

First-Time Homebuyers

“We’re About People”



Created in 1990, the San Diego Housing Commission’s (SDHC) First-Time Homebuyer federal loan program has helped nearly 5,000 San Diegans purchase their first home.

- Under the program, SDHC offers deferred loans, closing cost assistance grants, and mortgage credit certificates to help low and moderate-income residents become first-time homebuyers.
- Participants must buy a home in communities with postal ZIP codes that begin with 921, and there are limits on annual household income and the purchase price of a home.

In 2009, a special First-Time Homebuyer program was launched after SDHC received a \$9.4 million federal grant under the U.S. Department of Housing & Urban Development’s (HUD) Neighborhood Stabilization Program (NSP).

- The federal grant helped 58 families purchase their first homes, and also converted a failed condominium project into a 31-unit affordable housing project. “City Scene” is expected to be completed by March 2012.
- Within 14 months of receiving the grant, SDHC had allocated more than \$9 million of the federal funds. Among the 29 regional housing authorities awarded NSP funds, SDHC was ranked among the top for using the funds in a timely and efficient manner.

Homeowner

“Thank you for making my dreams come true,” says Sheila.



After being a renter for 25 years, Sheila was able to buy a house that had fallen into foreclosure, renovate it, and move in with her teenage son.

Homebuyer Assistance Programs

Shared Appreciation Loan

- Buyers earning no more than 80 percent of the San Diego Area Median Income (AMI) may qualify for a “shared appreciation” loan of up to 17 percent of the purchase price.
- No payments are required for 30 years, unless the owner sells or refinances the home, at which time the principal plus a share of the net equity must be repaid.
- To qualify, the buyer must obtain a fixed-rate first trust deed loan, have adequate income, a good credit rating, and provide a minimum down payment of three percent.

Grant for Closing Costs

- Buyers earning no more than 80 percent of the AMI are eligible for up to \$15,000 or four percent of the purchase price, whichever is less.
- Buyers earning up to 100 percent of the AMI are eligible for up to \$10,000 or four percent of the purchase price, whichever is less.
- Grants must be repaid if the home is sold, refinanced or no longer owner-occupied within the first six years, after which they are forgiven.

Mortgage Credit Certificate

- Qualified homebuyers with income not exceeding 140 percent of AMI may claim a federal income tax credit.
- A tax credit of either 15 or 20 percent of the annual interest paid on their mortgage can be claimed as long as the buyer lives in the home.
- The reduced tax burden helps the buyer qualify for a mortgage because it boosts net earnings.
- Buyers may have to repay the tax if they sell the home within the first nine years.

Visit our Web site for more information - www.sdhc.org