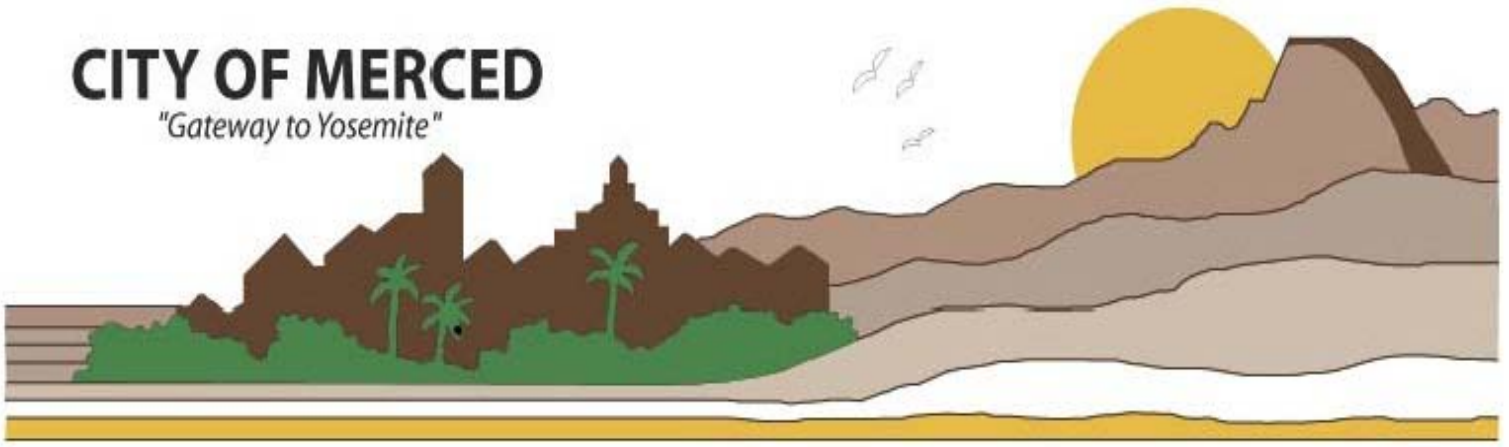


CITY OF MERCED

"Gateway to Yosemite"



City of Merced Housing Division
For Hearing Impaired please call: (209) 385-6816

Telephone: (209) 385-6863

Fax: (209) 723-1780

Dear Applicant,

Thank you for your interest in the City of Merced's **Neighborhood Stabilization Program (NSP)**. To process your application, please complete the enclosed application package and include the following documentation:

- Prequalification letter from your lender.
- Application form (completely filled out).
- Assets form (completely filled out).

PLEASE INCLUDE THE FOLLOWING FOR EACH MEMBER OF THE HOUSEHOLD:

- Payroll stubs for the past 3 months.
- If on SSI, Social Security, AFDC, or any other grant, please bring in current grant letter.
- Signed copies of your Federal Tax Returns and W2's for the past 3 years.
- Most recent bank statement(s) for savings account(s).
- Last 6 months of bank statement(s) for checking account(s).
- Proof of asset(s).
- Rental agreement(s) covering the last 6 months.

Please take the time to review the materials enclosed. If you have questions on NSP Program, please contact us directly at (209) 385-6827 or for hearing impaired, please call (TDD 209-385-6816). We look forward to working with you!

Sincerely,
City of Merced Housing Division Staff



NEIGHBORHOOD STABILIZATION PROGRAMS (NSP) 1 & 3 HOME BUYER ASSISTANCE

The First Home Buyer Assistance Program is aimed at providing financial support through a low-interest loan to families who might otherwise be unable to purchase a home. The funds for this program are provided through the State of California Department of Housing and Community Development (HCD) and the Department of Housing and Urban Development (HUD) under the Neighborhood Stabilization Program (NSP). **This program only applies to the purchase of eligible city owned NSP homes. Contact City for list: (209)385-6827.**

PROGRAM QUALIFICATIONS:

1. Household income cannot exceed 120% of Merced County Median Income adjusted for household size.
2. Applicant must occupy the house as a primary residence for a minimum of 10 years. *
3. Applicants must participate and become certified in an 8-hour HCD approved home buyer class prior to the close of escrow.
4. Maximum sales price limit based on the median home sales price and is subject to change in accordance with state and federal median home prices. Home price to be verified by a qualified appraiser.
5. Applicant must not have owned a home or gone through foreclosure in the last three years.
6. Applicant must provide cash contribution equal to at least 1% of the sales price of the house. The cash contribution must be “applicant’s own funds,” and cannot be borrowed or be part of a rebate from the seller. Lender guidelines will be used to determine “applicant’s own funds.” Additional funds may be required that are not covered by the first mortgage or the City’s loan.
7. Applicant must be able to qualify for a first mortgage loan. Subprime and adjustable rate loans are not acceptable.
8. Priority will be given to income-qualified households who live or work in the City of Merced.
9. A list of NSP homes is available from the Housing Division or on the web at www.cityofmerced.org/depts/econdev/housing_division.

CONDITIONS:

1. Loans are provided at a three percent (3%) interest rate for 30 years.
2. The City loan is for closing costs and gap financing and is not intended to be a portion of the “Primary Mortgage Loan.” Amount available is based on income eligibility.
3. The deed shall restrict resale of the property for a period of 10 years. Prepayment or sale prior to 10 years will result in a 4% penalty starting from the loan origination date. In addition, the applicant shall pay the City a percentage share of the difference between the purchase and sale price.

PROCEDURES:

1. Provide pre-qualified lender letter and application with documentation.
2. The application will be screened for basic eligibility requirements.
3. Look at current housing stock from the Housing Division or on the web at www.cityofmerced.org/depts/econdev/housing_division.

The program description in this handout is only to provide general information. The legal loan documents issued through this program contain the language that outlines borrower’s responsibility under the loan.

MAXIMUM QUALIFYING INCOME GUIDELINES* (120% AMI)							
Number of Persons in Household							
1	2	3	4	5	6	7	8
\$48,650	\$55,600	\$62,550	\$69,500	\$75,050	\$80,600	\$86,200	\$91,750

*Based on HUD Income Limits Documentation System (updated February 2012).

**THIS INFORMATION IS ALSO AVAILABLE ON OUR WEBSITE AT:
www.cityofmerced.org/depts/econdev/housing_division.**

**City of Merced Housing Division
678 W. 18th Street – 3rd Floor
Merced, CA 95340
Phone: (209) 385-6863 For hearing impaired call TDD 209-385-6816
Office Hours: 10:00 A.M. – 12:00 P.M. and 1:00 P.M. – 5:00 P.M.**



CITY OF MERCED
HOME BUYER ASSISTANCE PROGRAM - (NSP)
APPLICATION

APPLICANT INFORMATION

Applicant's name (Last) (First) (MI)			Home Phone: () () ()		
			Cell Phone: () () ()		
Present Address		City	State	Zip Code	# Years
Social Security Number - -		Date of Birth / /	Email Address		
Marital Status () Married () Single () Divorced () Widowed () Separated					
Source of Income: () Employment () Social Security () SSI () Public Assistance () Child Support () Alimony () Pension () Other			Total Monthly Gross Income \$		
Name and Address of Employer				Business Phone () () ()	
Position/Title				Years at Job	

CO-APPLICANT INFORMATION

Co-Applicant's name (Last) (First) (MI)			Home Phone: () () ()		
			Cell Phone: () () ()		
Present Address		City	State	Zip Code	# Years
Social Security Number - -		Date of Birth / /	Email Address		
Marital Status () Married () Single () Divorced () Widowed () Separated					
Source of Income: () Employment () Social Security () SSI () Public Assistance () Child Support () Alimony () Pension () Other			Total Monthly Gross Income \$		
Name and Address of Employer				Business Phone () () ()	
Position/Title				Years at Job	

ALL OTHER HOUSEHOLD MEMBERS
(include all individuals living in household)

NAME	SOCIAL SECURITY #	SEX	DATE OF BIRTH	GROSS MONTHLY INCOME
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
(Attach an additional sheet if necessary)				
TOTAL GROSS INCOME OF ALL OTHER HOUSEHOLD MEMBERS				\$
TOTAL NUMBER OF PERSONS IN THE HOUSEHOLD				

OTHER QUALIFICATIONS

Have you owned a home or gone through foreclosure in the past 3 years?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Do you reside or work within the city limits of Merced?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Do you have a prequalification letter from your lender?	<input type="checkbox"/> Yes <input type="checkbox"/> No

SUBSIDIZED HOUSING INFORMATION

This information is confidential and only used for government reporting purposes and will not have any bearing on your loan approval.

