



# NEIGHBORHOOD & HOUSING SERVICES DEPARTMENT

## Homebuyer Assistance for City Employees

### *General Information for HOPE and FRHAP*

#### **Introduction**

The First Responder Housing Assistance Program (FRHAP) and the Homeownership Program For Employees (HOPE), offers home-buying assistance to full-time City of San Antonio civilian employees, SAPD employees (Uniformed and Cadets), and SAFD employees (Uniformed and Cadets). These programs provide assistance by providing a second loan at 0% interest. The second loan can be used for any combination of the down-payment required by your lender and some of the additional costs associated with purchasing a home.

**Grant funds are subject to availability.**

#### **How much assistance can homebuyers get?**

- ❖ Homes located inside the boundaries of the City of San Antonio, but outside the Community Revitalization Action Group (CRAG) area will receive assistance up to \$20,000.00.
- ❖ Homes located inside the boundaries of the City of San Antonio, and inside the Community Revitalization Action Group (CRAG) area will receive assistance up to \$40,000. A public CRAG map is available.

#### **How do I start the process?**

Homebuyers must qualify for an FHA 203B, VA, or Conventional mortgage loan from a First mortgage lender. Owner finance or “rent-to-own” transactions are not eligible for this program. Homebuyers must be creditworthy and meet mortgage loan qualification guidelines; required by most mortgage loan lenders. Once a purchase contract has been accepted, you will need the contract forwarded to the Housing loan coordinators with NHSD at [downpaymentassistance@sanantonio.gov](mailto:downpaymentassistance@sanantonio.gov).

#### **What Type of Home Qualifies?**

- ❖ The home to be purchased must be located within the city limits of San Antonio.
- ❖ Town Homes, and Condominiums.

- ❖ Single-Family units (existing or new construction); A newly constructed unit needs to meet City of San Antonio’s universal design ordinance, and a Certificate of Occupancy must be provided.

## Program Eligibility Requirements

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

- HOPE recipients must be a full-time City of San Antonio civilian employee and a FRHAP recipient must be a SAPD employee (Uniformed & Cadet) or a SAFD employees (Uniformed or Cadet).
- **FRAHP only** - Home-buyer wishing to purchase a home inside the city limits of San Antonio or relocate to San Antonio if currently living outside the city limits. Must be their primary residence. (This does not apply to HOPE)
- Must be a U.S. Citizen, Permanent Resident Alien
- Must be a first-time home-buyer or has not owned a property in the last 3 years from the date of request.

## Lender Underwriting Requirements

- Homebuyer may not have had a Chapter 7 Bankruptcy in the 5 years prior to seeking homebuyer assistance, or a Chapter 13 Bankruptcy in the prior 2 years.
- Homebuyer must be creditworthy and meet mortgage loan qualification guidelines required by most mortgage loan lenders.
- Homebuyer must complete an eight-hour HUD approved Homebuyer Education Course (visit [Down Payment Assistance Programs \(sanantonio.gov\)](https://www.sanantonio.gov) for a list)
- Every property is required to have at least 80% home replacement value coverage of insurance as well as flood insurance coverage if property is within the FEMA flood zone.
- First lien mortgage must be fixed interest rate and cannot exceed 2% of prime rate.
- This program does not set a limit for income and/or qualifying ratios.
- This program does not set a limit on the home purchase price.
- 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.

## Terms of Assistance

- Homebuyers must qualify for an FHA (203B) , VA, or Conventional mortgage loan from a private mortgage lender. Owner finance, or “rent-to-own” transactions are not eligible for this program.
- First lien mortgage must be fixed interest rate and cannot exceed 2% of prime rate.
- Homes located **inside the boundaries of the City of San Antonio**, but outside the Community Revitalization Action Group (CRAG) area will receive an amount up to **\$20,000.00**.

- Homes located inside the boundaries of the City of San Antonio, and inside the **Community Revitalization Action Group (CRAG)** area will receive an amount up to **\$40,000**. A public CRAG map is available.
- This program offers a 10-year forgivable loan, which will have 0% interest and no payment throughout the term of assistance. After each full year of employment past the date of assistance, one tenth (1/10) of the principal loan balance will be forgiven. No payment from the home-buyer is required.
- In the event the home-buyer terminates their employment with the City of San Antonio prior to the 10-year period COSA will only forgive the portion of the loan that is eligible for forgiveness and the remaining balance will be due.
- Funds received are considered income and appropriate federal withholding tax will be applied.

### **General Loan File Processing**

Files are processed on a first-come and first-served basis. The following describes the general processing steps:

- Once the contract has been received, the file will be assigned to a Housing Loan Coordinator to determine if the homebuyer and subject property are eligible.
- The Housing loan coordinator will determine the amount of assistance and send communication to the lender along with the checklist.
- There are two loan submission packages that should be received. The 1<sup>st</sup> package should be received within 7-10 business days, and the 2<sup>nd</sup> package should be received within 10-14 business days.
- NHSD Loan Coordinator will provide the lender with a Loan Commitment Letter once the complete file has been received. The funds check will then be requested (5-7 business day process). The funds check will be made payable to the title company.
- The CoSA employee will set the appointment with NHSD loan coordinator to sign legal documents and pick up the funds check.
- Once the loan has closed and funded, NHSD Loan coordinator will complete the loan file and retain it for record retention.

Neighborhood & Housing Services Department (NHSD)  
 City Tower, 100 W Houston, San Antonio, Texas 78205  
[downpaymentassistance@sanantonio.gov](mailto:downpaymentassistance@sanantonio.gov)/ [www.sanantonio.gov/NHSD](http://www.sanantonio.gov/NHSD)