



San Mateo County's Employee Down Payment Assistance Program (EDPAP) Seminar

2023

Topics to cover

San Mateo County's Employee Down Payment Assistance Program

Exclusive San Mateo County Employee and Housing Authority Benefit

Pre-approval process

- Budget & Affordability
- Qualification process
- Payment examples
- Finding a property

Application & Free Personalized Consultation

Membership at SMCU



Benefits of SMCU Membership for County of San Mateo Employees

Benefits to County Employees

SMCU offers:

- *A nearly 70-year relationship with the County*
- *Free checking and saving accounts with very low-cost opening requirements*
- *Special checking account bonus, credit card, auto loan, and mortgage offers for County employees*
- *A down payment assistance program (currently recruiting, email Nila Kim at DOH - nhkim@smchousing.org for more info)*
- *A unique-to-the-County Quick Cash Loan program*
- *Financial Wellness*
 - *One-on-one Financial Wellness coaching (email communityrelations@smcu.org for more information)*
 - *Partnership with BALANCE (smcu.balancepro.org)*
 - *Our LEARN online platform (www.smcu.org/learn)*

Welcome...

County of San Mateo Employees

~ SAN MATEO ~
CREDIT UNION



At San Mateo Credit Union (SMCU), we are pleased to partner with the County of San Mateo to offer credit union membership and the benefits that come with it.

We've been serving the local community for over 65 years. Join SMCU and experience the difference that not-for-profit banking provides.

Some of the benefits of membership:

- Free checking with a Visa® debit card, online & mobile banking, and bill pay
- Access to 30,000+ free ATMs nationwide
- Home loans with low down payment options
- Low-rate auto loans and credit cards with available rewards
- Free financial education resources at smcu.org

Special Partner Offer* (Promo Code: COUNTY)

- \$1 Share Pledge to get your membership started
- \$20 minimum opening deposit for your new Free Checking
- \$50 cash bonus when you open a new SMCU checking account*
- Credit of up to \$800 towards home appraisal fees
- 12-month 2.99% APR with SMCU credit card on purchase and balance transfer
- 0.25% auto loan discount

Learn more at smcu.org/county

Get Started Today!



Visit smcu.org/join



Call (650) 363-1725



Visit an SMCU Branch
or make an appointment
smcu.org/appointments

Have questions?

Contact us for details



Call (650) 562-1282




Email communityrelations@smcu.org

Welcome, County of San Mateo Employees

Contact Us

Wellness Survey

 / Community / Programs / Community Involvement / **Welcome, County of San Mateo Employees**

A Financial Wellness Partnership with SMCU gives you and your family exclusive benefits.

Physical and emotional health are the focus of a traditional wellness program, but one of the leading causes of stress and strained relationships is money. That's why your organization has partnered with San Mateo Credit Union (SMCU) to provide you with exclusive financial offers, services, and education.

Exclusive County Programs

County Employee Down Payment Assistance Program

San Mateo Credit Union is proud to be partnering with County of San Mateo for a down payment assistance program. Please check back often or review your employee communications for upcoming informational sessions.

County Employee Quick Cash Loan Program

San Mateo Credit Union (SMCU) has been serving County employees since 1952, and we're proud to be the preferred lender for this exciting Quick Cash program in partnership with the County of San Mateo Department of Human Resources.

You can also visit the [County Benefits](#) page for more information on these two programs.

Your SMCU partnership in three easy steps

Step 1: Become an SMCU member. When you [apply online for membership](#), you will be asked to select how you



Human Resources Department



Employee Resources

Benefits

Work With Us

Procurement

About HR

Contact HR

Human Resources Department > HR Divisions > Employee Benefits

San Mateo Credit Union

About San Mateo Credit Union

Founded in 1952, San Mateo Credit Union (SMCU) is a member-owned financial institution that currently serves more than 90,000 members who count on SMCU for savings and checking accounts, low-interest car loans and home mortgages, investment services, retirement planning, and more. With seven San Mateo County branch locations, full ATM services, and a comprehensive online banking system, SMCU works hard to meet its members' complete financial needs. Membership is open to anyone who lives, works, worships or attends school in San Mateo County, The City of Palo Alto and certain areas of San Francisco. As an active member of the community for nearly six decades, SMCU is proud to offer membership to San Mateo County Employees. San Mateo County Employees can take advantage of exclusive benefits including:

- \$50 cash bonus when you open a new SMCU checking account
- Credit of up to \$800 towards appraisal fees
- 12-month 2.99% APR with SMCU credit card on purchase and balance transfer
- 0.25% auto loan discount

Please visit the NEW! page for County of San Mateo employees with more information on how to join and active your exclusive benefits: <https://smcu.org/county>.

