



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

2024

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 Monterra



SMC Employees SEG Benefits



Benefits to County Employees

Monterra CU 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
- Partnership with BALANCE (monterra.balancepro.org)
- Our LEARN online platform (monterra.org/education)

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BALANCE Credit Report Review

San Mateo Credit Union is
changing our name to



Welcome

San Mateo County Employees

We are pleased to partner with San Mateo County Employees to offer credit union membership and the benefits that come with it. We've been serving the local community for 70 years. Join our Credit Union and experience the difference that not-for-profit banking provides.

OUR MEMBERSHIP INCLUDES:

- FREE checking + high-rate savings
- FREE access to over 30,000 ATMs
- FREE bill pay and mobile deposit
- 24/7 access via online and mobile banking
- Competitive rates on personalized loans
- Credit card options that reward your lifestyle
- Award-winning financial education
- *And so much more...*




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- \$1 Share Pledge to get your membership started
- \$20 minimum opening deposit for your new checking account
- \$50 cash bonus when you open a new checking account*
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(650) 562-1282

Contact Us



Our Community Relations Team is here to help!

Gustavo Castillo

gcastillo@monterra.org

Via email: communityrelations@monterra.org

Phone: (650) 562-1282

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 2024

- Up to five eligible County and/or Housing Authority (HA) Employees will be drawn quarterly.
 - ➔ Drawing is to qualify for a \$100,000 second mortgage to be used towards the purchase of 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 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 up to \$100,000 from County Program
- **Maximum County Loan Program towards down payment:** \$100,000
- **Terms of County loan:** Three (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 2024

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- **Timeline:** Pre-approval letter from Monterra Credit Union is required and must be submitted by Monday, March 25th by 5:00 p.m. (PST).
- Drawing date: **Tuesday, March 26, 2024**
- 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 2024

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➤ **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, 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

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- *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

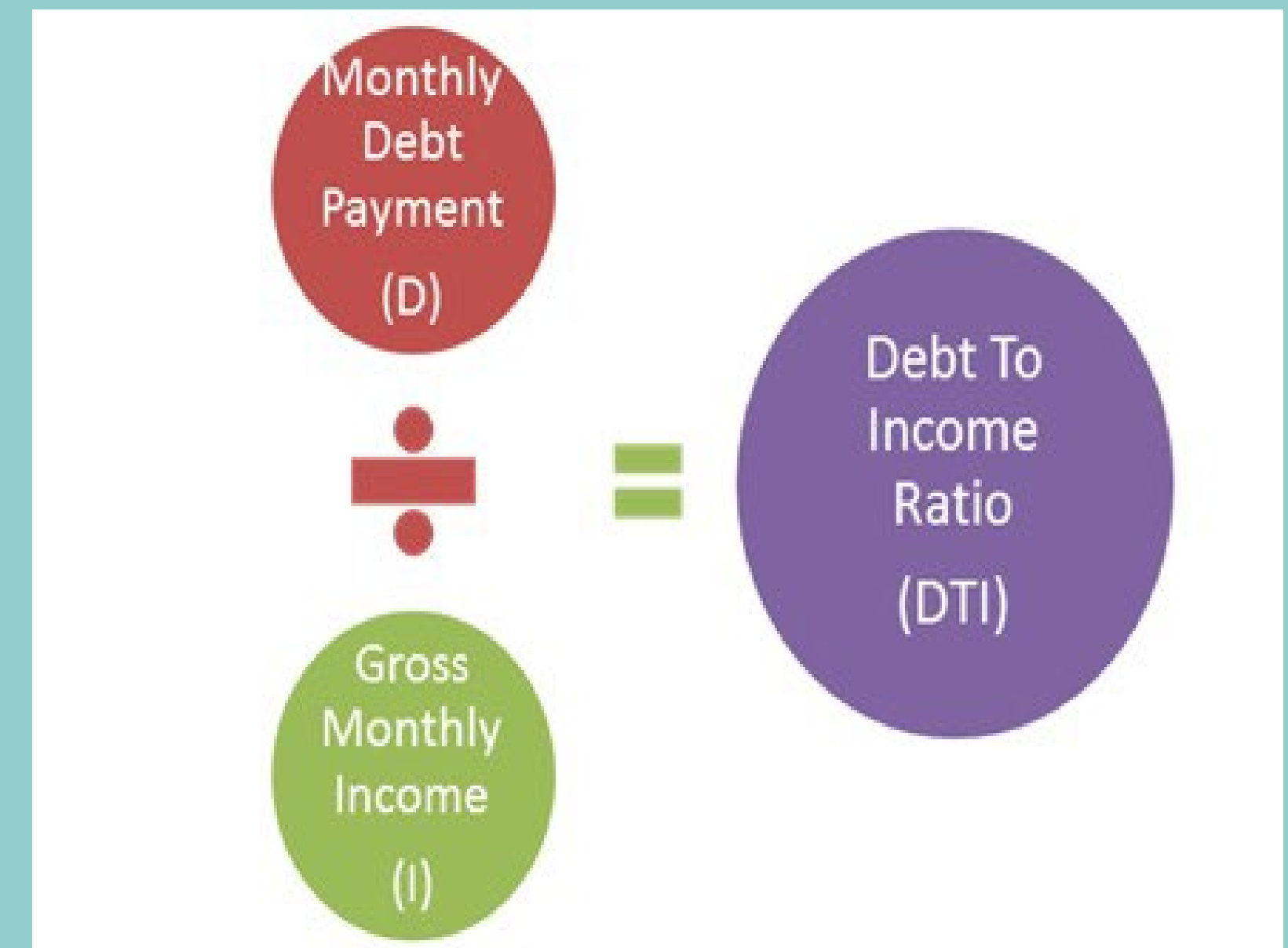
- The Millers have been chosen for the EDPAP. They have \$100,000.00 in liquid funds. Their payment budget allocated for a “total” housing payment is \$7,000.00.

