2019-2021
Riverside County Homebuyer Programs

EDA Housing
5555 Arlington Avenue
Riverside, CA 92504
www.rchomelink.com
www.rivcoeda.org
Program Accomplishments

- Assisted 900 families with over $21M in FTHB down payment assistance
- Provided over $31.1M in tax credits to 1,327 families
- Since 1994, EDA has helped 3,500 families achieve homeownership with down payment assistance, closing cost assistance, and tax credits totaling over $98.8M
FTHB
First Time Home Buyer Program
RC Home Link gives you great information on valuable home programs, tools to help find your home and much more; all within beautiful Riverside County-Southern California. Discover the home of your dreams in Riverside County; a great place to live, work and play.

The Riverside County Economic Development Agency (EDA) is launching the Neighborhood Stabilization Homeownership Program from the EDA's Home Stability Program.
FTHB – Type of Assistance

- EDA’s original first time buyer program
- Provides up to 20% of the purchase price for down payment assistance not to exceed $75,000
- Silent 2nd mortgage with no monthly payments at 0% interest forgiven after 15 years
- No resale restrictions or equity share component
- No minimum buyer contribution towards down payment required
FTHB – Property Requirements

- Maximum purchase price limits:
  - New Construction and existing Single-Family $370,500
  - New/Exiting Condos or Townhouses $292,600
  - New Manufactured homes $237,500
  - SFR, condo/townhouse/PUD or NEW manufactured home (on permanent foundation)
  - No In-Ground Pools or Spas
  - Minimum 2 Bedrooms
  - If property was tenant occupied, tenant must have been given 90 days written notice to vacate prior to the execution of the purchase contract (exception- when tenant is going to purchase the home they’re renting).
FTHB- Eligible Locations

- Unincorporated Areas of Riverside County or within any Participating City

All Cities are Eligible **EXCEPT:**
Calimesa, Cathedral City, Corona, Hemet, Indio, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Palm Desert, Palm Springs, Perris, Rancho Mirage, Riverside, Temecula
FTHB – Buyer Qualifications

- Must be a first-time homebuyer: no ownership interest in real estate in the past 3 years
- Household income within limits
- Will occupy subject property as primary residence
- Has attended an 8 hour homebuyer education course from HUD approved provider
- Riverside County Programs have NO minimum credit score requirement
- Buyer must qualify for eligible 1st mortgage (30 year term, fixed rate fully amortized) through participating lender
# FTHB – Income Limits

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<th>FAMILY SIZE</th>
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<tr>
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FTHB – Home condition

- A home will not be eligible for purchase under this Program unless it is in standard condition and suitable for occupancy upon purchase.
- Homes purchased through the FTHB program must meet applicable state and local codes.
- Home inspections are required on all homes.
- All health and safety issues on the home inspection report must be repaired prior to EDA drawing docs.
MCC

Mortgage Credit Certificate Program
**RC Home Link** gives you great information on valuable home programs, tools to help find your home and much more; all within beautiful Riverside County-Southern California. Discover the home of your dreams in Riverside County; a great place to live, work and play.

The Riverside County Economic Development Agency (EDA) is launching the Neighborhood Stabilization Homeownership Program.
MCC – Type of Assistance

- Not a down payment assistance program
- Entitles qualified homebuyers to a federal income tax credit in the amount of 20% of the interest paid on the primary mortgage
- Since the borrower’s income taxes are being reduced by the amount of the credit, this increases the take-home pay by the amount of the credit.
- The amount of the MCC is taken into consideration by the 1st mortgage underwriter and may give the borrower more buying power.
MCC – Type of Assistance Cont.

- MCC may be combined with the FTHB program.
- Recapture tax may apply if borrower sells home at a profit before end of first 9 years and is over the income limit at time of sale.
MCC – Calculating the Annual Credit

- 1st Mortgage Loan Amount x Interest Rate x 20%

Example:
Loan Amount = $250,000
Interest Rate = 4%

MCC = $250,000 x 4% x 20%
= $2,000/year ÷ 12
= $166.67 per month
MCC – Tax Deduction vs. Tax Credit

- A tax deduction (such as mortgage interest or property taxes) is subtracted from adjusted gross income before federal income taxes are computed, decreasing taxable income.

- A tax credit entitles a tax payer to subtract the amount of credit from their total federal tax bill.
MCC – Buyer Qualifications

- Must be a first-time homebuyer: no ownership interest in real estate in the past 3 years
  *Exception – if buyer purchases property located in an MCC Target Area Census Tract
- Buyer within income limits
  *Exception – higher income limits apply within an MCC Target Area Census Tract
- Will occupy subject property as primary residence
- MCC has no minimum credit score requirement – we defer to the first mortgage lender’s credit underwriting
MCC – Income Limits

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<thead>
<tr>
<th>FAMILY SIZE</th>
<th>INCOME LIMITS</th>
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<td>Inside</td>
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<tr>
<td></td>
<td>Target Area</td>
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MCC – Property Requirements

- Foreclosed, Short Sale, or Private party sales are all OK
- SFR, condo/townhouse/PUD or manufactured home (on permanent foundation)
- Purchase price limits apply:
  - Outside Target Area: $388,131
  - Inside Target Area: $474,382
MCC – Eligible Locations

- All areas in Riverside County are eligible for MCC assistance including all unincorporated areas (areas outside a city limit)

- **EXCEPT** for the following cities:

  Canyon Lake, Cathedral City, Eastvale, Indian Wells, and Rancho Mirage
Qualifying Process for FTHB & MCC

- Borrower works with approved loan officer
- Lenders go through rigorous corporate approval process and loan officers must attend annual training
- Loan officer pre-qualifies borrower simultaneously for 1st mortgage and County Assistance
- Loan Officer is responsible for informing buyer and realtor regarding program details
- Program form must accompany offer for seller’s signature (FTHB 3)
- Buyer enters into purchase agreement, escrow opens, lender processes file and submits complete application package to EDA
QUESTIONS
EDA HOUSING STAFF

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