Please contact your SMCU benefits contacts, Michele Enriquez-Da Silva & Mitchell Oster at communityrelations@smcu.org or (650) 562-1282 for any questions or to change/enroll in payroll deduction.

County Employee Down Payment Assistance Program

San Mateo Credit Union is proud to be partnering with San Mateo County for a [down payment assistance program](#). Please check back often or review your employee communications for upcoming informational sessions.

Questions?

Contact the Community Relations Team



Gustavo Castillo
Financial Education Specialist
gcastillo@smcu.org

Purpose

► Purpose:

The County's Employee Down Payment Assistance Program is an employee benefit open to all full-time, permanent County and Housing Authority employees regardless of income.

- *It is designed to encourage employees to live within the County, decreasing the environmental impact and the physical/emotional impact on employees from their long commutes.*

San Mateo County's Employee Down Payment Assistance Program (EDPAP) effective 09/2022

- ▶ Up to five eligible County and/or Housing Authority (HA) Employees will be drawn quarterly while funds are available.*
 - Drawing is to qualify for a \$100,000 second mortgage to be used towards the purchase of a home in San Mateo County.
 - Drawing will occur quarterly
- ▶ **Eligibility:** County and Housing Authority (HA) employees who do not currently own a home in San Mateo County and are currently, full-time employees for at least 18 months.
- ▶ **Income restrictions:** none
- ▶ **Maximum home price:** \$1,500,000
- ▶ **Down payment requirement:** minimum of 3 percent from borrower and \$100,000 from County Program
- ▶ **Maximum County Loan Program towards down payment:** \$100,000
- ▶ **Terms of County loan:** 3 percent, deferred first, five-years, 30-year amortization after deferral. The five-year deferral is considered taxable income and will be included in your annual earning.

San Mateo County's Employee Down Payment Assistance Program (EDPAP) effective 2023

- ▶ **Timeline:** Pre-approval letter from San Mateo Credit Union is required and must be submitted by Monday, June 19th by 5:00 p.m. (PST).
- ▶ Drawing date: **Tuesday, June 20, 2023**
- ▶ Five names will be drawn.
- ▶ Applicants have six months (from the time of the drawing) to purchase a home.
 - If the applicant is unable to purchase a home in the timeline, they can choose to have their name placed back on the list for the next drawing.

San Mateo County's Employee Down Payment Assistance Program (EDPAP) effective 2023

▶ **Closing cost assistance:**

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

Preapproval process: Budget & Affordability

- How much 'liquid funds' do you have available for a down payment on a home purchase?

Examples of liquid funds:

- ✓ Gifts
 - ✓ Savings
 - ✓ 401K
 - ✓ Stocks
 - ✓ Grants or Down Payment Assistance Programs
-
- How much money do you want to spend on a monthly basis for your mortgage?

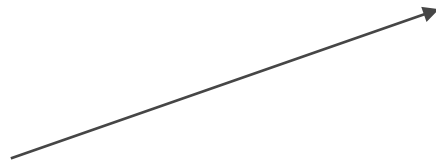
Preapproval process: Payment Example #1

- The Millers have been chosen for the EDPAP. They have \$100,000.00 in liquid funds. Their payment budget allocated for a “total” housing payment is \$6,100.00.

Purchase Price	\$1,000,000	100%
SMCU Loan	\$800,000	80%
Down Payment	\$100,000	10%
EDPAP 2 nd Loan	\$100,000	10%
Principal & Interest payment	\$4,332	<i>*5.875% 7/1 ARM 40 Year</i>
EDPAP 2 nd Loan	\$421.60	
Property Tax	\$1,042	<i>estimated</i>
Hazard Insurance	\$233	<i>Estimated</i>
Total Housing Payment	\$6,028.60	