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	\$4,827	<i>*6.75% 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	\$6,523.60	

Preapproval process: Qualifying for a loan

Total housing payment	\$6,523.60
Car Payment	\$400.00
Credit Cards(minimum payments)	\$250.00
Total Monthly Debt	\$7,173.60
MGI (Monthly Gross Income) needed to qualify	\$15,941.33

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

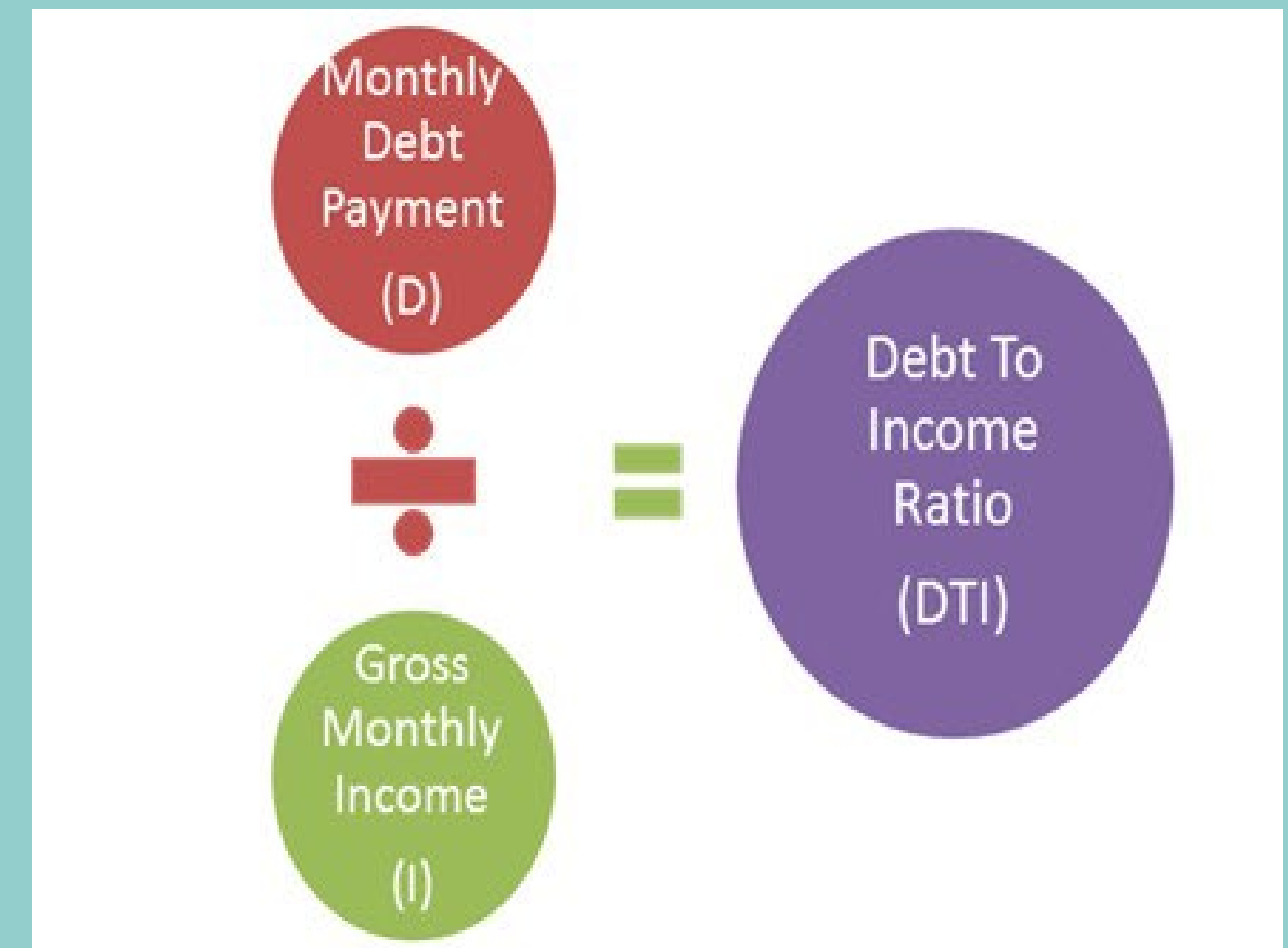
- The Jones' have been chosen for the EDPAP. They have \$20,000.00 in liquid funds. Their payment budget allocated for a housing payment is \$4,200.00.

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	\$2,704	*6.375% 5/5 ARM 30 Year
EDPAP 2 nd Loan	\$421.60	
Property Tax	\$573	Estimated
Hazard Insurance & HO A	\$500	Estimated
Total Housing Payment	\$4,198.60	

Preapproval process: Qualifying for a loan

Total housing payment	\$4,198.60
Car Payment	\$450.00
Credit Cards(minimum payments)	\$300.00
Total Monthly Debt	\$4,948.60
MGI (Monthly Gross Income) needed to qualify	\$10,996.89

DTI: Debt to Income Ratio
45% is the percentage taken from your gross monthly income to qualify for your total monthly liabilities



Preapproval Process

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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

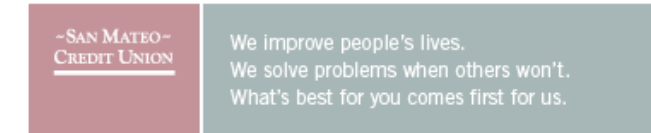
Larry Smith's middle score 680

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 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 Monterra Credit Union Pre-Approval Letter.

