



# City of El Cajon

Department of Redevelopment and Housing  
200 Civic Center Way, El Cajon, CA 92020

## *Program Bulletin*

August 10, 2009

To: All Participating Lenders

Program Bulletin #2009-01

Programs Affected: As specified

Effective Date: August 15, 2009

### PROGRAM CHANGES AND UPDATES

This bulletin is provided to serve notice to Participating Lenders of new changes related to the specified First-Time Homebuyer Program Manual and/or related documents. Please retain all bulletins in the front of the existing manual for your reference. All other existing terms and requirements of the City/Agency FTHB programs, which are not superceded by these changes, will remain in force. All Manuals, documents, forms and bulletins are now available on the City of El Cajon web site at [www.ci.el-cajon.ca.us](http://www.ci.el-cajon.ca.us).

#### ALL PROGRAMS:

**Voluntary Acquisition Notice:** in an effort to comply with the Federal Uniform Relocation Act ("URA") and the California Relocation Assistance and Real Property Acquisitions Guidelines ("Guidelines"), the Voluntary Acquisition Notice **must:**

1. Be completed and submitted to the Seller/Owner or their Agent prior to **or** at the time an offer to purchase real property is made whenever the City or Agency First-Time Homebuyer Program(s) are anticipated to be utilized.
2. Verification of delivery to the Owner/Seller or their Agent of the Voluntary Acquisition notice must be provided to the City with Purchase Offer.

**Eligible Properties:** is currently defined as follows:

**Current language:**

"(t)he assisted property must be owner-occupied or vacant at execution of the purchase contract".

**Amended language is as follows:**

"(t)he assisted property must be owner-occupied or vacant **at the earlier of:** submission of a verbal or written offer to purchase or submission of an application to the City for first-time homebuyer assistance."

**Credit:** The credit history of all persons taking title and all non-purchasing spouses credit must meet the following: a 3-merge credit report is required; minimum FICO score of 650; a bankruptcy must be discharged for a minimum of 4-years; short-sales or foreclosures must be discharged for a minimum of 5-years; judgments, collections, involuntary liens must be paid in full; no delinquencies in the past 24 months and no accounts can be currently past due; and limited or no credit will require a non-traditional or alternative credit report.

**Interested Party Contributions:** all contributions made by an interested party are allowed for the payment of closing costs, prepaids or property upgrades shall not exceed 3% where the CLTV exceeds 90%, or 6% where the CLTV is between 75.01% to 90% of the purchase price or appraised value, whichever is less. Upgrades shall be completed prior to close of escrow or placed in an escrow account pending completion with all excess proceeds applied as a principal reduction payment to the 1<sup>st</sup> mortgage balance. Contributions/concessions cannot be for the payment of debt, reserves, or down payment. Seller/builder concessions for use of a preferred lender are allowed but cannot result in an increase in sales price if the preferred lender is not used.

**Prior City or Agency Assistance:** if a household member applying for First-Time Homebuyer Assistance has previously been assisted by the City or Agency and if City or Agency funds were lost due to a short-sale, default or foreclosure, that household will not be eligible for assistance under the First Time Homebuyer Program.

Questions or comments regarding the above-mentioned changes can be relayed to Jenny Ficacci at the City at (619) 441-1768 or by email at [jficacci@ci.el-cajon.ca.us](mailto:jficacci@ci.el-cajon.ca.us).

Reviewed and approved by:	<u>DAVID D. COOKSY</u>
Date:	<u>August 15, 2009</u>