

First Time Homebuyer Program (City of Pinole)

The City is committed to making the owning of a home an affordable, reachable reality for low- to moderate-income homebuyers. To learn if you qualify for one of our innovative programs, please review the eligibility criteria below and then contact one of the Participating Lenders.

Program Details

The Pinole Redevelopment Agency has designed a program to provide zero interest second mortgages to income eligible households to assist with the purchase of a home.

- **Maximum Loan \$50,000** After obtaining the maximum first mortgage your income will support, the Agency will provide up to \$50,000 to help bridge the gap between the amount of your first loan and the purchase price of the home. The Agency loan is secured by a second Deed of Trust on the property.
- **Zero Interest - Deferred Payment Loans** are zero interest and repayment of the loan is deferred until the sale or transfer of the home, refinance or payoff of the first mortgage, or recordation of a third mortgage.
- **Shared Appreciation** The Agency loan carries shared appreciation upon repayment. In general, appreciation is the difference between the original purchase price of your home and the price of your home when you sell it. When you pay off your loan, the Agency will share in the appreciated amount of your home. The City's share will be equal to the percent that the City's loan was in relation to the original purchase price. For example, if the Agency loan was equal to 10% of the original purchase price, when the loan is repaid, 10% of the appreciated amount is owed as the shared appreciation.

SHARED APPRECIATION EXAMPLE	
Original Purchase Price	\$300,000
Agency Loan (17%)	\$50,000
Selling Price	\$400,000
Appreciation Amount	\$100,000
Shared Appreciation Owed (17% of \$100,000 Appreciation)	\$17,000
Total Owed to Agency	\$67,000

- **Application Process** To qualify for this program, borrowers must apply for a first mortgage and this program with a Participating Lender. Participating Lenders will explain the application and will determine eligible borrowers. Applicants are required to attend a free home buying seminar sponsored by the Participating Lender. Loans will be available on a first come (qualify) - first serve (fund) basis.
- **Companion Programs** Approved borrowers are eligible to participate in the City of Pinole Residential Rehabilitation Program. This program provides grants and low interest loans to income eligible households within target neighborhoods for interior and exterior repairs.

Eligibility Criteria

1. **First Time Home Buyer:** You cannot have held ownership interest in a home in the last three years.

2. **Owner Occupied:** The home must be your principal place of residence and cannot be leased or rented during the term of the Agency loan.
3. **Target Areas:** The home must be located within one of the one of the Eligible Locations.
4. **Buyer Requirements:** Borrowers must be able to pay a minimum of 3% of their own funds toward the purchase and must retain funds for reserves as required by a Participating Lender. Borrowers must apply for and be able to qualify for the maximum first mortgage possible through one of the Participating Lenders.
5. **Maximum Income:** The household maximum qualifying incomes are revised annually and are as follows:

MAXIMUM ANNUAL GROSS INCOME	
Household Size	Annual Gross Income
1	\$70,400
2	\$80,500
3	\$90,500
4	\$100,600
5	\$108,600
6	\$116,700
7	\$124,700
8	\$132,800

Frequently Asked Questions

- **How do I apply?**
To apply for one of the programs you need to contact a participating lender and request an application for a first mortgage loan. The lender will determine your eligibility for the City of Pinole First Time Home Buyer Program.
- **Do I find a home before I apply for a loan?**
It is best to get pre-qualified by a lender before you look for a home. Having loan approval will save you time by allowing you to look for homes that you know you are qualified to purchase.
- **How long does it take to get qualified for a loan?**
The process takes from 7 to 30 days depending on the amount of documentation the lender needs to verify income and debts of the borrower.
- **Do I qualify for the program if I have bad credit?**
If you pass the credit standards of the first mortgage lender you will qualify for the Pinole programs.
- **Is the City of Pinole program a grant or a loan?**
Our programs are loans not grants. You do not make a monthly payment but you will have to pay us back when you transfer ownership, refinance the loan, or no longer use the home as your principal residence.
- **What if I stay in the home until my first mortgage is paid – up to 30 years?**
Our loan will be due when you pay off your first mortgage.
- **Do you have a list of homes that are for sale?**
We do not keep listings of homes for sale through our office. Pinole has very few new construction

projects and usually the new homes are out of the price range for first time home buyers. Most of the homes purchased through our program are for sale through the existing owner or through a realtor. You can contact a local Real Estate Agent to obtain a current listing of properties in your price range.

- **Will a condominium or townhouse qualify for the program?**
Yes, condominiums and townhouses do qualify for the program. In the real estate market today they are the “starter home” of choice for many home buyers because they are generally smaller and less expensive than conventional single family houses.
- **Where do I sign up for a First Time Home Buyer seminar?**
Each of the participating lenders has a program for first time home buyers. Contact a lender for the dates and times they offer.
- **Can I use this program for a home outside Pinole?**
Our programs are only for homes in the target areas in the City of Pinole. Many of the cities in the surrounding areas have home ownership programs. Each city has different programs. If you are interested in other areas, you will need to contact the Housing Department in that city for information on their programs.

Participating Lenders

- Mechanics Bank
- U.S. Financial
- Viking Mortgage

For More Information

To receive more information about the Residential Rehabilitation Program or other programs offered by the City of Pinole Redevelopment Agency contact:

Development Services Department - Housing
2131 Pear Street
Pinole, Ca 94564
(510) 724-9014

or send us an email at housing@ci.pinole.ca.us.