



CITY OF SAN ANTONIO
**NEIGHBORHOOD & HOUSING
SERVICES DEPARTMENT**

HOUSING PROGRAM GUIDE

FIRST RESPONDERS HOMEBUYER ASSISTANCE PROGRAM (FR HAP)

JULY 2017



Introduction

The City of San Antonio (COSA) Neighborhood & Housing Services Department (NHSD) administers the First Responders Homebuyer Assistance Program (FRHAP) available to eligible COSA fire and police employees and homebuyers in the San Antonio city limits to incentivize first responders to live in the neighborhoods they protect; recruit new employees; and encourage urban revitalization and infill development.

Assistance is provided in the form of a 0% interest, no payment, 5-year forgivable loan. Each year, one fifth (1/5) of the principal loan balance will be forgiven. No payment from the homebuyer is required.

Loan funds are subject to availability.

Policy clarifications or general questions should be addressed to NHSD and the Housing Loan Coordinator at (210) 207-6459

Who Qualifies for Assistance?

To be eligible for participation in the First Responders Homebuyer Assistance Program, homebuyers must meet all the following criteria:

1. Full-time City of San Antonio sworn SAPD police or sworn SAFT fire employees and cadets
2. Homebuyers wishing to purchase a home inside the city limits of San Antonio or relocate to San Antonio if currently living outside the city limits or CRAG area
3. Current homeowners within the city limits who will sell their current home and purchase a new primary residence within the city limits or CRAG area.
4. Homebuyers must be creditworthy and meet mortgage loan qualification guidelines required by most mortgage loan lenders.
5. Must be a U.S. Citizen, Permanent Resident Alien or Temporary Resident Alien with permission to work in the U.S.
6. Homebuyer must complete a Homebuyer Education Course provided by the Neighborhood & Housing Serviced Department.
7. Homebuyer must submit all required documentation allowing NHSD staff to make a loan determination.

What Type of Home Qualifies?

1. The home to be purchased must be located within the city limits of San Antonio.
2. Vacant lots, Single-Family units (existing or new construction) or Condominium only.

Terms of Assistance

1. Homebuyers must occupy the home as their primary residence and declare the property as their homestead.
2. Homebuyer must make a minimum \$500 non-refundable deposit on the home purchase. This must be stipulated on the purchase contract and on the final Closing Disclosure.
3. Homebuyers must qualify for an FHA, VA or Conventional mortgage loan from a private mortgage lender. Owner finance or “rent-to-own” schemes are not eligible for this program.
4. Homes located inside the boundaries of the City of San Antonio, but outside the Community Revitalization Action Group (CRAG) area will receive a flat loan amount of \$7,500. A public CRAG map is available.
5. Homes located inside the boundaries of the City of San Antonio, and inside the Community Revitalization Action Group (CRAG) area will receive a flat loan amount of \$15,000. A public CRAG map is available.
6. Loan will be 0% interest, forgiven over 5 year period. One fifth ($\frac{1}{5}$) of the loan will be forgiven on an annual basis if the homebuyer remains a full-time employee of the City of San Antonio. In the event the homebuyer terminates their employment prior to the five year period COSA will only forgive the portion of the loan that is eligible for forgiveness and the balance will be due.
7. The homebuyer may initiate payback by making arrangements with COSA.
8. First lien mortgage must be fixed interest rate and cannot exceed 2% of prime rate.
9. Funds for this program are limited, unreserved & available on a first-come-first-served basis.

General Loan File Processing

Upon receipt of a “credit approved” packet from a mortgage lender, NHSD begins processing the request for assistance. Files are processed on a first-come first-served basis. The following describes the general processing steps:

1. Lender’s loan file is received and logged in.
2. If loan funds are available, the file will be assigned to a NHSD Loan Officer.
3. Packet is reviewed to ensure completeness, accuracy and eligibility.
4. NHSD Loan Officer will qualify both the homebuyer and subject property based on published guidelines and will underwrite the loan to assign the appropriate loan amount.
5. NHSD Loan Officer will conditionally approve the loan, and provide the lender with a Loan Commitment Letter.
6. After lender’s approval of 2nd lien loan, NHSD will request a funds check made payable to the title company and supply that check directly to the COSA employee to be used at the transaction closing.
7. Once the loan has closed and funded, NHSD Loan Officer will complete the loan file and retain it for record retention.

Neighborhood & Housing Services Department
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