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'Equity share' loans of up to \$75K offered to Silicon Valley homebuyers

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The nonprofit Housing Trust of Santa Clara County is teaming up with American Home Equity Partners to offer a new down-payment-assistance program for buyers in Silicon Valley's expensive real estate market.

Under the "equity share co-investment," or ESCO program, The Housing Trust will advance as much as \$75,000 to first-time home buyers who make up to 140 percent of the region's area median income, or about \$147,700 a year for a family of four. The money will be used to match a buyer's 5 percent to 15 percent down payment.

No payments on the ESCO loan will be due for 10 years, or until the home is sold or the borrowers refinance. At that time, borrowers must repay the loan at a rate tied to how much the home has gained in value.

"The ESCO program brings a new focus and product offering to our first-time homebuyer programs," Housing Trust executive director Kevin Zwick said in a statement Wednesday. "We believe that with ESCO, many aspiring homeowners who were previously shut out of the market in Santa Clara County can find a way in."

Jessica Garcia-Kohl, the trust's associate director,

said in a phone interview that up to \$1 million of help will be offered a first, but more money could be added in the future if the program is successful.

Bank of America and Citibank have been approved as first-mortgage lenders in the program. The Housing Trust is working to include more lenders.

Information about the equity-share program may be found at www.ahepllc.com/esco. Information about The Housing Trust may be found at www.housingtrustscc.org.

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