

# Welcome

- Please note: If on the Webinar, please put any questions you have during the presentation in the Q&A
- Our panelists will do their best to answer submitted questions during the presentation and, if time permits, we may present some of the questions submitted to the group and answer them live.
- The guest lender panel will be asked the most common questions and provide answers. If we get specific questions in the Q&A that would be beneficial for all, we will try to present them for answers at the end.
- For those attending in-person, please note any questions you have during the presentation, as all questions will be answered at the end of our presentation.
- Guest lenders will be available to answer your loan questions at the end our presentations.

FOR YOUR  
INFORMATION



---

---

# HouseKeys Buyers Session

— **County of Contra Costa** —



## HouseKeys Team

---

- **Danielle De La Torre - Presenter**
- **Andrew Stebbins - Marketing**
- **Martin Vergara - Program Officer**
- **Christopher Jue - Program Support**



## Today's Guest Loan Officers

---

- **Sandra Smith - Guild Mortgage**
- **Maria Pineda - First Citizens Bank**
- **Monica Fosbery - United Lending Partners**



# HouseKeys

## Unlock Opportunities

### Who We Are

A program administrator that connects YOU, the applicant, to a home for rent or to purchase at an affordable price based on county Income Category Limits\*

**\*We do NOT make policy, build or price homes.**

### We Work with Cities

As a program administrator, we work in partnership with cities to manage their affordable housing program to meet policy guidelines and fair housing standards

### We Work with Developers

We also work with Developers to meet permit conditions requiring them to build and sell affordable units to eligible and qualified buyers or renters



# TODAY WE WILL

## Learn

what Affordable Housing is and how HouseKeys can help you

## Find

out how to determine what opportunities you are eligible and qualify for



# WHAT IS A BELOW MARKET RATE HOME?

---

- A Below Market Rate Home (BMR) is a home that has certain deed restrictions recorded on the property which ensure that the home remains affordable for future generations.
- BMRs are often a result of public investment in affordable housing developments or a result of “inclusionary housing policy” which ensures affordable homes are built as a result of market-rate development.



Let's Get  
Started!

**FOR  
SALE**





# BASIC REQUIREMENTS OF A BMR

---

- The Owner **must occupy** the Property as the Owner's **principal residence** and is subject to annual compliance monitoring.
- **Future Sales Price** – The property is **restricted for resale to a moderate-income household** at a purchase price affordable to a moderate-income household, as applicable. (There are circumstances in which the property may not appreciate in value).
- The Owner **must give notice** to the County of Contra Costa before resale, refinance or capital improvement of the Property.
- The Owner's **rights to pledge** the Property as security for a debt **are limited**.
- The Owner **might not** be able refinance to pull out equity from their home (depends on the specific deed restriction agreement).
- Term of Restrictions: **3 year** minimum; Equity Share\*  
Ex: Initial purchase price was \$800k, appraised value is \$900k, the delta is \$100k.  $\$100k \text{ (equity)} / \$900k \text{ (appraised value)} = 11.11\%$ . Therefore, the city due equity share would be \$11,111.00
- Any **misrepresentation or intentional deceit** by an applicant could result in loss of eligibility for the program and loss of the property



# Program Guidelines: Minimum Requirements for Submission

---

- **First-Time Homebuyer** - The household has not owned a residence within the previous three years
- **Total household income for all members**, 18 and over, is **under** the assigned income category maximum for the opportunity
- **No minimum or maximum** occupancy requirement
- **No minimum** down payment but the lender may require an amount to qualify for the loan
- **Minimum Loan to Value (LTV):** No minimum
- **Debt to Income (DTI):** Default to Lender ratios



# Program Guidelines: Minimum Requirements for Submission, Cont'd

---

- **Asset Maximum:** The household has no more than **\$250,000 in assets**. This amount excludes assets reserved for down payment and closing costs, assets in retirement savings accounts, and assets in medical savings accounts.
- **Asset Income:** Where the family has net family assets in excess of \$5,000, annual income added to the total gross annual gross income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on a passbook savings rate.
- With a first mortgage, the **current passbook savings rate** used by the Administrator is **2.5%**, unless it's an **all-cash purchase**, in which case a **10% passbook savings rate** will be used.
- All Applicant and Co-Applicant members must appear as an owner or co-owner on the BMR Unit title. They also must co-sign for any purchase loan.
  - Additionally, any household members not living in the same household at the time of application will need to be a co-applicant for the first mortgage loan and on title to form a household.



# Some Important Terms

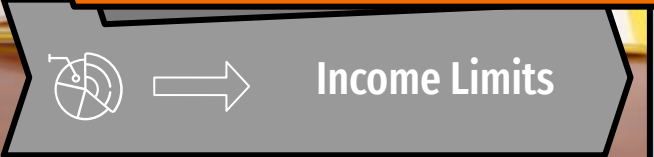
Area Median Income - Is the middle, not the average, of the income range of a region by household.