1. Send your Monterra 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



Monterra Credit Union: Special Products

San Mateo Credit Union First mortgage special options:

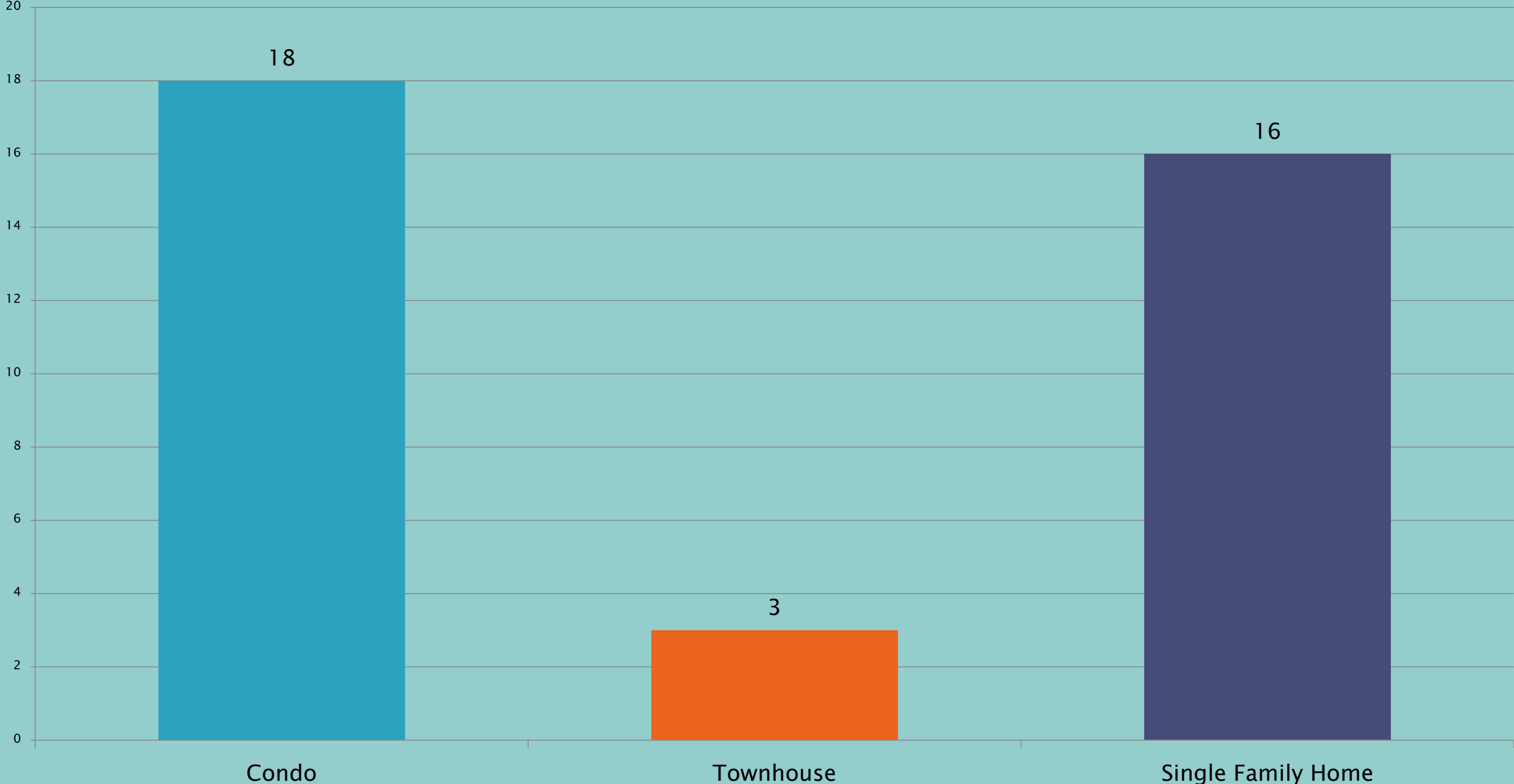
- 40-year Hybrid Portfolio Loan Product through San Mateo Credit Union
- 5/5, 7/1 & 10/1 (fixed for 5, 7 or 10 years)
 - Ability to do a rate modification on in-house loans

Creditworthiness :