Are you currently receiving Section 108 vouchers or any other type of housing assistance?	<input type="checkbox"/> Yes <input type="checkbox"/> No
---	--

RACE/ETHNICITY

This information is confidential and only used for government reporting purposes to monitor compliance with equal opportunity laws. You are not required to furnish this information. The law provides that a Lender may neither discriminate on the basis of this information, nor on whether you choose to furnish it. However, if you choose not to furnish it, under Federal regulations, this Lender is required to note race on the basis of visual observation or surname.

HEAD OF HOUSEHOLD GENDER: Male Female

ETHNICITY OF HEAD OF HOUSEHOLD

SELECT ONLY ONE ETHNICITY:

- Hispanic or Latino:** A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.
- Not Hispanic or Latino:** A person not of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.

RACE OF HEAD OF HOUSEHOLD

SELECT ONE CATEGORY OR MORE FOR RACE:

- () **American Indian or Alaska Native:** A person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment.
- () **American Indian or Alaska Native *and* White.**
- () **American Indian or Alaska Native *and* Black or African American.**
- () **Asian:** A person having origins in any of the original people of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.
- () **Asian *and* White.**
- () **Black or African American:** A person having origins in any of the black racial groups of Africa.
- () **Black or African American *and* White.**
- () **Native Hawaiian or Other Pacific Islander:** A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.
- () **White:** A person having origins in any of the original peoples of Europe, the Middle East, or North Africa.

ADA COMPLIANCE INFORMATION

If you require ADA Compliance in your new home, we will provide it at no additional cost. This information is confidential and is only used for the purpose of assisting you with making reasonable access-related modifications to your home and will not have any bearing on your loan approval.

Need ADA Compliance? YES NO

APPLICANT'S CERTIFICATION

I certify that all information on this application is true and correct to the best of my knowledge and I understand that any deliberate falsifications are grounds for rejection of this application. I consent to allow verification of any information herein contained.

Applicant's Signature

Co-Applicant's Signature

Print Name

Print Name

Date

Date

PLEASE SUBMIT TO:

**City of Merced Housing Division
678 W. 18TH Street
Merced, CA 95340**



ASSETS GENERAL RULES & INSTRUCTIONS

What is an Asset?

An asset is cash or a noncash item that can be turned into cash.

What items are considered Assets?

- **Savings / Checking account(s), safe deposit boxes.** For savings accounts, use the current balance. For checking accounts, use the average balance for the last six months. Assets held in foreign countries are also considered assets.
- **Revocable trusts.** Include the cash value of any revocable trust available to the household. A revocable trust can be terminated at any point prior to decease.
- **Stocks, bonds, Treasury bills, certificates of deposit, mutual funds, money market accounts, and other investment accounts.** Interest or dividends earned are counted as income from assets even when the earnings are reinvested.
- **Individual retirement, 401K and other retirement accounts.** These are included when the holder has access to the funds, even though a penalty may be assessed. If you are making occasional withdrawals from the account, determine the amount of the asset by using the average balance from the previous six months (Do not count withdrawals as income).
- **Equity in rental property or other capital investments.** Include the current fair market value less any unpaid balance on any loans secured by the property and reasonable costs that would be incurred in selling the asset (example: penalties, broker fees).
- **Retirement and pension funds.**
 - a. **While the person is employed.** Include only amounts the family can withdraw without retiring or terminating employment. Count the whole amount less any penalties or transaction costs.
 - b. **At retirement, termination of employment, or withdrawal.** Periodic receipts from pension and retirement funds are counted as income. Lump sum receipts from pension and retirement funds are counted as assets. Count the amount as an asset or as income, as provided below.
 - (1) If benefits will be received in a lump sum, include the lump-sum receipt in net family assets.
 - (2) If benefits will be received through periodic payments, include the benefits in annual income. Do not count any remaining amounts in the account as an asset.
 - (3) If a household member initially receives a lump-sum benefit followed by periodic payments, count the lump-sum benefit as an asset and treat the periodic payment as income. Do not count the remaining amount as an asset.
- **Cash value of life insurance policies available to the household member(s) before death.** It would not include a value for term insurance, which has not cash value to the individual before death (Example: The surrender value of a whole life policy or a universal life policy).

