



City of Lathrop

GAP Loan Program

Down payment Assistance Program

For Home Purchases Beginning

July 1, 2011

✓ WHAT IS THE GAP LOAN PROGRAM?

The City of Lathrop GAP Loan Program provides deferred down payment assistance loans, 10% of the sales price up to \$15,000 (whichever is the lesser), to low income, first-time homebuyers for the purchase of homes in the City of Lathrop. The loans are intended to bridge the gap between the cost of a home and what a low-income household can afford.

✓ WHAT ARE THE QUALIFICATION REQUIREMENTS?

- ! You may not have owned a home during the past three (3) years;
- ! You must obtain a certificate from a first time homebuyers class;

COUNTY-APPROVED HOMEBUYER'S CLASS	CONTACT NUMBER
NID – HCA	(209) 952-8806
Neighbor Works	(209) 473-4363
Visionary Home Builders of California	(209) 466-6811
S.T.A.N.D. Affordable Housing Program	(209) 937-7625

- ! Your house payment cannot be greater than 38% of your gross monthly income;
- ! Your total debt cannot be greater than 41% of your gross monthly income;
- ! You must have income and credit worthiness to qualify for primary financing, from a lender of your choice;
- ! You must qualify for a 30 year, fixed rate loan (No co-signers accepted); and
- ! You must currently either reside or work in the City of Lathrop for a minimum of twelve months prior to application.

✓ ELIGIBLE PROPERTIES

- ! Home must be built in 1978 or later or you must provide a certificate complying with HUD lead based paint standards;
- ! Home must pass a HUD Section 8 standard inspection. (This is conducted by a County inspector at no charge);
- ! Property must have front yard landscaping;
- ! Properties that are tenant-occupied as of the date of purchase offer are not eligible; and
- ! The maximum allowable cost of a home is \$488,750.

HOUSEHOLD

Family Size	Maximum Income
1	\$ 36,650
2	41,850
3	47,100
4	52,300
5	56,480
6	60,700

✓ **SPECIFICS ABOUT THE COUNTY LOAN**

- ! Secured by a second deed of trust;
- ! Down payment assistance is 10% of the sales price up to \$15,000;
- ! Payments may be deferred over a 30-year period at 2% interest;
- ! Loans are processed on a first come, first served basis;
- ! Purchased home must be located in the Lathrop city limits;
- ! The buyer must occupy the home as their principal residence; and
- ! Once the home is purchased, there are no further income restrictions.

✓ **HOW TO PROCEED**

The City of Lathrop's Program is administered through the San Joaquin County Neighborhood Preservation office. Contact them at (209) 468-3175 or (209) 468-3157 to apply, after you have been pre-qualified by a lender for a primary loan.

To begin the pre-qualification process, please provide the following documents:

1. Two (2) months pay stubs for each applicant as well as any other income.
2. Six (6) months most-recent bank statements.
3. Three (3) years tax returns and W-2's.
4. Lender approval letter.
5. Lender loan application (Form 1003).
6. Credit report.

Additional documentation will be required from the borrower and the first mortgage lender. See Lathrop GAP Handout and Lender Information for more details @ www.sjgov.org/commdev.