Can be subjective but for the program the price is based on county income category limits

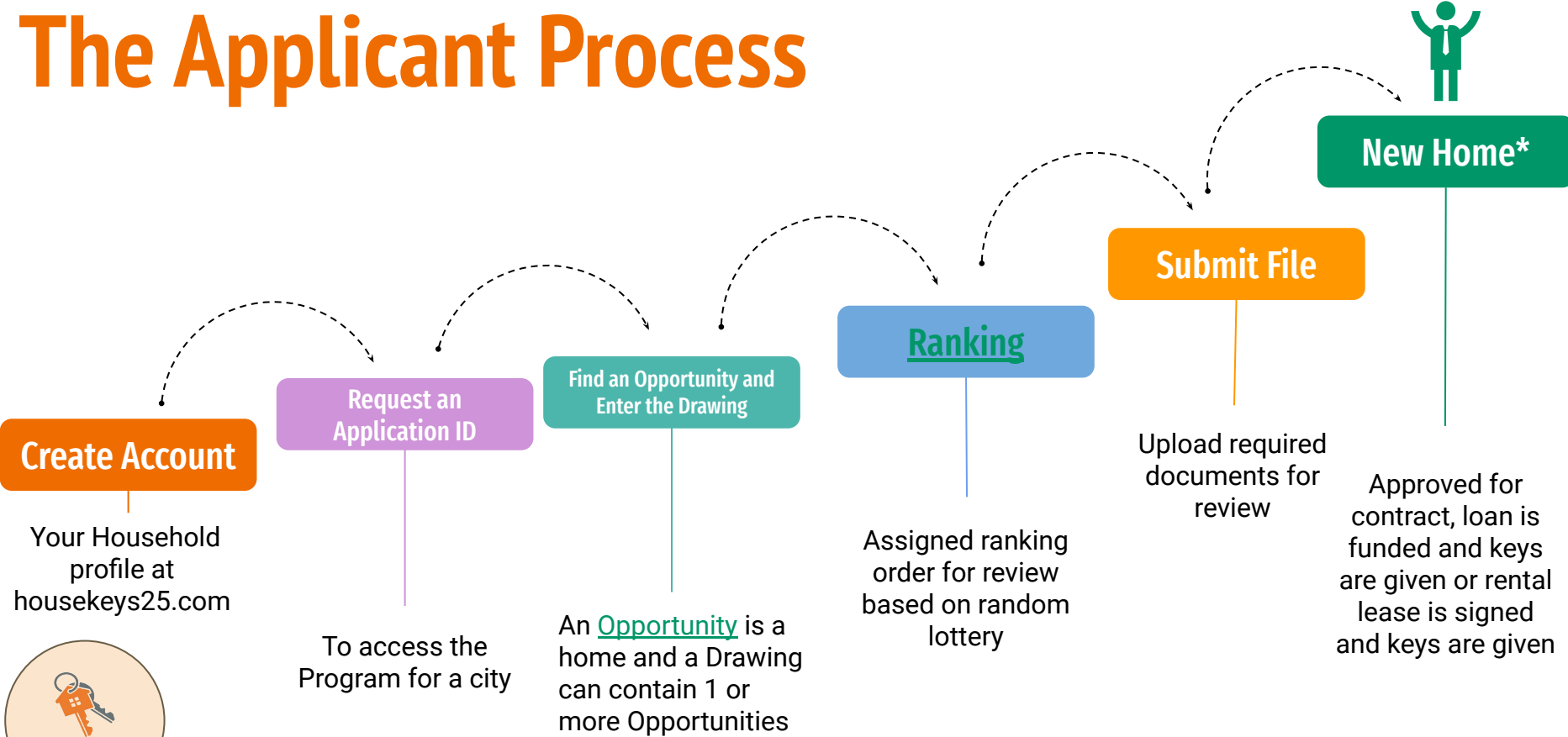


The gross value or amount received for one's labor and/or products produced **plus up to 10% of assets\***



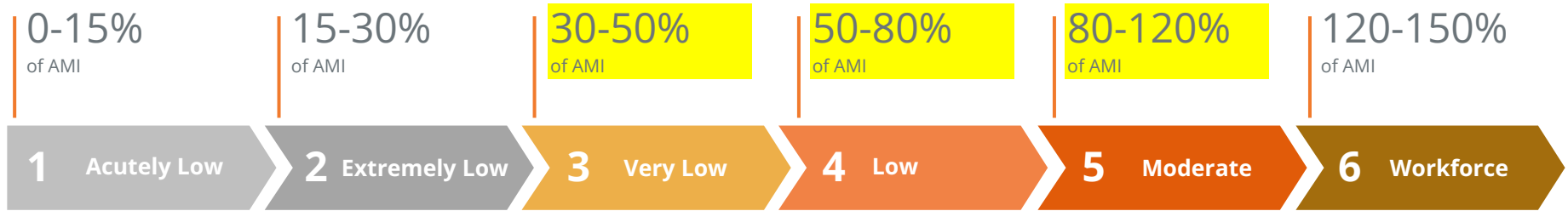
A percentage of Area Median Income which determines the categories of "affordability" for program eligibility that are set by HUD and then HCD

