



*OPEN THE DOOR TO YOUR NEW HOME...*

The DAP Plus Program is designed to assist a first-time homebuyer with the purchase of a home within the Parkview and Martin Luther King, Jr. Neighborhoods (see neighborhood boundary maps). DAP Plus provides financial assistance in the form of a “silent” second mortgage loan enabling a qualified buyer to purchase a home at an affordable cost. **NO MONTHLY PAYMENTS** are required on the DAP Plus loan.

**Eligibility**

**Applicant:**

- Be a first time homebuyer (not have owned a home in the last three years).
- Household income must be within guidelines.
- Meet DAP Plus credit criteria.
- Employment for two years in the same line of work or have an ongoing source of income.
- Qualify for a mortgage loan through a lender.
- Provide a downpayment equal to 3% of the purchase price plus closing costs. A minimum of 1.5 % must come from the applicant, the remaining 1.5% downpayment and closing cost can be gifted.
- Use the home as primary residence.
- Not be able to purchase the home with current assets.

**Property:**

- Purchase price cannot exceed \$299,250.
- Located within the Parkview or Martin Luther King, Jr. Neighborhood boundaries as established by the City of Redding (see neighborhood boundary maps).
- Must pass a home inspection, Section I and II termite clearance, and if applicable, a lead-based paint inspection.
- Must be occupied by the seller, or rented by the applicant, or at the time an offer is made, been vacant at least 90 days.

**Repayment of the DAP Plus Loan**

DAP Plus loans are deferred-payment loans that accrue simple interest at 3% per year through the first 2-1/2 years, or 30 months. NO additional interest will accrue after 30 months of occupancy by the DAP Plus borrower. Accrued interest will be forgiven on a monthly basis beginning in the 31<sup>st</sup> month of occupancy through the 60<sup>th</sup> month of occupancy.

The following example is based on a DAP Plus loan of \$60,000 that accrues simple interest at 3%:

**How Interest Accrues:**

12 <sup>th</sup> month	\$ 1,800
24 <sup>th</sup> month	+ 1,800
30 <sup>th</sup> month	+ <u>900</u>
Accrued interest	
30 <sup>th</sup> month	\$ 4,500

**How Interest is Forgiven:**

Interest Accrued	\$4,500
	<u>- 1,800</u>
Balance 42 <sup>nd</sup> month	\$2,700
	<u>- 1,800</u>
Balance 54 <sup>th</sup> month	\$ 900
	<u>- 900</u>
Balance 60 <sup>th</sup> month	0

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Loan principal and any remaining accrued interest will be due and payable upon transfer of title, sale of property, death of the DAP Plus borrower(s), or if the property ceases to be used as the residence of the original eligible DAP Plus borrower(s). The DAP Plus loan is due and payable in 30 years.

## **Additional DAP Plus Program Components**

### **Lease-Option Program**

- The Lease-Option Program provides a commitment of funds by the City of Redding or the Redding Redevelopment Agency for a DAP Plus loan in conjunction with an approved lease-option contract by an applicant who is unable to immediately qualify for the Program.
- An applicant must comply with DAP Plus funding requirements by the end of the lease-option contract.
- The owner of the property must agree to participate in the Lease-Option Program.
- Properties eligible under the Lease-Option Program must be single-family dwellings and be either vacant, or occupied by the seller at least 120 days at the time the lease-option contract is executed, or occupied by the DAP Plus applicant under a standard rental contract.
- Have a purchase price of no more than \$299,250.

### **Credit for Homeowner Improvements**

DAP Plus borrowers who complete specific improvements to their property will be allowed to deduct up to \$3,000 of the cost of improvements from the DAP Plus principal loan amount and accrued interest at the time the loan is to be paid back. Eligible improvements include:

- C Fencing, landscaping and sprinkler systems.
- C Exterior Painting.
- C Paved driveways or off-street parking areas.
- C Additional enclosed parking or storage areas.

### **Home Maintenance Training**

All Program participants will be required to attend a home maintenance training session provided by the City of Redding at close of escrow. The session shall cover routine maintenance of the home, troubleshooting information, and how to complete minor repairs.