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

General Data

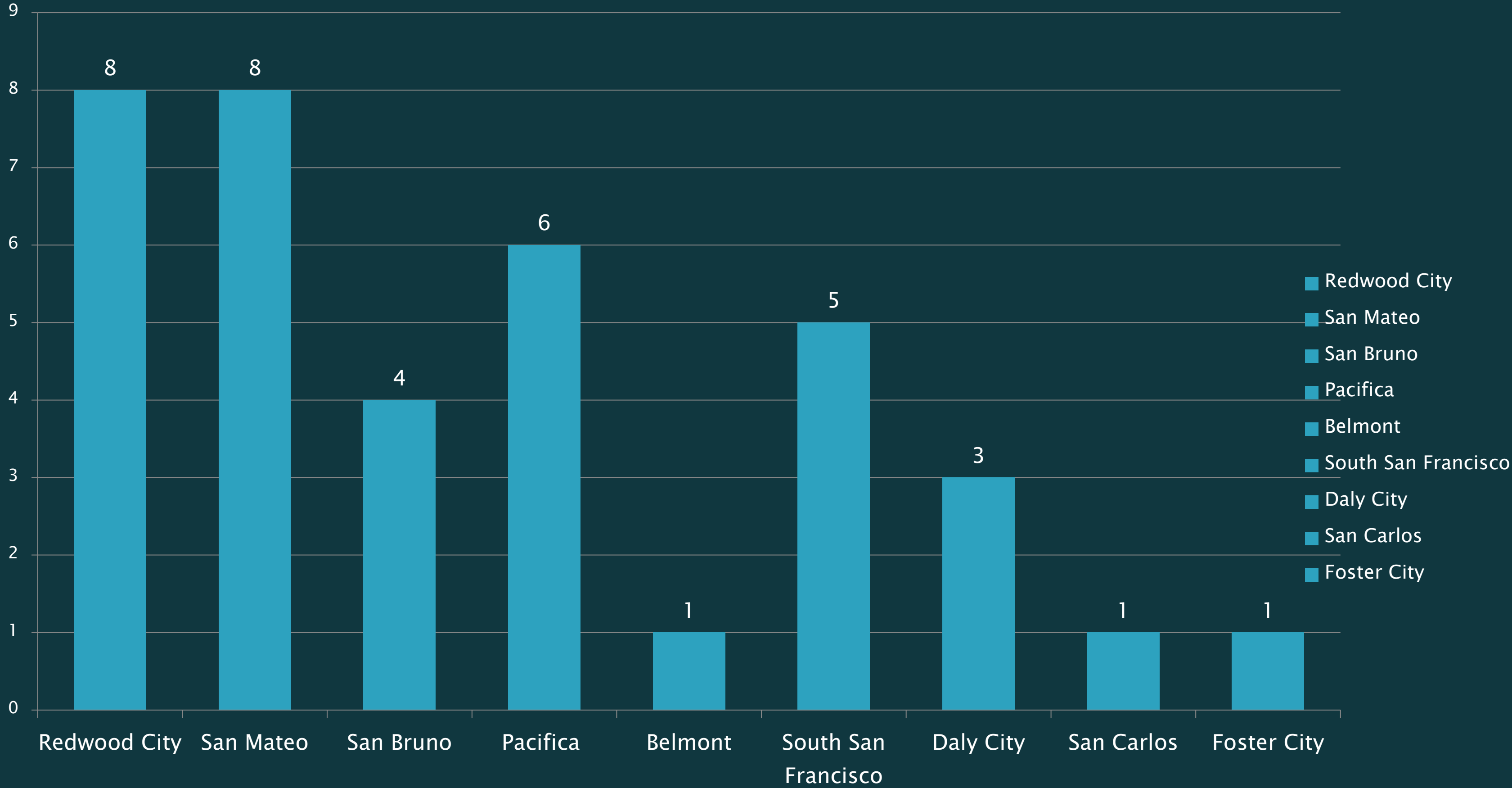
Type of Home Purchased: As of 01/02/2024



General Data

Average Purchase Price
\$899,725

Purchase Location: As of 01/02/2024



- EDPAP DATA
- 37 employee have purchased & utilized the program.
 - 12 employees moved into the County (\$5K grant).
 - 9 employees, partners also works for the County.

How to Apply:



Here is the link to get prequalified with the EDPAP:
<https://monterra.org/CountyMortgage>


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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.