
17555 PEAK AVENUE MORGAN HILL CALIFORNIA 95037

Police Officer Housing Assistance Program Program Guidelines

- Eligibility:
1. The loan applicant must be a full time police officer employed by the City and have successfully completed the probationary period.
 2. Household income at or below 120% of Santa Clara County Median Income, adjusted for household size.
 3. Purchase must be a first time home purchase within the city limits and must be the officer's primary place of residence. (A one-time "move-up" may be allowed for officers already residing in the City.)
- Minimum down payment: 5% of the purchase price is required (Exceptions made depending on the primary funding program.)
- Maximum loan amount: \$60,000 or 11% of the purchase price, whichever is less
- Interest rate: Fixed Rate, simple interest, determined as Local Agency Investment Fund rate +0.25% on date of agreement to home purchase.
- Term:
1. 20 years
 2. All payments deferred for the first 5 years. Thereafter, balance and accrued simple interest is fully amortized over remaining 15 yrs.
 3. No prepayment penalty.
 4. The balance of the loan must be repaid in full upon sale, or transfer.
 5. Agency will subordinate to new or secondary financing for repair or improvement to the property (no cash out), as long as the total debts do not exceed 95% of the after rehabilitation value of the property and total payments remain affordable (at or below 30% of household income).
- House price limit: \$650,000
- House location: Home must be located within the City limits of Morgan Hill
- Employment continuity: Upon termination of employment for any reason, purchaser will have 120 days to pay off Agency loan.

All loans are funded by the Redevelopment Agency of the City of Morgan Hill and must be approved by the Executive Director of the Redevelopment Agency.

CURRENT INCOME LIMITS

2005 State Income Limits

	Number of People in Household							
Santa Clara County	1	2	3	4	5	6	7	8
max. annual income	88,600	101,300	113,950	126,600	136,750	146,850	157,000	167,100

PROCEDURES

City of Morgan Hill Police Officer Housing Assistance Program

1. Loan application packages are available to non-probationary Police Officers who wish to purchase their first home in Morgan Hill. Loan packages may be requested from the Business Assistance and Housing Services Department.
2. Completed loan packages should be mailed to:
City of Morgan Hill
Redevelopment Agency
17555 Peak Avenue
Morgan Hill, CA 95037-4128

If it is more convenient, they may be routed or delivered to: City Hall

BAHS
Attn: Bill Newkirk

To save you from duplicate efforts, the City will accept photocopies of identical purpose forms which you have completed for the primary lender.

If you have questions regarding the application or program, contact Bill Newkirk at (408) 776-7373 ext. 444.

3. The requesting Officer can obtain a preliminary qualification letter from the City if the loan package is submitted prior to purchasing a home.

Once an offer to purchase has been accepted, the applicant should send a copy of the Purchase Agreement and a Preliminary Title Report to BAHS for inclusion in his/her 2nd mortgage file. BAHS will then issue a statement of qualification, including the maximum silent 2nd loan amount allowed for the specific transaction, to the primary lender. A copy of the qualification statement will also be sent to the applicant.

4. Once an escrow has been opened, applicant should immediately notify BAHS of the company, address and account number, so that final instructions and legal documents can be delivered within the closing time frame of the principal lender. The company name, address, phone number and agent name for your principal lender should also be forwarded to BAHS.
5. BAHS will keep a record of all closed transactions and the balance remaining available to the program.