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GSFA PLATINUM[®] DOWN PAYMENT ASSISTANCE

05/08/2017

Sponsored by Golden State Finance Authority (GSFA), a duly constituted public entity and agency in California, established in 1993

GSFA's Commitment to Responsible Homeownership

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⦿ Providing Homeownership Programs for **24** Years:

- Public entity and agency in California
- Organized in 1993
- Mission: Provide a source of financing for Californian's to purchase homes
- www.gsfahome.org

To-date, GSFA has helped over **68,300** people purchase homes and provided more than **\$473.8 million** in down payment assistance

GSFA's Commitment to Responsible Homeownership

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- ⦿ Programs that Enhance Standard Mortgages:
 - Down payment, closing cost assistance
 - Mortgage Credit Certificates
- ⦿ Standard Underwriting:
 - FHA and Conventional First Mortgages
 - No manual underwriting for FHA loans
 - Ensure borrower has ability to afford mortgage
 - Any overlays are more restrictive, not less

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GSFA Platinum® DPA Program

- ⦿ Advantages / Benefits
- ⦿ Grant and First Mortgage Options
- ⦿ Eligibility Guidelines
- ⦿ Loan Process in 5 Easy Steps
- ⦿ Lender Participation

Common Down Payment Assistance MYTHS

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1. Only in certain areas
2. Only for first-time homebuyers
3. Only for low income
4. Only for those with zero savings
5. Only for those with exceptional credit
6. Has to be paid back
7. Only works with FHA
8. Harder to qualify
9. Takes longer to close
10. Limited funding

70% of U.S.
adults are unaware of
down-payment
assistance programs*

Let's change this.

** According to findings from the second annual America at Home survey commissioned by NeighborWorks America."*

GSFA Platinum® - Changing Lives

MYTH BUSTED

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Responsible Parties:

- Sponsored by GSFA
- Managed by National Homebuyers Fund, Inc. (NHF)
- Serviced by US Bank

Availability:

- State of California

Accomplishments (2010 to Present)

- \$146 million in grants gifted
- 17,800 homebuyers helped

GOLDEN STATE FINANCE AUTHORITY (GSFA) PLATINUM PROGRAM LENDER TERM SHEET

PROGRAM SPONSOR	Golden State Finance Authority (GSFA)
SERVICER	US Bank National Association
PARTICIPATING LENDERS	Lenders interested in participating in this Program must complete a GSFA Lender Profile, execute a GSFA Program Lender Agreement, and be an Approved Correspondent Lender with the Servicer.
DESCRIPTION	The Program is designed to increase homeownership opportunities for low-to-moderate income individuals and families in California. Down Payment Assistance (DPA) is available in the form stated below.
MORTGAGE LOAN TYPES AND TERMS	<p>30-year fixed term with full amortization:</p> <p>FHA: 203(b), 203(b)(2), 203(h), and 234(c); in accordance with FHA guidelines. 2-1 or 1-1 Temporary buy-downs permitted, per limits and rules. Cooperative housing (co-op) is not eligible.</p> <p>VA: In accordance with VA guidelines under 1810 and 181A. 2-1 or 1-1 Temporary buy-downs permitted, per limits and rules.</p> <p>USDA-RHS: In accordance with USDA guidelines. 2-1 or 1-1 Temporary buy-downs permitted, per limits and rules.</p> <p>Freddie Mac: Freddie Mac HFA Advantage Conventional in accordance with Freddie Mac guidelines and Primary Mortgage Insurer guidelines.</p>
DOWN PAYMENT AND CLOSING COST ASSISTANCE	<p>Grant Funds available from GSFA:</p> <p>FHA/VA: Up to 5.00% of the First Mortgage Loan amount</p> <p>USDA: Up to 3.00% of the First Mortgage Loan amount</p> <p>Freddie Mac HFA Advantage: Up to 5.00% of the First Mortgage Loan amount</p> <p>Grant funds may be used for down payment and/or closing costs. There must be no cash back to the borrower from the Grant proceeds.</p> <p>GSFA's EIN is 68-0322272. Lenders are required to reflect GSFA's EIN on HUD's FHA Loan Underwriting and Transmittal Summary in conjunction with secondary financing assistance, grants or gifts to the borrower when the borrower is receiving an FHA First Mortgage.</p> <p>Lenders upfront the grant at closing to be reimbursed by the Servicer, on behalf of GSFA, upon purchase of the Platinum First Mortgage.</p>