# The Applicant Process



# Income Limits

(Based off of Local County or Area Median Income (AMI) and Household size)



Each of the 3,006 counties in the U.S. has a different Area Median Income. That County Area Median Income (AMI) is used to drive the Income Category Limits above. Each Income Category Limit is used to calculate the rental rates and sales prices for “affordable” housing units.

**WHO** is eligible for the program opportunity is determined by these Income Limits and are *different* in each county.

**Note:** Affordable Prices are driven by the Incomes in the County



# Am I Eligible?

- Total Household Income
- Household Size (Total number of household members)

## HouseKeys

Every household member 18 years of age or higher must document income

Primary Applicant - \$50,000  
Spouse - \$65,000  
Dependent (18) - \$10,000  
Total Income: \$125,000



HouseKeys is underwriting to a **MAXIMUM INCOME LIMIT** based on the **Projected Income** expected to be earned over the **NEXT 12 MONTHS.**

*Household size maximums and minimums also factor into eligibility.*

# Am I Qualified?

- Can I make the payment?

## Lender

Every household member 18 years of age or higher must document income

Primary Applicant - \$50,000  
Spouse - \$65,000  
(\$50,000) – Avg. \$57,500  
Total Income: \$107,500



The lender is underwriting to a **MINIMUM INCOME** based on the **documented income averaged over the PREVIOUS 24 MONTHS.**



# Who is considered a household member?



- Every member of your current permanent household (including minors).





# Where do you land?

|   |                      |        |        |        |               |        |        |        |        |
|---|----------------------|--------|--------|--------|---------------|--------|--------|--------|--------|
| Contra Costa County<br>Area Median Income:<br>\$147,900 | Acutely Low          | 15550  | 17750  | 20000  | 22200         | 24000  | 25750  | 27550  | 29300  |
|   | Extremely Low        | 31050  | 35500  | 39950  | 44350         | 47900  | 51450  | 55000  | 58550  |
|   | Very Low Income      | 51800  | 59200  | 66600  | 73950         | 79900  | 85800  | 91700  | 97650  |
|   | Low Income           | 78550  | 89750  | 100950 | 112150        | 121150 | 130100 | 139100 | 148050 |
|   | <b>Median Income</b> | 103550 | 118300 | 133100 | <b>147900</b> | 159750 | 171550 | 183400 | 195250 |
|   | Moderate Income      | 124250 | 142000 | 159750 | 177500        | 191700 | 205900 | 220100 | 234300 |



# Minimum Income and Funds Needed (est)

| Property AMI  | 120%           | 80%           |
|---|----------------|---------------|
| Financing Scenario  | OD 543         | OD 561        |
| Bedroom Size  | 3              | 4             |
| Property Address  |                |               |
| Annual income (Max HHLd by bedroom count)   | \$159,750      | \$112,150     |
| Monthly income (enter amount)   | 13313          | 9346          |
| SALES PRICE   | 534,026        | 148,617       |
| Down payment %  | 3%             | 3%            |
| Buyers' Down payment (auto calculates based on %)                                       | 16,021         | 4,459         |
| Other:  | 0              | 0             |
| Subtotal of programs including Buyers Down Payment (does not include the closing costs) | 16,021         | 4,459         |
| MORTGAGE  | 518,005        | 144,158       |
| Interest rate   | 6.500%         | 6.500%        |
| Term  | 30.00          | 30.00         |
| LTV   | 97%            | 97%           |
| Principal payment   | 3274.15        | 911.18        |
| Plus PROPERTY taxes '=price*0.0125/12 (auto calculates)                                 | 556.28         | 154.81        |
| PMI if required by lender   | 0.00           | 0.00          |
| Solar (included in purchase price)  | 0.00           | 0.00          |
| Other (Supplemental tax, CFD, etc)  | 736.33         |               |
| Homeowner's Assn dues   | 359.00         | 312.00        |
| Plus insurance - HO6  | 60.00          | 60.00         |
| = Total monthly housing payment (auto calculates)                                       | \$4,985.75     | \$1,437.99    |
| Buyers Housing Pmt calculated at 40% PITI (auto calculates)                             | \$5,325.00     | \$3,738.33    |
| Front End Ratio (40% or less for most Programs)   | 37.5%          | 15.4%         |
| Monthly debt (minimum payment required per credit report)                               | 1000.00        | 2770.00       |
| Back end ratio (45% or less for most programs)  | 45.0%          | 45.0%         |
| divided by PITI ratio   | 0.40           | 0.40          |
| = monthly gross income  | 12,464         | 3,595         |
| <b>MINIMUM ANNUAL INCOME REQUIRED (at 40% front ratio)</b>                              | <b>149,573</b> | <b>43,140</b> |
| FUNDS NEEDED  |                |               |
| Closing Costs - Estimated at 3.5%   | \$18,690.91    | \$5,201.60    |
| Approximate funds Needed (down plus cc costs)   | \$34,711.69    | \$9,660.11    |



