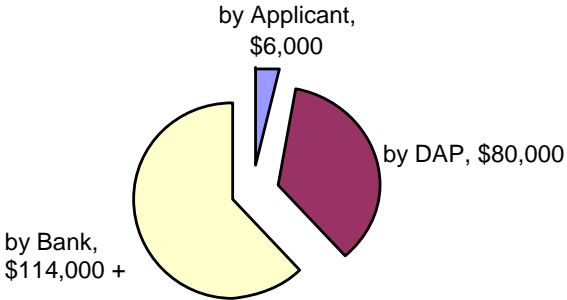


# Example of DAP Transaction

A person purchasing a home for \$200,000 with an appraised value of \$200,000 will need to obtain a loan from the lender of their choice for a minimum of \$114,000. The maximum DAP loan would be 40% or \$80,000 (note, not all clients receive the maximum), and the DAP applicant must contribute 3% of the purchase price; in this instance \$6,000. The maximum combined loan to value (1<sup>st</sup> loan + DAP) is 100% of the appraised value, which in this example would be \$200,000. The DAP home owner retains all of the appreciated value of the home and enjoys the benefits of deducting home loan interest and property tax payments from their income tax. Please check with your lender for additional costs to close sale.



This program is available to all persons regardless of race, color, religion, sex, handicap, familial status, or national origin. (Reasonable accommodation will be made for those with disabilities.)

**FOR MORE INFORMATION**

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**CITY OF SHASTA LAKE**

**DOWN  
 PAYMENT  
 ASSISTANCE  
 PROGRAM**

(FOR FIRST-TIME HOME BUYERS)

*MAKE THE DREAM  
 OF OWNING YOUR OWN HOME  
 COME TRUE*



## What is the City of Shasta Lake Down Payment Assistance Program?

The City of Shasta Lake has money to help first-time homebuyers with their down payments and closing costs. The Down Payment Assistance Program (DAP) provides a loan to qualified low income first-time homebuyers.

Federal money for this program comes from grants awarded to the City of Shasta Lake by the California State Department of Housing and Community Development.

## Are you Ready to Apply for a DAP Loan?

Ask yourself the following questions to determine if you are ready to apply for a DAP loan:

- ✓ Do I have a stable **income** to qualify for a loan
- ✓ Do I have at least 3% of purchase price for a down payment and closing costs?
- ✓ Have I addressed any negative **credit issues**?
- ✓ Do I have too many other **financial obligations** to buy a house?
- ✓ Am I ready to take on the **responsibility** of owning a home?

## What Homes Qualify?

Eligible homes include newly constructed homes, existing homes, manufactured homes on foundations, and condominiums.

## Who is Eligible?

Potential DAP home buyers must meet the definition of first-time homebuyer, and be able to obtain first mortgage financing for the purchase, and must qualify under the following median income guidelines.

| Family Size | Maximum Annual Income |
|-------------|-----------------------|
| 1           | \$ 30,150             |
| 2           | \$ 34,450             |
| 3           | \$ 38,750             |
| 4           | \$ 43,050             |
| 5           | \$ 46,500             |
| 6           | \$ 49,950             |
| 7           | \$ 53,400             |
| 8           | \$ 56,850             |

State CDBG/HOME Income Limits FY2008

You can qualify as a first-time home buyer if you have not owned a home within the last three years or you are a single parent that qualified as a “displaced homemaker.”

## Basic Guidelines of the City of Shasta Lake Down Payment Assistance Program

- Maximum purchase price is \$225,000 for one family (HCD updates annually)
- The DAP loan you obtain can be no more than outlined below:
  - \$100,000 & Below - 30% Max
  - \$100,001 to \$150,000 - 35% Max
  - \$150,001 to \$225,000 - 40% Max

**NOT TO EXCEED \$80,000.00**
- The second mortgage through DAP will accrue 0% interest with no payments until loan is due.
- Loan is due when home is sold, title changes hands, refinanced, or home recipient ceases to live in home (must be owner occupied).
- Borrower will be required to contribute at least 3% of the purchase price (may be gift).
- Home must pass an inspection for Housing Quality Standards.
- A class in home ownership is required.
- Must purchase home in City of Shasta Lake city limits.
- The combination of both loans (first and second) may not exceed 100% of the appraised value.