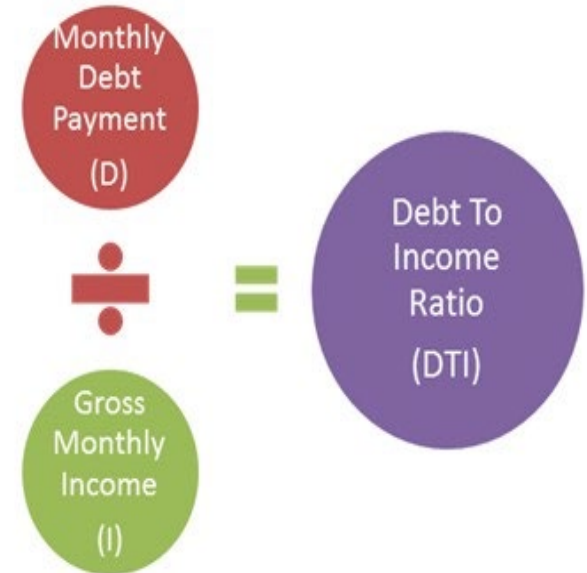
Preapproval process: Qualifying for a loan

Total Housing Payment:		\$6,028.60
Car Payment:		\$450
Credit Cards (min. payments):		\$250
<hr/>		
Total credit debt monthly:		\$6,728.60
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MGI (Monthly Gross Income needed to qualify)		\$14,953



DTI: Debt to Income Ratio

45% is the percentage taken from your gross monthly income to qualify for your total monthly liabilities



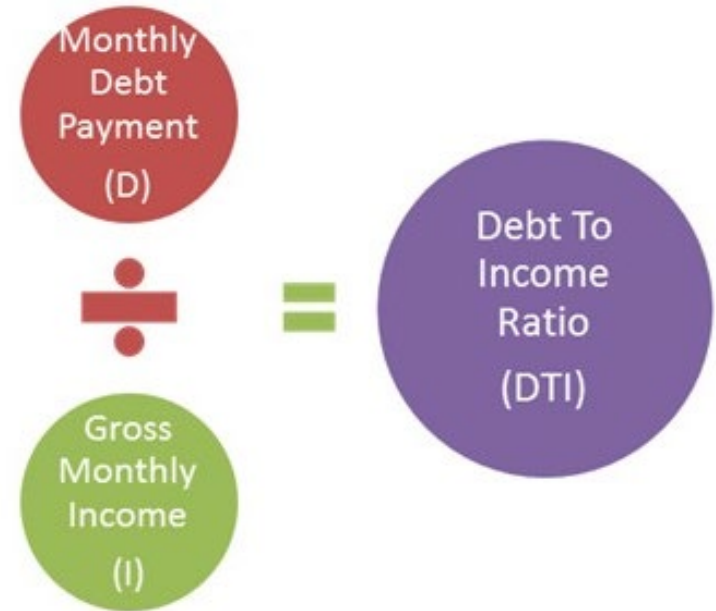
Preapproval process: Payment Example #2

- The Jones' have been chosen for the EDPAP. They have \$22,000.00 in liquid funds. Their payment budget allocated for a housing payment is \$4,000.00.

Purchase Price	\$550,000	100%
SMCU Loan	\$433,500	78.82%
Down Payment	\$16,500	3%
EDPAP 2 nd Loan	\$100,000	18.18%
Principal & Interest payment	\$2,461	<i>*5.5% 5/5 ARM 30 Year</i>
EDPAP 2 nd Loan	\$421.60	
Property Tax	\$573	<i>estimated</i>
Hazard Insurance & HOA	\$500	<i>estimated</i>
Total Housing Payment	\$3,954.60	

Preapproval process: Qualifying for a loan

Total Housing Payment:		\$3,954.60
Car Payment:		\$450
Credit Cards (min. payments):		\$250
Total credit debt monthly:		\$4,654.60
MGI (Monthly Gross Income needed to qualify)		\$10,344



DTI: Debt to Income Ratio

45% is the percentage taken from your gross monthly income to qualify for your total monthly liabilities

Preapproval process:

Documentation required:

For a typical scenario involving W2 wage earning employees, here is an example of the documents needed to submit a full application:

Most current paystubs covering a 30-day period
Previous 2 years W2s
2 months most current bank accounts and/or retirement statements

Running your credit :

To qualify for a mortgage, the score that is used is the middle of the three Credit Bureau's scores and then the lowest of those middle scores out of all the borrowers on the application is used.

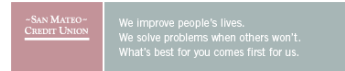
Here is an example:

Jane Smith's middle score 730
Larry Smith's middle score **680**

In this scenario, Larry's middle score will be what is used to qualify for the mortgage and rate. *

***For multiple borrowers, the lowest middle score from all the applicants will be used ***

Preapproval process: Preapproval letter



What to do with your Pre-Approval Letter

Once the underwriter has reviewed your loan and issued a credit approval, your loan officer will send you a San Mateo Credit Union Pre-Approval Letter.

