



**Main Office - Department of Housing**  
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**Housing & Community Development (HCD)**  
Tel: (650) 802-5050

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**Board of Supervisors:**

Dave Pine  
Carole Groom  
Don Horsley  
Warren Slocum  
David Canepa

**Director:**

Raymond Hodges

## **County Employee Down Payment Assistance Program**

**These guidelines are effective 07/01/2022**

**Purpose:** The County Employee Down Payment Assistance Program is an employee benefit open to all permanent, full-time County and Housing Authority employees regardless of income. The program is designed to encourage employees to live in the County, therefore decreasing the environmental impact and the physical/emotional impact on employees of a long commute. The program offers a \$100,000 loan, deferred for the first, five years at three percent interest (3%) toward the down payment requirement for a home in San Mateo County. \*Up to five loans will be available each quarter based on available funds. The County partners with the San Mateo Credit Union to offer jumbo loans for home purchases up to \$1.5 million.

**Background:** Approved by the Board of Supervisors in 2016, the County initially approved \$2.2 million in funds to create the Employee Down Payment Assistance Program. After exhausting the fund, an additional \$1.2 million was added to the program in 2018.

The program is administered by the Department of Housing and since its inception has successfully closed 31 loans assisting 37 employees, including seven individuals, where the secondary person was also a County employee. Through this program, all were able to purchase a home in San Mateo County.

**Eligibility:** County and Housing Authority (HA) employees who do not currently own a home in San Mateo County and are currently full-time, permanently employed by the County and HA for at least 18 months.

**Income restrictions:** None

**Maximum home price:** \$1,500,000

**Down payment requirement:** minimum of 3 percent from borrower

**Maximum County Loan Program towards down payment:** \$100,000

**Terms of County loan:** 3 percent interest, deferred five years, 30-year amortization after deferral. Deferral for the first five years is considered taxable income and will be included in your annual earning.



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**San Mateo Credit Union First mortgage option:**

1. 40-year Hybrid Portfolio Loan Product through San Mateo Credit Union
  - 5/5, 7/1 & 10/1 (fixed for 5, 7 or 10 years, then adjustable, 2 percent limit on increase per year, 5 percent total increase limit); or
  - Or any lender which will work with the County program

**Creditworthiness:**

- Minimum 680 FICO
- 45 percent maximum debt-to-income ratio
- Reserves of two months of principle, interest, taxes, and insurance

**Closing cost assistance:**

- \$5,000 County grant to employees who currently live outside of San Mateo County. This grant is considered as taxable income.

**Repayment requirements:**

- Any time after the deferral period, the County loan will continue according to the original terms of the loan.
- Upon sale of the home.
- If for any reason the employee leaves County employment such as, change employment, terminated for cause, retirement etc., within the 5-year deferral period.
- If the home is converted to rental property (non-owner occupied).

**Time Frame**

- The chosen applicant will have six months from the time they are notified, to participate in the program, and to locate and be under contract for purchase.
- Once the loan is locked and depending on the term, it can be anywhere from 30 to 45 days to close.
- If the chosen applicant cannot locate a property within the time limit, applicants can choose to have their name placed back in the next drawing.

*\*Number of drawees is dependent on funding availability.*