

**PRE-APPLICATION CHECKLIST -- CITY OF ALISO VIEJO
HOME BUYER ASSISTANCE PROGRAM
PRE-APPLICATION CHECKLIST**

May, 2018

This Pre-Application Checklist is only for purposes of preliminary self-qualification and is intended to be used ONLY as guide for a potential homebuyer applicant to determine if they may be eligible for the City of Aliso Viejo Home Buyer Assistance Program (“Program”). This checklist should be completed by the potential applicant **prior** to contacting an institutional lender to obtain a First Trust Deed Loan.

This Pre-Application Checklist does not establish, expressly or by implication, that a potential applicant will be eligible for a Loan. **This checklist does not need to be submitted to the City’s Program Administrator and is for the sole purpose of preliminary self-qualification by an applicant who desires to buy a home in the Harbor Station or Latitudes South Communities.**

I. PROGRAM ELIGIBILITY

A. INCOME ELIGIBILITY

1. Please provide Gross Household Income: \$ _____

Defined as the combined gross annual income for ALL members of the household, including all co-signers and co-mortgagors, if any, who will establish as their principal residence the property to be purchased under the Program.

Note: Income information will be verified by both the Lender for the First Trust Deed Loan and City’s Program Administrator during the formal application process.

2. Household Size: _____

“Household” is defined as all persons who will establish as their principal residence the property to be purchased under the Program. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements. All co-signers and co-mortgagors, if any, must be part of the Household and must reside in the property to be purchased under the Program.

2018 Income limits for Orange County pursuant to Section 6932 of Title 25 of the California Code of Regulations:

<i>2016 Income Limits</i>	<i>1 person household</i>	<i>2 person household</i>	<i>3 person household</i>	<i>4 person household</i>	<i>5 person household</i>
<i>Lower Income - Maximum Allowable Gross Income</i>	\$61,250	\$70,000	\$78,750	\$87,450	\$94,450

Locate your household size on the Income Limits chart. Is your Gross Household Income (including the gross annual income of all prospective co-signers and co-mortgagors) less than the maximum allowable income limit?

Yes _____ No _____

IF NO, THEN YOU ARE *NOT* ELIGIBLE FOR THIS PROGRAM.

B. LIQUID ASSETS

If you otherwise qualify and decide to purchase a home through this program, do you and all members of your Household, including all co-signers and co-mortgagors, expect to have a total of \$25,000 or more in liquid assets (savings and investments other than retirement accounts) after closing escrow on the home?

Yes _____ No _____

IF YES, THEN YOU ARE *NOT* ELIGIBLE FOR THIS PROGRAM.

NOTE: You may not be sure of the value of your liquid assets. You will be required to describe your liquid assets in detail as part of the Program application. It can then be determined whether the value of your liquid assets exceeds Program limitations.

C. SUFFICIENT FUNDS AVAILABLE

Total all personal funds (including gift funds) you have available in the form of liquid assets (savings, checking account funds, and time deposits which are not subject to penalty for early withdrawal).

\$ _____

Downpayment Requirements *Numbers below are for example only

Affordable Purchase Price - Effective Sales Price	Required Minimum Downpayment of 5%
\$187,000	\$9,350

By looking at the Downpayment Requirements table above, determine the required 5% minimum downpayment for the property you'd like to purchase using this Program. Compare your total personal funds that you calculated on the previous page to this amount. Do you have enough liquid assets available to pay both: (i) the minimum 5% downpayment, inclusive of the estimated additional 3% – 5% of Purchase Price to pay for closing costs for the type of property that you'd like to purchase?

Yes _____ No _____

IF NO, THEN YOU ARE *NOT* ELIGIBLE FOR THIS PROGRAM.

II. PROPERTY INFORMATION

A. LOCATION

What is the property address?: _____.

B. 1 OR 2 BEDROOM

C. PRIMARY RESIDENCE

Do you intend to make the property to be purchased through this Program your primary residence?

Yes _____ No _____

IF NO, THEN THIS PROPERTY IS NOT ELIGIBLE FOR THIS PROGRAM.

Do you understand that all co-signers and co-mortgagors, if any, must make the property to be purchased through this Program their primary residence?

Yes _____ No _____

IF NO, THEN YOU SHOULD CONSIDER NOT APPLYING TO THIS PROGRAM.

III. REPAYMENT TERMS

A. CITY LOAN

Do you understand that the financial assistance the City is providing is in the form of a deferred loan that is secured by a second trust deed on the property and must be paid back? There is no forgiveness of the City Loan principal unless you reside in the home for 45 years and otherwise comply with all requirements of the Program.

Yes _____ No _____

IF NO, THEN YOU SHOULD CONSIDER NOT APPLYING TO THIS PROGRAM.

Do you understand that if you purchase a home in either of the Glenwood or Vantis Projects using this Program, you will not be able to withdraw equity from the home in the future without first paying off the City Loan and the equity appreciation share?

Yes _____ No _____

IF NO, THEN YOU SHOULD CONSIDER NOT APPLYING TO THIS PROGRAM.

Do you understand that you will not be able to transfer the ownership or title of this home to another person without first paying off the City Loan and the equity appreciation share?

Yes _____ No _____

IF NO, THEN YOU SHOULD CONSIDER NOT APPLYING TO THIS PROGRAM.

Do you understand that up until year 45, if you sell the property, the City is entitled to collect an appreciation share of 25% of the equity in the property in addition to the original principal amount of the City Loan, unless the City Loan is assumed per the Program requirements?

Yes _____ No _____

IF NO, THEN YOU SHOULD CONSIDER NOT APPLYING TO THIS PROGRAM.

Do you understand that the Program provides a loan from the City of only a portion of the purchase price of the property and that you will need to qualify for and receive another loan from a commercial lender for the remaining portion of the purchase price?

Yes _____ No _____

IF NO, THEN YOU SHOULD CONSIDER NOT APPLYING TO THIS PROGRAM.

Do you understand that, if you sell the property before year 45, you will be required to make a mandatory Housing Trust Fund Contribution to the program in the amount of 5% of the Area Median Income

Yes _____ No _____

IF NO, THEN YOU SHOULD CONSIDER NOT APPLYING TO THIS PROGRAM.

IV. PRELIMINARY SELF-QUALIFICATION

If you have completed this pre-application checklist to the best of your ability and have determined that you may be eligible, the next step would be to work with an institutional lender regarding obtaining a First Trust Deed Loan for possible participation in the Program.