## **Maximum Loan Amounts**

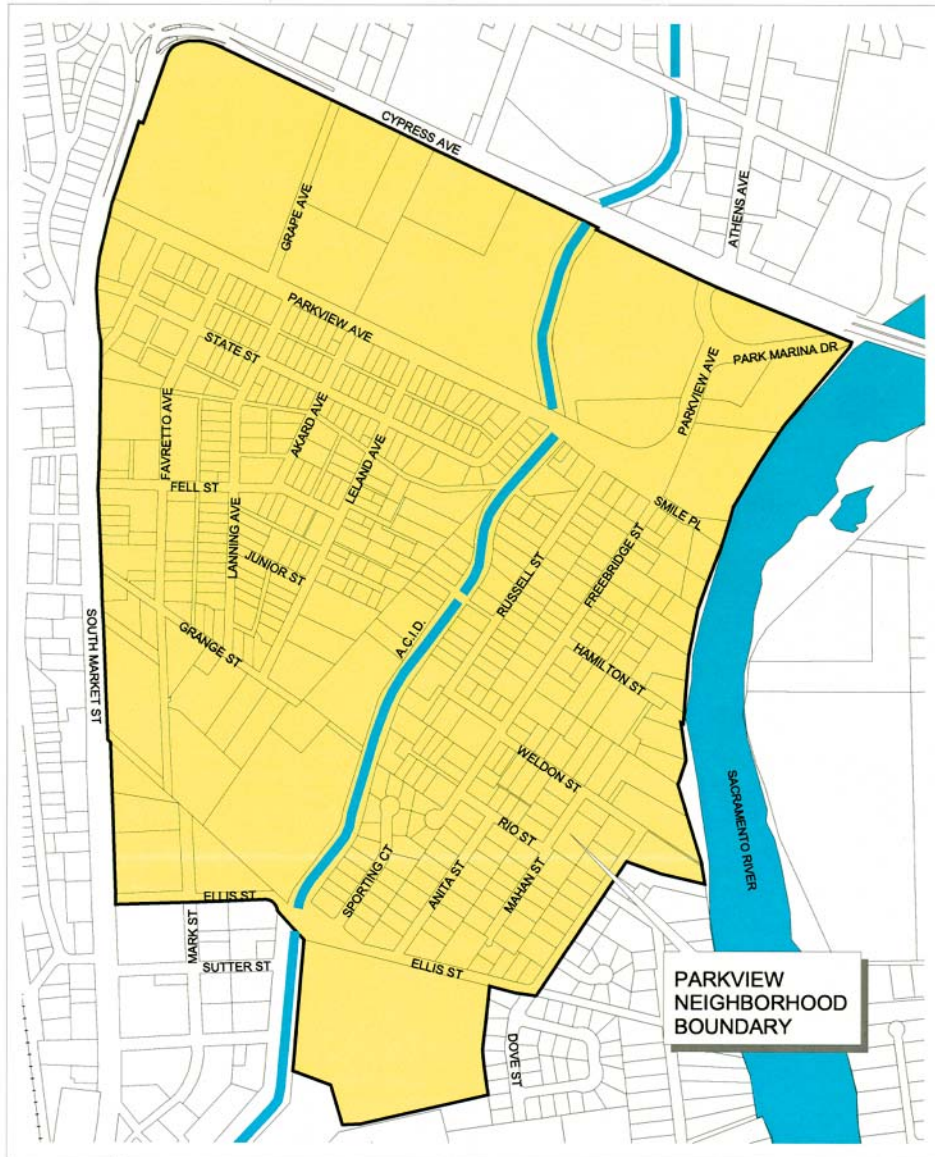
**Low Income** - The maximum loan for a low-income applicant cannot exceed \$60,000 per loan.

