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## Housing Trust offers help to first-time homebuyers

By Rose Meily, for Silicon Valley Community Newspapers

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Earlier this month, Dan Lachman, program manager of the Housing Trust of Santa Clara County, asked members of the Silicon Valley Association of Realtors to inform their clients that his organization can provide financial assistance to first-time homebuyers.

Lachman said the Housing Trust offers three main financial assistance programs for first-time homebuyers--closing cost assistance, mortgage assistance and equity share co-investment.

Under the first program, the Housing Trust will provide up to \$6,500 to help pay for closing costs and other transaction expenses associated with purchasing a first home. This program provides a deferred loan of 3 percent of the purchase price up to \$15,000 for down payment and/or closing costs. The loan is not repaid until the house is sold or the owner refinances. No interest or principal payments are due during the term of the loan.

The second program provides a second mortgage of up to \$35,000 available to first-time homebuyers in Santa Clara County. The Housing Trust mortgage assistance loan is a conventional second mortgage, with interest and principal payments due monthly and compatible with most banks and credit unions. It is a 30-year amortizing loan with the interest rate at 1.5 percent above the rate of the first loan.

To qualify for these programs, the income of a single-member household cannot exceed \$86,950, or household income for a four-member household cannot exceed

\$124,200.

Under the "equity share co-investment" or ESCO program, the Housing Trust will advance as much as \$75,000 to first-time homebuyers. The money will be used to match a buyer's down payment. Payments on the ESCO loan will not be due until 15 years later, or until the house is sold or the borrower refinances. The borrower repays the loan based on the appreciation of the home in equal proportions to the amount of the original down payments. To qualify for the program, the income of a single-member household cannot exceed \$103,390, or the household income of a four-member household cannot exceed \$147,700.

Lachman said that since 2001, the Housing Trust has provided 2,100 down payment assistance loans. He urged Realtors to consider the loans for their clients. Lachman noted that the Housing Trust's definition of first-time homebuyer is different from the state or federal government's. A person who has not owned a home in Santa Clara County during the last three years is considered a first-time homebuyer by the Housing Trust and may apply for assistance, according to Lachman.

The Housing Trust also offers assistance through the Purchase Assistance Loan program. Funded by the San Jose Consortium's Neighborhood Stabilization Program, PAL offers a deferred second loan of up to \$50,000 to help with the purchase of foreclosed and abandoned homes and those at risk of foreclosure in designated census tracts in San Jose. PAL is a 30-year loan with an interest of 3 percent. Interest payments are deferred until the expiration of the term, sale of the home or refinance

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of the first mortgage. Lachman said you do not have to be a first-time homebuyer to qualify for PAL.

For more details about PAL and other financial assistance programs offered by the Housing Trust of Santa Clara County, visit [www.housingtrustcc.org](http://www.housingtrustcc.org).

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