# Let's Try

We are taking it up a notch. Determine if the family in each listing is **Eligible** and if they **Qualify**.

***Watch out for, Minimum/Maximum Household Sizes, Listing Price, and Income Limits.***



Jones' Listing

Sanchez' Listing

Nguyen's Listing

Let's Get Started!



# Opportunity Drawing Index 543 - Oak Grove by Summerhill in Walnut Creek



**Entry Deadline:**  
**3/5/2024 @ 5pm**



| Income Category | Percentage  | HHLD Size 1      | HHLD Size 2      | HHLD Size 3      | HHLD Size 4      | HHLD Size 5      | HHLD Size 6      | HHLD Size 7      | HHLD Size 8      |
|-----------------|-------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Moderate</b> | <b>120%</b> | <b>\$124,250</b> | <b>\$142,000</b> | <b>\$159,750</b> | <b>\$177,500</b> | <b>\$191,700</b> | <b>\$205,900</b> | <b>\$220,100</b> | <b>\$234,300</b> |

- **OD 543 - Moderate - 4 Units**
- **2 Three bedroom - \$534,026**
- **2 Four bedroom - \$597,391**
- **HOA: 324.56**

- **Future drawings will occur as each phase of completed units are released**



# Opportunity Drawing Index 560 and 561 - Seagrass by Pulte Home in Discovery Bay



## Entry Deadlines:

OD 560: 3/12/2024 @ 5pm  
 OD 561: 4/16/2024 @ 5pm

| Income Category | Percentage | HHLD Size 1 | HHLD Size 2 | HHLD Size 3 | HHLD Size 4 | HHLD Size 5 | HHLD Size 6 | HHLD Size 7 | HHLD Size 8 |
|-----------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Low             | 80%        | \$78,550    | \$89,750    | \$100,950   | \$112,150   | \$121,150   | \$130,100   | \$139,100   | \$148,050   |
| Moderate        | 120%       | \$124,250   | \$142,000   | \$159,750   | \$177,500   | \$191,700   | \$205,900   | \$220,100   | \$234,300   |

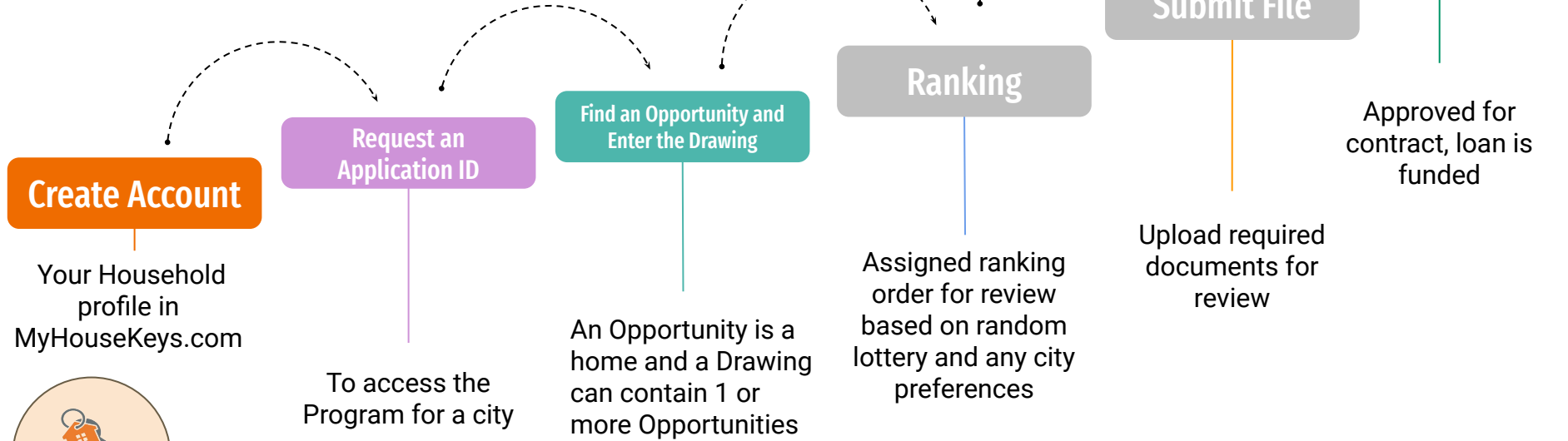
- OD 560 - Moderate - 6 Units
- 5 four bedroom - \$570,301
- 1 five bedroom - \$612,106
- HOA: \$312
- Single-Family Detached

