



City of San José Department of Housing Modern Ice Homebuyer Program

The Program

The Homebuyer Program at Modern Ice offers a City downpayment assistance loan for designated units (contact the builder for details). Funds from a private lender, other programs, and the household are used to finance the remainder of the purchase price.

Plan #:	BEGIN Loan	Maximum Sales Price
Contact builder	up to 20% of the sale price	100% of the Average Area purchase price, current set at \$675,000

The BEGIN (Building Equity and Growth in Neighborhoods) Loan is funded by Proposition 1C funds. Prop 1C, commonly known as The Housing & Emergency Shelter Trust Fund Act of 2006, was approved by California voters in November of 2006. The total amount of funding available for Modern Ice is \$1.55 Million for 27 borrowers.

Borrower Eligibility

- The household income cannot be greater than the amount shown below. Household income is the income received from all household members, including adult children and non-applicant spouses.

<i>Household Size</i>	<i>Maximum Qualifying Income</i>
1	\$ 87,000
2	99,450
3	111,850
4	124,300
5	134,250

- There is a minimum housing cost ratio of 28% of income. Buyers combining two or more City assistance programs must have a minimum housing cost ratio of 35%.
- The borrower and any co-borrower(s) cannot have owned a home as a principal residence for the past three years. An exception is allowed for a “displaced homemaker” or a single parent who, while married, owned a home with his or her spouse.
- The total amount financed cannot exceed 100% (including any upfront PMI) of the sales price. Therefore, the City funds can only be used for downpayment assistance. The use of City funds for closing costs, buydowns, or prepaids are not eligible (max CLTV 100%).
- Normally, the borrower, other household member(s), and any other co-borrower(s) must have a minimum 620 credit score. Also, the maximum housing cost-to-income ratio is 43%, and the maximum total debt-to-income ratio is 48%.
- The buyer(s) must complete a HUD-approved 8-hour homebuyer education class. The City recommends potential buyer(s) to complete the course offered through Project Sentinel, call (408) 720.9888 to sign-up (\$25 per person cost). Additional HUD-approved 8-hour classes are offer through Neighborhood Housing Services Silicon Valley (San Jose), Unity Council (Oakland), and Asian Inc. (San Francisco).

