

City of Merced First Time Home Buyer Assistance Program Lender Process

Your client has been approved to participate in a City of Merced first time homebuyer assistance program. This program will enable your client to acquire a loan from the City of Merced to help purchase their home. The home to be purchased must be located in one of the designated census tracts located within the city limits of Merced.

City of Merced Housing Division staff will prepare loan documents based on information that you provide to us about your client. The loan documents include: loan agreement between the participant and the City of Merced, promissory note, truth in lending disclosure statement, deed of trust, declaration of conditions, covenants, and restrictions, and disclosure statement. Included in this packet are forms that we will need you to fill out for our use in preparing the City loan documents.

The City loan documents will be sent to the title company to be signed at the same time as the primary loan documents. After the City loan documents are signed at the title company by the participant, the documents are returned to the City of Merced for routing to various City departments that need to sign as well. A check for the approved loan amount will be cut by our Finance department after they receive proof that all the loan documents have been approved and signed. **The City process for routing the documents for signatures, and getting the check cut, can take between five and seven business days.** This is important for you to note in order to provide enough time for this process to take place to meet the escrow closing deadline.

By giving you everything that is required up front, we hope that this will help you in understanding the first time home buyer program and what we need from you. If you have any questions please call us anytime Monday through Friday between the hours of 10:00 a.m. 12:00 p.m. and 1:00 p.m. and 5:00 p.m.

Contact information:

City of Merced Housing Division
678 West 18th Street
Merced, CA 95340
(209) 385-6863
(209) 388-8982 Fax
mendoncad@cityofmerced.org

CALHOME 12 Checklist of Items Needed for City of Merced Loan Process

- 1. **Primary Mortgage Lender Certification** (City form).
*The participant must provide 1% of their own funds toward the purchase of their home.
The participant has two weeks from the date of their approval letter from the City of Merced to provide this to our office.*
- 2. **Primary Lender Certification of Borrower Eligibility** (City form).
The participant has two weeks from the date of their approval letter from the City of Merced to provide this to our office.
- 3. **Escrow Information** (City form).
- 4. **Copy of the Sales Contract.**
The participant has 90 days from the date of their approval letter from the City of Merced to provide this to our office. If the City doesn't receive the sales contract within the 90-day period, the participant's application may be cancelled.
- 5. **Preliminary Title Report.**
- 6. **Mortgage Approval Letter.**
- 7. **Mortgage Credit Report.**
- 8. **Mortgage Application, Good Faith Estimate, Mortgage Disclosures.**
- 9. **Rent Verification.**
- 10. **Copy of the Appraisal.**
- 11. **Final Loan Approval Form** (City form).
- 12. **Estimated Settlement Statement.**
- 13. **Proof of buyer attending an 8 hour HUD approved First Time Home Buyer class. The City of Merced will pay the fee. Certificate is required prior to the close of escrow.**
- 14. **Uniform Underwriting and Transmittal Summary**

PLEASE NOTE THAT ALL ITEMS MUST BE RECEIVED BEFORE FINAL LOAN APPROVAL WILL BE ISSUED.

**CITY OF MERCED
CALHOME 12 FIRST TIME HOME BUYER ASSISTANCE PROGRAM**

PRIMARY MORTGAGE LENDER CERTIFICATION

This is to certify that _____ a lending institution doing business in the state of California has performed a due diligence analysis of "borrowers own funds" as presented by _____, who wish to borrow funds through the City of Merced's Calhome 12 First Time Home Buyer Assistance Program, and have found that the 1% of sales price being provided by borrowers meets the accepted industry standards for such funds.

_____ (Lending Institution) also certifies that the amount requested from the City of Merced represents no more than \$56,000.00. When considered with other available financing assistance, the loan shall be the minimum amount necessary to ensure affordable monthly housing costs as defined by the first mortgage lender. The first lender shall make the largest first loan possible given the ability of the Borrower to repay in order to keep the CalHome 12 loan amount at the minimum amount necessary.

By: _____

Print Name: _____

Title: _____

Date: _____

CITY OF MERCED
CALHOME 12 FIRST TIME HOMEBUYER PROGRAM
FINAL LOAN APPROVAL FORM

To Whom It May Concern:

The following information is necessary as a component of the City of Merced granting final approval of its First Time Home Buyer Program.

Date: _____

Borrower(s) Name(s): _____ Property Address: _____

Mortgage Company Name & Address: _____

City / State / Zip: _____ Telephone #: _____

Loan Officer: _____ Primary Lender's Loan Amount: \$ _____

Sales Price: \$ _____ Interest Rate: _____

Type of Loan:

Fixed: _____

ARM: _____

Buy Down: _____

Financing Program to be Used:

FHA: _____

Cal HFA: _____

Other (please describe): _____

Amount to be paid by Borrower (At least 1% OF SALES PRICE): \$ _____

AMOUNT OF CITY FUNDS REQUESTED: \$ _____
 (Not to exceed \$56,000.00)

Itemization of costs requested from the City of Merced:

(This should total the Amount of City Funds Requested above)

Down Payment Amount:	\$ _____
Loan Origination Fee:	\$ _____
Appraisal Fee:	\$ _____
Credit Report:	\$ _____
Prepaid Interest:	\$ _____
Mortgage Insurance Premium:	\$ _____
Hazard Insurance Premium:	\$ _____
Mortgage Insurance:	\$ _____
County Property Taxes:	\$ _____
Escrow Fees:	\$ _____
Document Preparation:	\$ _____
Title Insurance:	\$ _____
Recording Fees:	\$ _____
Processing Fee:	\$ _____
Underwriting Fee:	\$ _____
Flood Cert:	\$ _____

OTHER:

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

FOR CITY OF MERCED USE ONLY	
<u>OK FOR FINAL LOAN APPROVAL</u>	

FRANK QUINTERO	DATE
DIRECTOR OF ECONOMIC DEVELOPMENT	

DAWN MENDONCA	DATE
HOUSING FINANCE SPECIALIST	

MARK HAMILTON	DATE
HOUSING PROGRAM SUPERVISOR	

ESCROW INFORMATION

Borrower(s) Name(s): _____

How Title is being taken: _____

Property Address: _____ APN #: _____

Title Company: _____

Address: _____

City/State/Zip: _____ Telephone#: _____

Escrow Officer: _____ ESCROW #: _____

Estimated Loan Document Signing Date: _____

Estimated Closing Date: _____