- OD 561 - Low - 1 Unit
- Four bedroom - \$148,617
- HOA: \$312
- Single-Family Detached

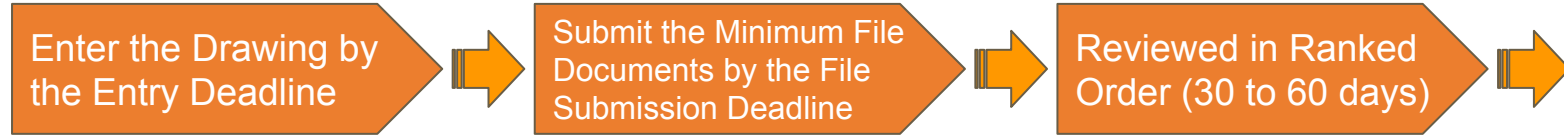


# The Applicant Process

- First 3 steps are covered in the Program Workshop (webinar).
- Next date 11.18 at 11:30am



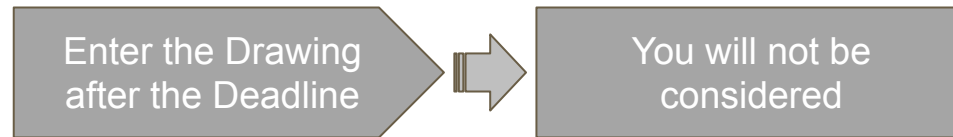
# The Review Process - Part 1 (Entry to Initial Assessment)



- Will be ranked and prioritized with preferences (if applicable)

- If submit less than the minimum file documents are “Too Incomplete to Review Documents” and considered first backup

- If more eligible buyers are needed after those applicants that met both the entry and submission deadlines with the minimum file documents have been exhausted, the first backups will be notified with a new submission deadline and reviewed in ranked order



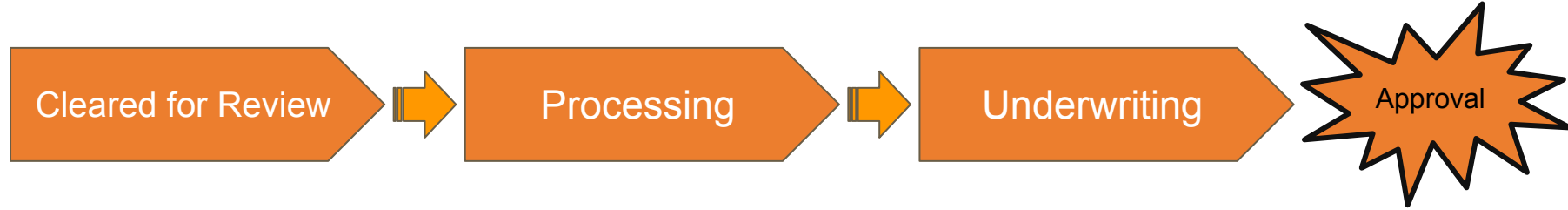
\*If enough eligible and qualified buyers are not found through above process, we may reopen the drawing by issuing another File Submission Deadline, with ranking based on drawing entry





