



## How do I get Started?

The first step towards home ownership is to call NPBS for more information and an application. Then attend one of their home buyer education classes. The class will explain the entire home buying process step-by-step. Topics include: deciding whether homeownership is right for you, shopping for the home that meets your needs, obtaining a home mortgage, closing the sale, and maintaining your new home. By attending the class you will be able to negotiate the purchase and financing of a home that is right for YOU.



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CITY OF HEMET



HOME BUYER  
ASSISTANCE  
PROGRAM



## GENERAL INFORMATION:

The City of Hemet is committed to increasing the number of residents who own their homes.

The City recognizes that there are many families who want to own a home and can qualify for a mortgage and afford the monthly payments, but are unable to save enough for a down payment or closing costs. The Hemet Home Buyer Assistance Program helps eligible families overcome the barriers of homeownership.

### There is one home buyer assistance program available:

**NSP Loan:** This is only for a select group of homes. Contact NPHS to obtain a list of current homes. The City is participating in a federal Neighborhood Stabilization Program (NSP) and using federal funds to acquire, rehabilitate and resell foreclosed single family homes throughout Hemet. All of the homes on this program are rehabilitated and sold with a warranty to eligible home buyers. All of the homes on this program must be sold with an NSP Loan .

The NSP Loan provides home buyers with a \$5,000 deferred loan to pay for home buyer closing costs/down payment. There are no monthly payments and the loan accrues simple interest at 5% per year for 5 years. If the home is sold within the first 5 years then the loan + accrued interest is repaid. If the home buyer sells the home after the 5 years, then the entire accrued interest is forgiven and only the loan amount is repaid at the time of sale or refinance.

## ELIGIBILITY CRITERIA:

This loan has consistent eligibility criteria.

- The income and assets of all persons age 18 and older who will reside in the home must be included in the calculation to determine income eligibility. All homes must remain owner occupied. Co-signers are not permitted.
- Homebuyers are required to obtain a 30 year, conventional, fixed interest rate first loan for their principal financing.
- The buyer's max. "front-end" ratio (housing expense divided by income) shall be 35% and the buyer's max. "back-end" ratio (debt divided by income) shall be 45%.
- The total monthly payment (principal, interest, taxes, insurance (PITI) and PMI, if applicable) shall not be less than 25% nor more than 35% of the borrower's gross monthly income.
- Combined Loan to Value shall not exceed 102%

- The purchaser cannot have owned a home for the previous three years from the date of the application.
- All buyers, agents and their direct lenders should understand the NSP or City-Wide program guidelines and timelines before entering into an executed purchase agreement (contact NPHS for more information).
- Min. FICO score of 620. Bankruptcy claims must have been discharged at least two years. No current collection accounts or charge off accounts.
- Before the close of escrow, every person on title purchasing the home must provide a certificate of completion for an 8 hour home buyer education class. Attend a class taught by NPHS (A HUD approved homebuyer counseling agency)

<b>INCOME CHART</b> <i>(Published 2011)</i>	
<b>Family Size</b>	<b>Maximum Household Income</b>
1	\$55,080
2	\$62,880
3	\$70,800
4	\$78,600
5	\$84,960
6	\$91,200
7	\$97,560
8	\$103,800

