

# City of Vallejo Mortgage Assistance Program

## HOME/CDBG Mortgage Assistance Guidelines

Gap lending is available for the purchase of properties located *within the city limits of Vallejo*.

- Maximum loan of 20% of the sale price (up to \$40,000) for households at or below 80% of Area Median Income (*see qualification chart below*).
- Borrower must put a minimum of 1.5% of their own money down and have remaining liquid assets of no more than \$25,000.
- Borrowers *debt-to-income ratio* must be no higher than 38%.
- Loans are amortized over a 30 year period.
- In addition, a grant of up to 3% of the sales price for non-recurring closing costs is available in tandem with the loan.
- The City of Vallejo will forgive 5% of the existing principal balance every six (6) years with a maximum forgiveness of 30% of the original loan amount to households below 60% of the median income (*see qualification chart below*).

If the house was built prior to January 1, 1978, a lead based paint inspection will be required. If the inspection shows that there is lead based paint that has been disturbed, it must be encapsulated and a clearance report must be submitted.

***Borrower(s) must complete a Homebuyer Education class conducted by a HUD Certified Counseling Agency***

SOLANO COUNTY ANNUAL AREA MEDIAN INCOME FOR 2016:

Number in Household	1	2	3	4	5	6	7	8
60%	\$32,640	\$37,260	\$41,940	\$46,560	\$50,340	\$54,060	\$57,780	\$61,500
80%	\$43,500	\$49,700	\$55,900	\$62,100	\$67,100	\$72,050	\$77,050	\$82,000

CDBG/HOME Funds provided by the City of Vallejo

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