# The Review Process - Part 2 (Initial Assessment to Underwriting)

---

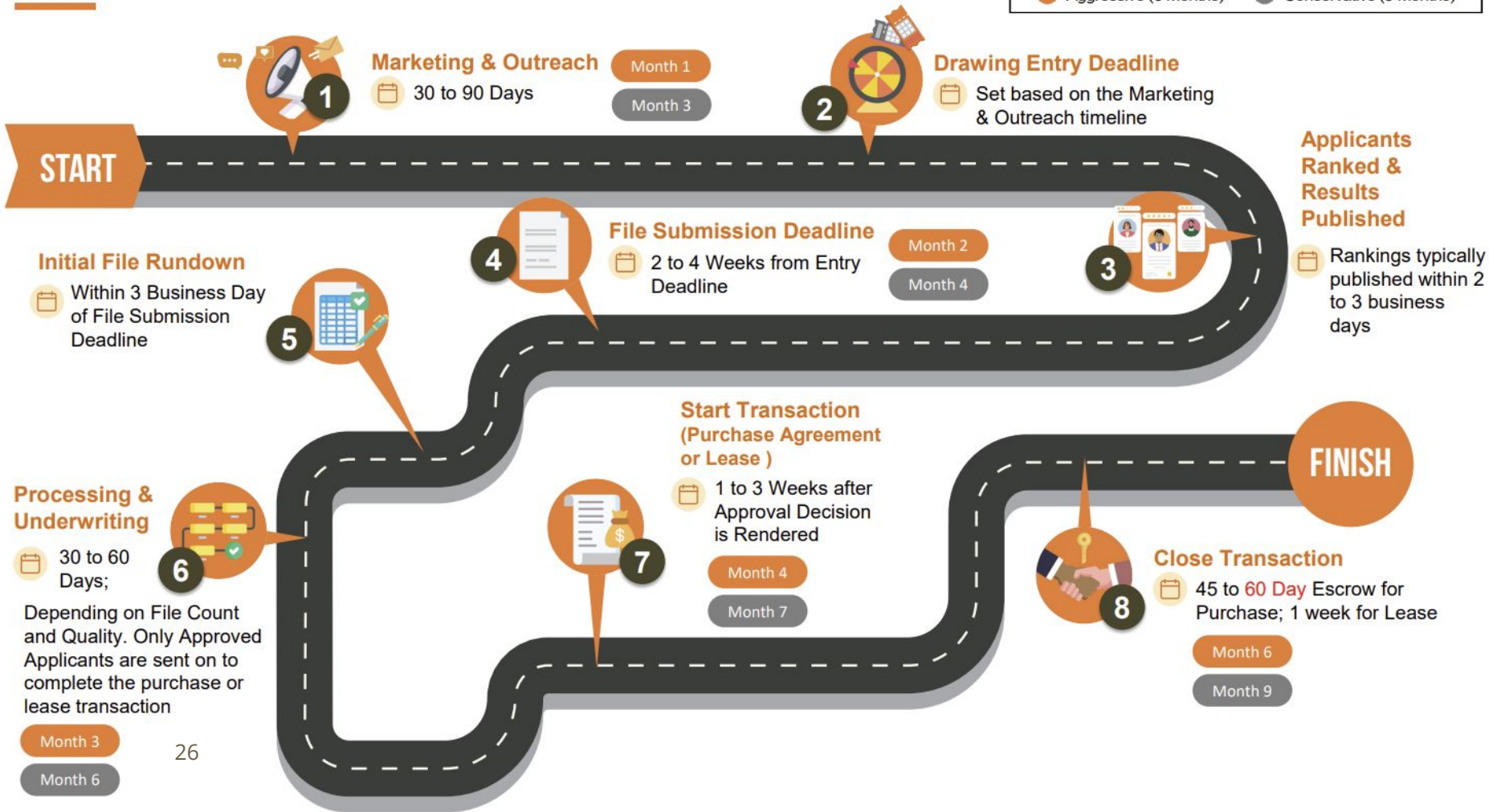


- An Initial Assessment of your documentation is done by the Program Officer
- Your income is projected and general household makeup is confirmed
- You will receive a notification of your file being sent to Processing for further review
- A Needs List is issued with a due date for the remaining items that apply on the Full Document Checklist
- If further clarification is needed, the underwriter will request documentation with a due date
- If found eligible, an approval will be issued and you go into contract



# HouseKeys Applicant Management Timelines

Time Count  
● Aggressive (6 Months) ● Conservative (9 Months)



# The *Minimum File Documents*

1. **HouseKeys Program Application (specific to the opportunity)**
2. **Loan Pre-Approval Documentation (full purchase price)**
  - a. **1003 - Uniform Residential Loan Application**
  - b. **1008 - Uniform Underwriting and Transmittal Summary**
3. **Latest Filed Tax Return (ALL pages)**
  - **Transcripts are not acceptable**
4. **Last Pay Stubs (or appropriate to your income type) for ALL members 18 and over**
  - **If self-employed, YTD Profit & Loss Statement**
5. **Current statement for ALL asset accounts**
  - **means within 30 days of the file submission deadline**
6. **Gift Letter (if applicable) with current statement of the account the funds are coming from**



# Sandra Smith - Guild Mortgage

---



- As your Senior Loan Officer, with years of experience in the mortgage industry, I bring passion, knowledge, and energy to every transaction. I enjoy and take great pride in assisting you on your journey of purchasing or refinancing your home. I make sure you feel informed and comfortable throughout the entirety of your contract, while remaining connected to my clients by providing bi-annual check-ins in the years to come. My team and I get VERY involved with making sure that ALL items are prepared best to present to underwriting for success. We are committed to helping you purchase the home of your dreams... let's make it happen TOGETHER!!!