**Median Income** - The maximum loan for a median-income applicant cannot exceed \$45,000 per loan.

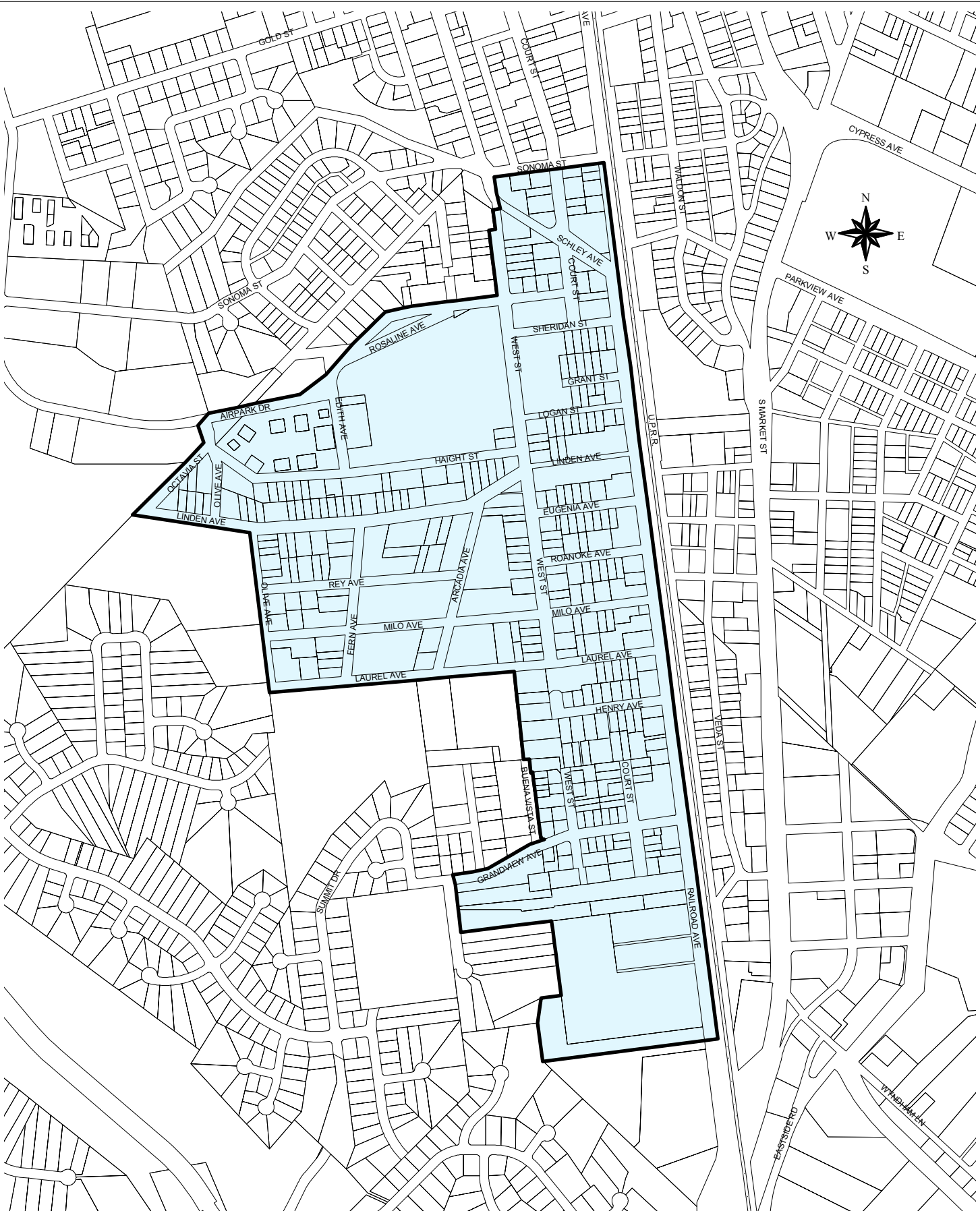
**Moderate Income** - The maximum loan for a moderate-income applicant cannot exceed \$30,000 per loan.

The actual DAP Plus loan amount is based upon the applicant's household income, the down payment amount, the amount of first mortgage, and the purchase price of the home.

For more information about the DAP Plus Program, please contact Scott Badger at **225-4045**.



**LOCATION MAP  
PARKVIEW NEIGHBORHOOD**



MARTIN LUTHER KING JR.  
NEIGHBORHOOD BOUNDARY