

The City of Redding Downpayment Assistance Program (DAP) provides loans to low-to moderate-income families who wish to purchase their first home, but are unable to accomplish that goal without assistance.

The DAP loan is a second mortgage that bridges the gap between the borrower's downpayment, the first mortgage, and the home's purchase price. **No monthly payments** are required on the DAP loan.

Key Program Elements

The Home Must:

- Have a final purchase price that does not exceed \$299,250. The purchase price is based on 95% of the median purchase price of a single family home in Redding and is subject to change annually.
- Be located within the Redding city limits.
- Be owner-occupied or vacant at least 90 days at the time an offer to purchase is made.
- Pass an inspection by a professional home inspector.
- Pass a Section I and II termite clearance.

Income Eligibility Requirements

The gross annual household income may not be more than the following:

Family Size	Low	Median	Moderate
1	30,150	37,700	45,200
2	34,450	43,000	51,700
3	38,750	48,400	58,100
4	43,050	53,800	64,600
5	46,500	58,100	69,800
6	49,950	62,400	74,900
7	53,400	66,700	80,100
8	56,850	71,000	85,300

(Effective April 2008)

Actual DAP loan amount is determined based upon the family's household income, downpayment amount, amount of first mortgage, and purchase price of the home.

The Borrower Must:

- Not have owned a home within the last 3 years; or if owned a home, qualify as a displaced homemaker or a single parent.
- Meet income guidelines.
- Meet DAP credit criteria.
- Be able to provide a downpayment equal to 3% of the purchase price of the selected home, plus closing costs. The borrower's downpayment can consist of 1.5% gift funds. The remaining 1.5% must come from the borrower's own assets.
- Meet a 2-year employment standard or have income that will continue in the foreseeable future.
- Meet long-term debt criteria.
- Be able to qualify for a mortgage loan through a lender.
- Not be able to purchase the home with their current assets.
- Use the home as their principal place of residence.

Steps to Home Ownership Under the DAP Program

- 1 Identify assets available for share of downpayment and closing costs.
- 2 Become pre-approved for a primary mortgage through a lender.
- 3 Submit a completed DAP application package for determination of eligibility.
 - **A \$35 non-refundable application fee is due upon submittal of the DAP application.**
- 4 Select a home to purchase that fits within the DAP guidelines.
- 5 Obtain approval for the DAP loan from the City of Redding.
- 6 Complete a home inspection and necessary repairs and a first-time homebuyer class approved by the City of Redding.
- 7 Obtain an appraisal of the home and final loan approval from the primary lender.
- 8 Escrow closes and homeownership is accomplished.