---

## Senior Loan Officer

3050 Citrus Circle, Suites 210 & 222, Walnut Creek, CA 94598

[sandras@guildmortgage.net](mailto:sandras@guildmortgage.net)

[Directions](#)

Phone: (510) 788-6483

Mobile: (510) 301-0198

Fax: (866) 384-4294

Branch: (925) 906-8166



# Maria Pineda - First Citizens Bank

---



- Fluent Spanish speaker
- Began her career 10+ years ago as a loan processor and worked her way up; specializing in CRA Residential Lending
- Currently, her position at First Citizens Bank is utilizing her expertise in Community Reinvestment Act mortgage origination to expand into new assessment areas.



---

Loan Officer  
CRA Mortgage Lending  
NMLS 1208990  
M: 408.769.8245  
Email: [mpineda@svb.com](mailto:mpineda@svb.com)



# Monica Fosbery - United Lending Partners

---



- Over 20 years experience in the Lending Industry,
- I Thrive to find the best loan for each unique scenario. Conventional Loans, High Balance, Jumbo Loans, FHA & VA Loans. For purchase or refinances.
- I specialize on First Time Home Buyers, down payment assistance, purchases with no down payment, 1st and 2nd loan combos.
- Investors loans for rental properties, Flips, Self Employment loans, Creative financing; Loans with ITIN's.
- H1B Visa loans. etc...
- **Additional languages spoken:** Spanish

---

## Senior Loan Consultant

3825 Hopyard Rd #150  
Pleasanton CA 94588

Email: [monica@unitedlendingpartners.com](mailto:monica@unitedlendingpartners.com)

Phone: 925-497-0253

BRE# 1162917

NMLS# 255724



# Loan Officer Panel Questions...

---



1. Pre-Approval vs Pre-Qualification?
2. What documents do I need for a pre-approval?
3. Is my credit score affected with a pre-approval?
4. How long does it take to get a pre-approval?
5. How long is the pre-approval good for?
6. Do I need a pre-approval for each opportunity?
7. What happens to my pre-approval if the project is delayed?
8. Why do I need a pre-approval from an approved, registered lender?
9. Should I get pre-approved even if I haven't found a property to buy yet?
10. Other than rate, what should I consider when shopping for a loan?
11. Do's and don'ts for the buyer during the process?
12. When does my rate get "locked" and what if it needs to be extended? Cost?

- For ALL:

What Down Payment or Closing Cost Assistance is available for BMR purchase?



### Watch Out



**Are you  
sure?**

Once you opt out of a drawing you will not be able to reenter

### Watch Out



**One &  
Done**

Cities only allow you to partake in one opportunity drawing at a time within their city.



# NOW WHAT?

## Sign Up



### Program Workshop

Need more? Join us  
for our more in depth  
program workshop.

## Join Us



### FAQ's

Thursday/Friday at  
12pm  
Every other Saturday  
at 10am

## Look For



### Opportunities

We encourage you to  
start exploring  
opportunities at  
HouseKeys.org



**TODAY WE:**

**Learned**

what Affordable Housing is and how HouseKeys can help you

**Found**

out what opportunities you are eligible for and if you qualify for



# Thank You!

## Please stay for Q&A

### Need to Chat?

- 1-877-460-KEYS (5397)
- [customerservice@housekeys.org](mailto:customerservice@housekeys.org)
- <https://www.housekeys.org/housekeylibrary>
- <https://www.housekeys.org>
- Danielle De La Torre  
[danielle@housekeys.org](mailto:danielle@housekeys.org)  
<https://calendly.com/danielle-housekeys>

### Program Workshop Agenda

1. Understand the process to apply to Programs, look for Opportunities you are eligible for and enter Opportunity Drawings
2. Learn about and enter at least one Opportunity Drawing
3. Upload the first of our Initial File Documents

**SIGN UP FOR OUR PROGRAM WORKSHOP  
HERE**

# APPENDIX - READING THE INCOME CATEGORY GRID

## Let's Recap...

- Income Category limits are based on the Area Median Income (or AMI) by household size for a surrounding area, generally defined by the county lines
- The AMI is the midpoint of the income distribution for that area by household size
- This means that a household's income category can change, depending on the county or area of the program they are interested in



Download 2023 Income Limits by County [HERE](#)



# APPENDIX - READING THE INCOME CATEGORY GRID

- To find out what category your household would be in Santa Clara County, you would start by finding the grid for “Santa Clara County Area Median Income” in the published limits from the Department of Housing and Urban Development (HUD) or Department of Housing and Community Development (HCD).
- Find the column that matches the number of people in your household
- Under that number, go down the column until you find the amount your total household income is **BELOW**.  
Note: The amount shown is the **MAXIMUM** allowable amount for that category. Anything over that amount is into the next category.
- To the left of that amount is the Income Category for your household.



