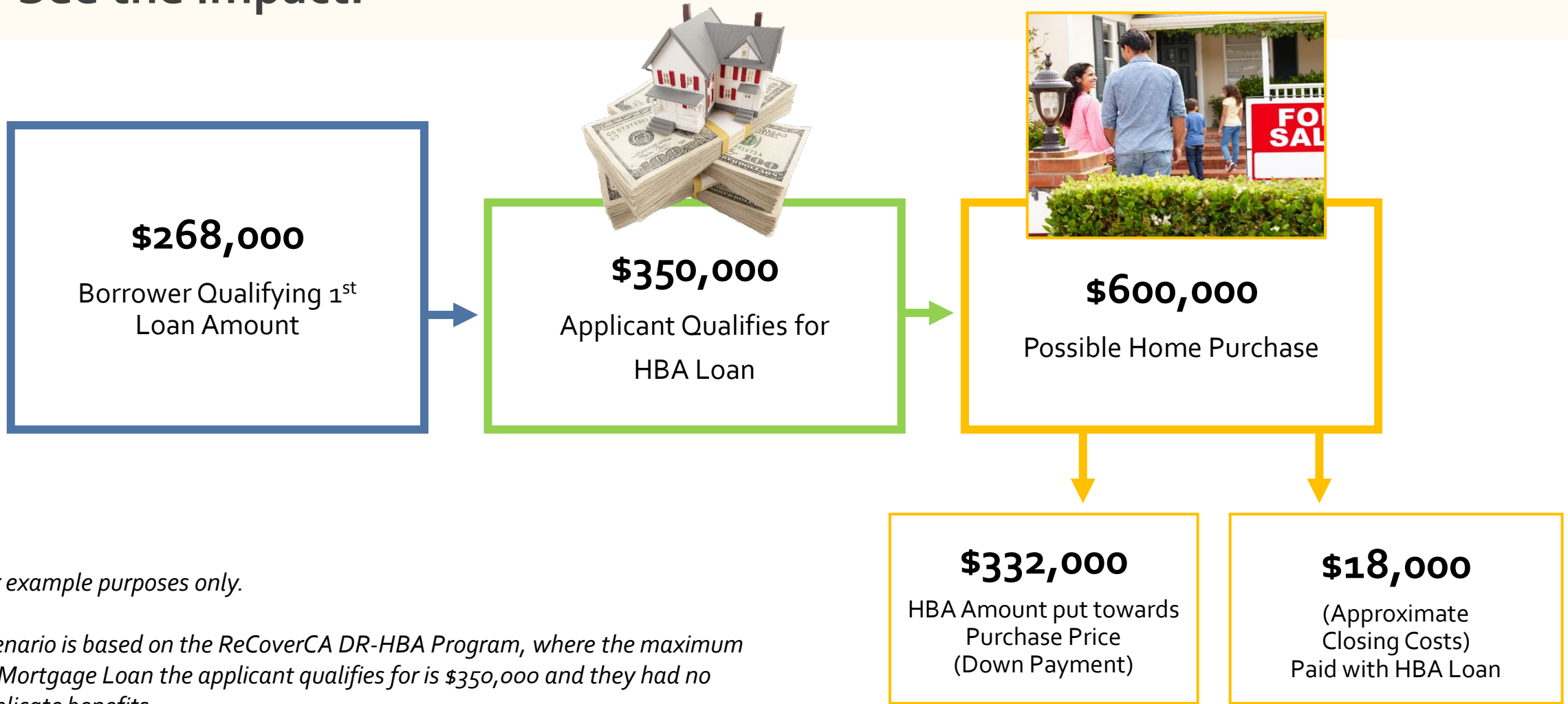
- Down payment
- Closing costs (including prepaids)
- Homebuyer education fees



How the Program Works



See the Impact!