- **Personal property held as an investment.** Include gems, jewelry, coin collections, or antique cars held as an investment. Personal jewelry is NOT considered an asset.
- **Lump-sum receipts or one-time receipts.** These include inheritances, capital gains, one-time lottery winnings, victim's restitution, settlements on insurance claims (including health and accident insurance, worker's compensation, and personal or property losses), and any other amounts that are not intended as periodic payments.
- **Assets Disposed of for Less than Fair Market Value.** Include the value of any business or family asset that you dispose of for less than fair market value (include a disposition in trust but not a foreclosure or bankruptcy sale) during the 2 years that precede the effective date of action.

What items are not considered assets?

- **Personal property.** Clothing, furniture, cars, wedding ring, other jewelry that is not held as an investment, vehicles specially equipped for persons with disabilities.
- **Interests in Indian trust land.**
- **Term life insurance policies.** Where there is no cash value.
- **Equity in the cooperative unit in which the family lives.**
- **Assets that are part of an active business.** "Business" does NOT include rental of properties that are held as investments unless such properties are the applicant's main occupation.
- **Assets that are NOT effectively owned by the applicant.**
Assets are not effectively owned when they are held in an individual's name, but (a) the assets and any income they earn accrue to the benefit of someone else who is not a member of the family, and (b) that other person is responsible for income taxes incurred on income generated by the assets.
- **Assets that are not accessible to the applicant and provide no income to the applicant.** A battered spouse owns a house with her husband. Because of the domestic situation, she receives no income from the asset and cannot convert the asset to cash.

Note: There is no asset limitation for participation. Income from assets is, however, recognized as part of Annual Income.

- Do not include assets for live-in aides or foster children or foster adults.
- Please use a separate line for each family member and asset source.

What is the cash value of asset?

The estimated, known or calculated dollar value of each asset listed. Cash value of an asset can be estimated by a formal assessment; or the actual dollar value may be known (for example, the amount of money in a savings account).

How do I determine an asset's value?

In order to calculate the dollar value of the listed asset, subtract the cost to sell the asset from the asset's value (i.e., the asset value minus the cost to sell it).

Please complete the Assets form attached.

ASSETS

***Mandatory information. Please circle "Yes" or "No"**

Note: If additional space is needed, please use a separate sheet of paper and attach.

ASSET TYPE	YES or NO	IF YES, LIST HOUSEHOLD MEMBER NAME(S)	ASSET DESCRIPTION	INTEREST RATE	CASH VALUE
*Checking Account(s)	Yes <input type="checkbox"/> No <input type="checkbox"/>	1) _____ 2) _____	If yes, list bank(s) 1) _____ 2) _____	_____% _____%	\$ _____ \$ _____
*Savings Account(s)	Yes <input type="checkbox"/> No <input type="checkbox"/>	1) _____ 2) _____	If yes, list bank(s) 1) _____ 2) _____	_____% _____%	\$ _____ \$ _____
*Cash held in Safe Deposit Boxes, Homes, etc.	Yes <input type="checkbox"/> No <input type="checkbox"/>	1) _____ 2) _____	If yes, list source(s) 1) _____ 2) _____		\$ _____ \$ _____
*Revocable Trust(s)	Yes <input type="checkbox"/> No <input type="checkbox"/>	1) _____ 2) _____	If yes, list bank(s) 1) _____ 2) _____	_____% _____%	\$ _____ \$ _____
*Stocks, bonds, or Treasury Bills	Yes <input type="checkbox"/> No <input type="checkbox"/>	1) _____ 2) _____	If yes, list sources/bank names 1) _____ 2) _____	_____% _____%	\$ _____ \$ _____
*Certificates of Deposit (CD) or Money Market Account(s)	Yes <input type="checkbox"/> No <input type="checkbox"/>	1) _____ 2) _____	If yes, list sources/bank names 1) _____ 2) _____	_____% _____%	\$ _____ \$ _____
*IRA/Lump Sum Pension/Keogh Account/ 401K	Yes <input type="checkbox"/> No <input type="checkbox"/>	1) _____ 2) _____	If yes, list bank(s) 1) _____ 2) _____	_____% _____%	\$ _____ \$ _____
*Retirement and Pension Funds	Yes <input type="checkbox"/> No <input type="checkbox"/>	1) _____ 2) _____	If yes, list source(s) 1) _____ 2) _____		\$ _____ \$ _____