1. Send your San Mateo Credit Union Pre-Approval Letter to the Department of Housing to be entered into the quarterly Employee Down Payment Assistance Program drawing.

Nila Kim
Nhkim@smchousing.org

For more info, visit
<http://housing.smcgov.org/employee-down-payment-assistanceprogram>

Credit Approval Mortgage Loan Qualification

Congratulations

San Mateo County Employee

Congratulations! You have been pre-approved to purchase a home! This certificate acknowledges your submission of a mortgage application to San Mateo Credit Union. Based upon information received, you have been preapproved to purchase a primary residence based on a sales price up to \$800,000 and loan amount up to \$700,000. This is based upon an interest rate that is NOT locked.

San Mateo Credit Union has verified and reviewed your employment, income, assets, and credit report as part of our initial mortgage preapproval process. Please note your interest rate and corresponding loan programs are not locked at this time, and subject to daily change. This credit approval is subject to an acceptable property appraisal; title report, applicable property inspection(s), and a satisfactory review of any other additional documents received and/or requested pertaining to this transaction. Please note that this preapproval is valid for 90 days, and will expire on the Expiration Date listed below.

Approval Date: 00/00/2023

Expiration Date: 00/00/2023

Authorized Signature:

Veronica Valentine

Veronica Valentine
Real Estate Sales Manager
NMLS ID#: 833312
(650)817-1983
(650)281-0499 fax
vvalentine@smcu.org



San Mateo Credit Union Special Purchase Products

San Mateo Credit Union First mortgage special options:

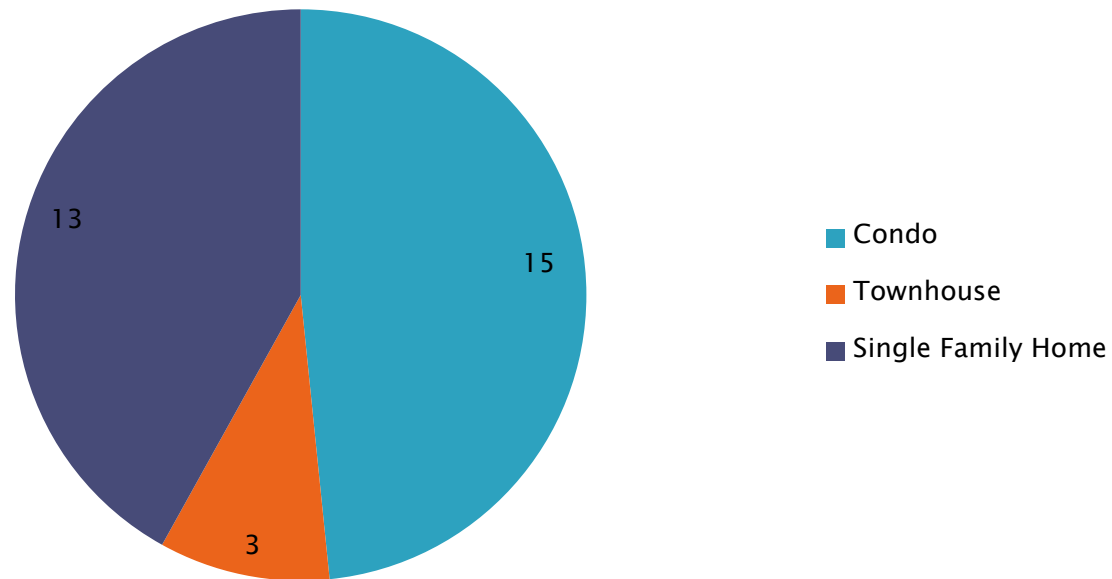
- 40-year Hybrid Portfolio Loan Product through San Mateo Credit Union
- 5/5, 7/1 & 10/1 (fixed for 5, 7 or 10 years)
 - Ability to do a rate modification on in-house loans

Creditworthiness :

- Minimum 680 FICO
- 45% maximum debt-to-income ratio
- Reserves of 2 months of principal, interest, taxes, and insurance