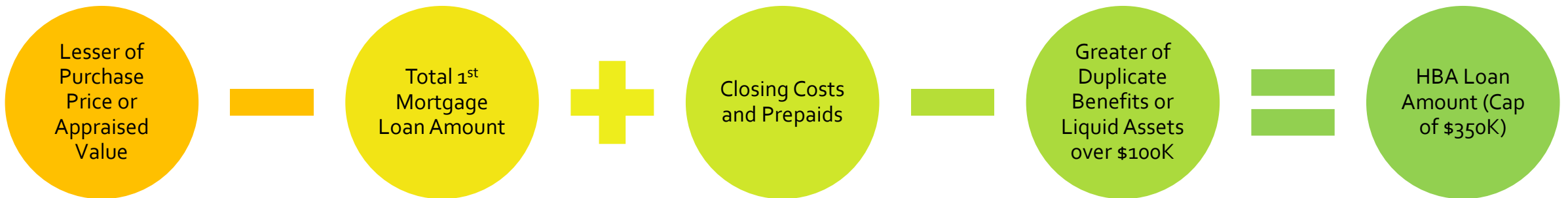


For example purposes only.

Scenario is based on the ReCoverCA DR-HBA Program, where the maximum 1st Mortgage Loan the applicant qualifies for is \$350,000 and they had no duplicate benefits.

Calculation of HBA Amount

- » Based on:
 - Maximum qualifying 1st Mortgage Loan amount
 - Purchase price or appraised value (whichever is less)
 - Analysis of duplication of benefits and liquid assets over \$100K
- » Not to exceed \$350,000 per household
- » No cash back from HBA proceeds allowed



1st Mortgage Guidelines



- » Eligible Mortgages
 - 30-Year fixed-rate loans
 - FHA, VA, USDA and Conventional
- » Loan Limit is the Lesser of:
 - \$766,550, or
 - Loan limit for county/loan type
- » Low-to-Moderate Income
 - 80% AMI and below
 - Income Limits Based on:
 - Household income
 - Household size
 - County of property
- » Minimum FICO = 640
- » Debt-to-Income (DTI) Ratios
 - Minimum DTI = 42%
 - Maximum DTI = 45%
- » Homebuyer Education
 - At least 1 borrower must complete
 - 8-hr online course + 1:1 consult

**Complete program policies, eligibility requirements, loan applications, interest rates and annual percentage rates (APRs) are available through GSFA ReCoverCA HBA Lenders.*

Eligible Properties

- » Owner Occupied Residences Only
 - Single-family residences
 - Agency approved condos
 - Townhomes and PUDs
 - Manufactured homes
- » Bedroom Size (HUD Guidelines)

Number of Persons	Minimum Number of Bedrooms	Maximum Number of Bedrooms
1	1	2
2	2	3
3	2	3
4	3	4
5	4	5

- » Must be Located Outside High or Very High Fire Hazard Zones
 - [Fire Hazard Severity Zone Viewer \(arcgis.com\)](https://arcgis.com)
- » Homeowner Insurance Policy
 - » California Fair Plan policies not acceptable



How to Get Started



For Additional Info
Contact GSFA

(855) 740-8422
M-F 8am – 5pm PST
info@gsfahome.org

Work with a [ReCoverCA HBA Lender](#)

- » Approved by GSFA
- » Understand the Program
- » Furnish complete program policies and eligibility requirements, interest rates and APRs
- » Will calculate the HBA amount applicant qualifies for
- » Processes application and mortgage loan



<https://qrco.de/bfAPP1>

Stay Tuned – Public Event in Napa County Coming Soon!

» GSFA will be hosting an educational workshop in November 2024

» Follow Us




Thank You for Attending



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This document contains general program information, is not an offer for extension of credit nor a commitment to lend and is subject to change without notice. Complete program policies, eligibility requirements, loan applications, interest rates and annual percentage rates (APRs) are available through ReCoverCA HBA Lenders.

The ReCoverCA Homebuyer Assistance (DR-HBA) Program is provided by the California Department of Housing and Community Development (HCD) in collaboration with Golden State Finance Authority (GSFA) as Program Manager. Funding for the Program is made possible through a Community Development Block Grant - Disaster Recovery (CDBG-DR) grant from HUD. GSFA is a duly constituted public entity and agency.

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