| Number of Persons in Household:                        |                      | 1      | 2      | 3      | 4             | 5      | 6      | 7      | 8      |
|--|----------------------|--------|--------|--------|---------------|--------|--------|--------|--------|
| Santa Clara County<br>Area Median Income:<br>\$181,300 | Acutely Low          | 19050  | 21750  | 24500  | 27200         | 29400  | 31550  | 33750  | 35900  |
|  | Extremely Low        | 37450  | 42800  | 48150  | 53500         | 57800  | 62100  | 66350  | 70650  |
|  | Very Low Income      | 62450  | 71400  | 80300  | 89200         | 96350  | 103500 | 110650 | 117750 |
|  | Low Income           | 96000  | 109700 | 123400 | 137100        | 148100 | 159050 | 170050 | 181000 |
|  | <b>Median Income</b> | 126900 | 145050 | 163150 | <b>181300</b> | 195800 | 210300 | 224800 | 239300 |
|  | Moderate Income      | 152300 | 174050 | 195800 | 217550        | 234950 | 252350 | 269750 | 287150 |

Download 2023 HUD Income Limits by County [HERE](#)



# APPENDIX - READING THE INCOME CATEGORY GRID

- So what category are you in?
- Now let's look at a different county and do the same exercise.



| Number of Persons in Household:                            |                      | 1     | 2      | 3      | 4             | 5      | 6      | 7      | 8      |
|--|----------------------|-------|--------|--------|---------------|--------|--------|--------|--------|
| San Luis Obispo County<br>Area Median Income:<br>\$113,100 | Acutely Low          | 11850 | 13550  | 15250  | 16950         | 18300  | 19650  | 21000  | 22350  |
|  | Extremely Low        | 24350 | 27800  | 31300  | 34750         | 37550  | 40350  | 45420  | 50560  |
|  | Very Low Income      | 40550 | 46350  | 52150  | 57900         | 62550  | 67200  | 71800  | 76450  |
|  | Low Income           | 64900 | 74150  | 83400  | 92650         | 100100 | 107500 | 114900 | 122300 |
|  | <b>Median Income</b> | 79150 | 90500  | 101800 | <b>113100</b> | 122150 | 131200 | 140250 | 149300 |
|  | Moderate Income      | 95000 | 108550 | 122150 | 135700        | 146550 | 157400 | 168250 | 179100 |

- Are you in the same or a different category?
- Now that you know how to find your Household Income Category, you want to look for Opportunities in the same category for the same household size.
- Note: Generally, minimum household size standards apply (1 person per bedroom), but refer to program guidelines for exact standards and exceptions.

Download 2023 HUD Income Limits by County [HERE](#)



# Deed Restrictions

CLICK [HERE](#) FOR OUR CITY DATA BASE



Deed Restrictions can include but are not limited to the following:

- **Resale Price Restriction**
  - When and It limits the how much you can sell it for during the duration of the agreement
  - If is sold before the term expires it needs to be sold to a qualified buyer
  - The agreement includes the resale price formula and is calculated at time of sale
  - It does not protect you from the market (e.g. in the event of the housing market crashing, the resale price may be less than the restricted value)
  - It may limit cash out refinances. In some cases, it may not allow it.
- **Annual verification of residency**
  - Proof that all the owners are living in the home
  - You cannot rent the home
- **Term of the restriction**
  - How long the restriction lasts
- **Transfers/Inheritance restrictions**
  - When life changes happen
- **Capital improvements**
  - Need to be approved by the city or the administrator before the works starts or you will not be able to recoup the value of the work done.
  - Some improvements may not be eligible because the home needs to remain affordable to the next buyer.

\*\*\*\*The applicants must certify that they have reviewed and understand the Deed Restrictions (AKA Resale Restriction) and other applicable program documents [BEFORE](#) their file can be reviewed. \*\*\*\*

# APPENDIX - DIFFERENT TYPES OF INCOME DOCUMENTATION

## Company Employee

- Paystubs
- Offer letter

## Non Working Income

- Retirement Account Statement...401K, Pension, IRA, etc
- Investment Account Statement
- Social Security award letter
- Unemployment Benefit statement

## Self-Employed

- Current Year-to-Date Profit & Loss statement  
Notarized
- 1099
- Contract

\*Non-working adult with zero income would submit a exhibit B notarized





# Glossary of Terms

## Program

The formalization of a city's affordable housing policies and procedures for Ownership, Rental and Finance.

## Drawing

A grouping that contains 1 or more opportunities.

## Application ID

A record that attaches an applicant to a Program, providing access to its Opportunities through Drawings.

## Ranking

A process by which a random number is assigned to each applicant in the Drawing. If **preferences** apply, the list is re-ordered accordingly, and the random number is the "tie-breaker".

## Opportunity

A listing of an available home for purchase or rent. Could also be a finance resource.

## Preference

A priority given to applicants that meet certain criteria for the program (i.e., live or work in the city). Determined by the city/county.

## File

Verifiable evidence of an applicant's eligibility and qualification (documentation).