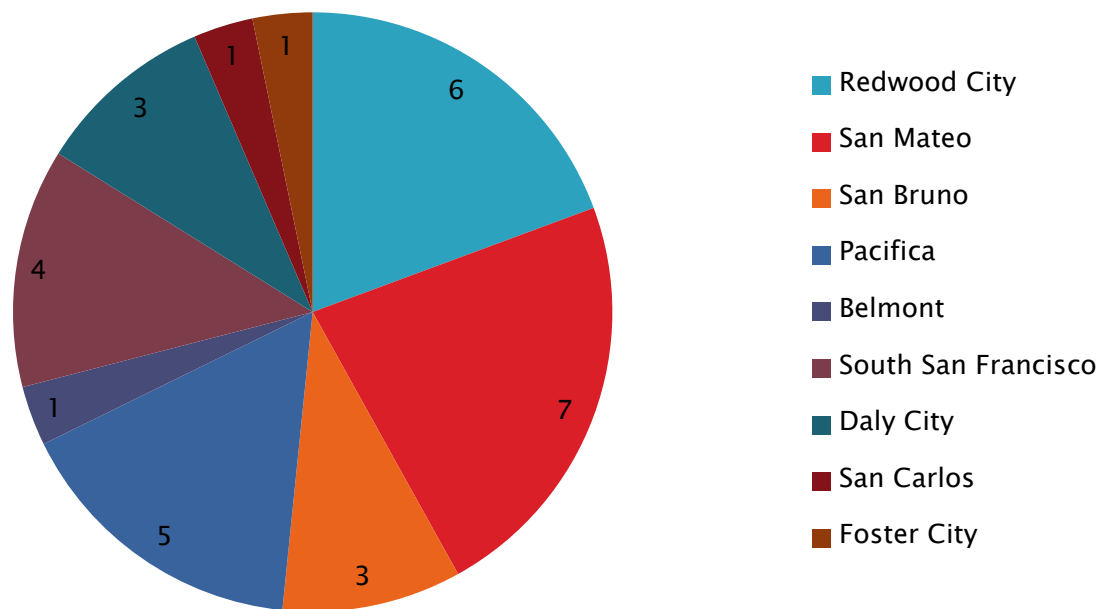
General Data

Type of Home Purchased: As of 09/01/2022



General Data

Areas of Purchase within the County: As of 09/01/2022



General Data

- Average Purchase Price of Homes in the County: \$875,523
- Thirty-one (31) employees have purchased a home in San Mateo County
- Thirty (31) loans were completed under the Employee Down Payment Assistance Program
- Eleven (11) employees moved from outside of the County into the County of San Mateo
- Seven (7) individuals that were selected and purchased a home, their partner was also a County Employee

How to Apply:

Here is the link to get prequalified with the EDPAP :

<http://www.smcu.org/CountyMortgage>

Next steps

Getting Started

- ✓ Visit our website at smcu.org with the **Loans** tab and select **Home Lending Center**



- ✓ Under **Home Loans**, click the **Apply Now** button located on the top of page.



- ✓ On the next page, scroll down to the **Start Your Application** section and complete the information requested.
 - Please note: A membership number is NOT required to move forward, but you must be eligible for membership.
 - Please note: It is very important to select the correct type of loan you are applying for since it CANNOT be changed later. The three types of loans are Purchase, Refinance or Equity.

- ✓ On the following page, you will be asked to create a login and password for the loan application.
 - Please note: This login is not the same as your SMCU account. This login will follow your loan until your loan has closed.
 - Please note: If you are applying for multiple loans, you will need to create multiple logins.
- ✓ In the section below, you will be asked if you wish to receive your Loan Disclosures via email for security and convenience purposes. You will need to download and read the **Electronic Communications Disclosure and Consent** and then select **Consent** or **Decline**.
- ✓ If you select **Consent**, you will be asked to provide your email address and a Document Keyword that can be found at the bottom of the **Electronic Communications Disclosure and Consent**.



[Electronic Communications Disclosure and Consent](#)

- ☒ Consent
- ☐ Decline and receive disclosures by mail

- ✓ The next page is step one of your **Mortgage application**. Please complete all steps and then click the **Submit Application** button. Once your loan is submitted, one of our Mortgage Experts will contact you regarding the next steps.

Please call the Real Estate Department with any questions or concerns at (650) 363-1799 Option #1.



Veronica Valentine
RE Sales Manager
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650-817-1983



Ginelle Cooke
Sr. Real Estate Loan officer
gcooke@smcu.org
650-817-1997



Angelica Luna
Sr. Real Estate Loan Officer
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650-817-1954



Mike Daddona
Sr. Real Estate Loan Officer
mdaddona@smcu.org
650-817-1980

Personalized Consultation

- Set up your appointment for a free consultation with one of our mortgage team experts!
- All preapprovals must be rendered and delivered to the County.