



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

HOUSING PROGRAM GUIDE

HOMEOWNERSHIP PROGRAM FOR EMPLOYEES
(HOPE)

MARCH 2018



Introduction

The City of San Antonio's (COSA) Neighborhood & Housing Services Department (NHSD) administers the Homeownership Program for Employees (HOPE) available to eligible COSA employees who are first-time homebuyers to expand the supply of decent, safe, and sanitary housing for City of San Antonio full-time employees.

COSA employees must qualify for an FHA 203B, VA or Conventional loan to finance the purchase of an existing or newly constructed home in the **Inner City Reinvestment/Infill Policy (ICRIP)** area or the **Community Revitalization Action Group (CRAG)** area. However, some of these homebuyers face obstacles to saving the funds needed for the down payment and closing costs that are required from mortgage lenders.

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.

Loans 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 Homeownership Program for Employees (HOPE), homebuyers must meet all the following criteria:

1. City of San Antonio full-time civilian employees who are first-time homebuyers.
2. Must be a homebuyer wishing to purchase a home inside the city limits of San Antonio.
3. Must be a U.S. Citizen, Permanent Resident Alien or Temporary Resident Alien with permission to work in the U.S.
4. Homebuyer must complete a Homebuyer Education Course provided by the Neighborhood & Housing Serviced Department.
5. Homebuyer may not have had a Chapter 7 Bankruptcy in the 5 years prior to seeking HOPE assistance, or a Chapter 13 Bankruptcy in the prior 2 years.
6. Homebuyer must submit all required documentation allowing NHSD staff to make a loan determination.
7. Funds for this program are limited, unreserved & available on a first-come-first-served basis.

What Type of Home Qualifies?

1. The home to be purchased must be located within the city limits of San Antonio and located in either the **Inner City Reinvestment/Infill Policy target (ICRIP)** area or the **Community Revitalization Action Group (CRAG)** area. Visit the COSA's official website for a geographic map of the ICRIP and CRAG areas. The CCDO maintains the ICRIP and CRAG information www.sanantonio.gov/NHSD.
2. The home cannot be located in a Federal Emergency Management Agency (FEMA) flood zone.
3. Single-Family units (existing or new construction) or Condominium only.
4. A newly constructed unit is a property, which received a Certificate of Occupancy within a one-year period prior to the commitment of HOPE funds. Newly constructed properties must meet

the Model Energy Code and certification must be submitted to NHSD by the builder or the lender before closing. New construction must also meet COSA universal design ordinance.

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 earnest money deposit. This earnest money deposit must be stipulated on the purchase contract and on the Closing Disclosure (CD). The \$500 earnest money deposit cannot be refunded at closing and must be listed on the CD.
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 COSA, and inside the **Community Revitalization Action Group (CRAG)** zone will receive a flat loan amount of \$10,000.
5. Homes located inside the boundaries of COSA, and inside the **Inner City Reinvestment /Infill Policy (ICRIP)** zone will receive a flat loan amount of \$5,000.
6. Loan will be 0% interest, forgiven over a 5 year period. As the employee completes each year of employment, the loan will be reduced by one fifth (1/5). If the employee separates from COSA before the loan is completely forgiven, the employee must repay the balance to COSA.
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.
10. Funds received are considered income and appropriate federal withholding tax will be applied.

General Loan 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 approve the loan, and provide the lender with a Loan Commitment Letter and will generate a funds check and supply that check directly to the COSA employee to be used at the transaction closing.
6. Once loan has funded, the NHSD Loan Officer will complete the loan file and retain the loan documents.

Neighborhood & Housing Services Department
1400 S. Flores, San Antonio, Texas 78204
(210) 207-6459 www.sanantonio.gov/NHSD