*Whole Life Insurance Policy	Yes <input type="checkbox"/> No <input type="checkbox"/>	1) _____ 2) _____	If yes, list policy(ies) 1) _____ 2) _____		\$ _____ \$ _____
*Personal Property held as an Investment	Yes <input type="checkbox"/> No <input type="checkbox"/>	1) _____ 2) _____ 3) _____ 4) _____	If yes, list property(ies) 1) _____ 2) _____ 3) _____ 4) _____		\$ _____ \$ _____ \$ _____ \$ _____
*Lump-Sum Receipts or One-time Receipts	Yes <input type="checkbox"/> No <input type="checkbox"/>	1) _____ 2) _____	If yes, list source(s) 1) _____ 2) _____		\$ _____ \$ _____
*Assets Disposed of for Less than Fair Market Value	Yes <input type="checkbox"/> No <input type="checkbox"/>	1) _____ 2) _____	If yes, list asset(s) 1) _____ 2) _____		\$ _____ \$ _____

I/we do not have any assets at this time.

UNDER PENALTIES OF PERJURY, I CERTIFY THAT THE INFORMATION PRESENTED ON THIS FORM IS TRUE AND ACCURATE TO THE BEST OF MY/OUR KNOWLEDGE. THE UNDERSIGNED FURTHER UNDERSTANDS THAT PROVIDING FALSE REPRESENTATIONS HEREIN CONSTITUTES AN ACT OF FRAUD. FALSE, MISLEADING OR INCOMPLETE INFORMATION WILL RESULT IN THE DENIAL OF YOUR APPLICATION.

PRINTED NAME OF APPLICANT

SIGNATURE OF APPLICANT

DATE

PRINTED NAME OF CO-APPLICANT

SIGNATURE OF CO-APPLICANT

DATE

THE HOUSING FINANCIAL DISCRIMINATION ACT OF 1977

FAIR LENDING NOTICE

It is illegal to discriminate in the provision of or in the availability of financial assistance because of the consideration of:

1. Trends, characteristics or conditions in the neighborhood or geographic area surrounding a housing accommodation, unless the financial institution can demonstrate in the particular case that such consideration is required to avoid an unsafe and unsound business practice: or
2. Race, color, religion, sex, marital status, domestic partnership, national origin or ancestry.

It is illegal to consider the racial, ethnic, religious or national origin composition of a neighborhood or geographic area surrounding a housing accommodation or whether or not such composition is undergoing change, or is expected to undergo change, in appraising a housing accommodation or in determining whether or not, or under what terms and conditions, to provide financial assistance.

These provisions govern financial assistance for the purpose of the purchase, construction, rehabilitation or refinancing of one- to four-unit family residences occupied by the owner and for the purpose of the home improvement of any one- to four-unit family residence.

If you have any questions about your rights, or if you wish to file a complaint, contact the management of this financial institution or the Department of Real Estate at one of the following locations:

2550 Mariposa Mall, Suite 3070
Fresno, CA 93721-2273

320 W. 4th Street, Suite 350
Los Angeles, CA 90013-1105

1515 Clay Street, Suite 702
Oakland, CA 94612-1462

2201 Broadway
P.O. Box 187000 (*mailing address*)
Sacramento, CA 95818-7000

1350 Front Street, Suite 3064
San Diego, CA 92101-3687

ACKNOWLEDGMENT OF RECEIPT

I (we) received a copy of this notice.

Signature of Applicant

Date

Signature of Applicant

Date

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320 W. 4th Street, Suite 350
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Oakland, CA 94612-1462

2201 Broadway
P.O. Box 187000 (*mailing address*)
Sacramento, CA 95818-7000

1350 Front Street, Suite 3064
San Diego, CA 92101-3687