GSFA Platinum® Participant Guide (Online)

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- Program Term Sheet
- Program Bulletins
- Income Limits
- Lender Participation Documents
- Training Calendar
- Marketing Support

GOLDEN STATE
Finance Authority

Lender/Realtor Resources Housing Programs About Us

GSFA Platinum™ Down Payment Assistance Program
Providing Grant Funds up to 5% of the Loan Amount

Participant Guide • GSFA Platinum • Program Index • Home

GSFA Platinum™ — Quick Links

- [Program Overview](#)
- [Show Me the Program in Action!](#)
- [Program Income Limits](#)
- [Participant Guide](#)
- [What People are Saying](#)
- [Frequently Asked Questions](#)
- [Participating Lenders](#)

GSFA Platinum™ Participant Guide

Information in this Participant Guide is intended for mortgage professionals only. Homebuyers interested in the GSFA Platinum Program will want to [Contact Us](#) or a [Participating Lender](#) for more information and/or a program application.

The Participant Guide contains links to program guidelines, term sheets, and much more for GSFA Platinum Participating Lenders.

View the tab "Participation Guidelines & Training" for details on how to become an approved lender or get training on procedures for processing a GSFA Platinum loan and grant.

Click tabs below to display topic contents.

Program Guidelines	Lender Participation	Program Training	Marketing Templates
<p>General Guidelines & Reservation Info</p> <ul style="list-style-type: none"> ○ Program Term Sheet (US Bank) — Updated 03/17/17 ○ Link to Reservation Portal — (See Current Rates) <p>Program Income Limits</p> <ul style="list-style-type: none"> ○ FHA, VA, USDA Income Limit ○ Freddie Mac HFA Advantage <p>Program Updates / Bulletins</p> <p>GSFA sends program updates (Lender Bulletins) for GSFA Platinum™ directly to the Participating Lender (via the main contact on record). Contact your internal communications department or branch manager to obtain program updates.</p> <ul style="list-style-type: none"> ○ Click here to view Bulletins 			

Should you have further questions about the above documents, loan program specifics, participation requirements, etc., please [Contact Us](#) directly at (855) 740-8422 or email info@gsfahome.org.

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Down Payment Assistance Grant
NOT Limited to First-time Homebuyers

Homebuyers do not need to be first-time homebuyers in order to qualify for the down payment assistance grant provided by the [GSFA Platinum](#) Program.

Register to attend an online [Lender Training](#) to learn more about how GSFA Platinum may give your borrowers the edge they need to purchase a home.

Provides a First Mortgage WITH a DPA Grant

MYTH BUSTED

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- ◉ Various First Mortgage and Grant Options
- ◉ NO First-time Homebuyer Requirement
- ◉ Generous Income Limits
- ◉ NO Sales Price Limits
- ◉ Ongoing Source of Funding (Doesn't run out)
- ◉ Refinances Eligible
- ◉ Interest Rate Reservations
 - First Mortgage rate corresponds to Grant program option*
 - Grant is reserved at same time First Mortgage is locked

**Rates online 9 AM – 4 PM PST. Rates subject to change at any time.*

DPA Grant Terms & Conditions

MYTH BUSTED

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⦿ DPA Grant:

- Up to 5% of “Total First Loan Amount”
 - GSFA reserved mortgage and Grant amount should match Closing Disclosure (CD)
- Never has to be repaid
- IS NOT a second lien / IS NOT part of DTI/CLTV
- Can be used for down payment and/or closing costs

⦿ Lenders Upfront Grant at Closing:

- On behalf of GSFA (designate on CD “GSFA Grant”)
- To be reimbursed by Servicer upon purchase of First Mortgage

EXAMPLE 1: Standard FHA loan of 96.5% LTV vs. GSFA Platinum Program (Freddie Mac with 3% DPA)

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SCENARIO

30-year fixed rate mortgage loan. GSFA Grant sized at 3% of the 1st loan amount.

*MI based on FICO of 720 with Charter level coverage through MGIC.

€ For example purposes only; Interest Rate published 03/24/17, subject to change.

Category	Standard FHA 96.5% LTV (No DPA)	 GSFA Platinum Freddie Mac HFA Advantage 97% LTV (3% DPA)€
First Loan Interest Rate	4.000%	4.750%
Purchase Price	\$200,000	\$200,000
Down Payment Required	3.50% (\$7,000)	3.00% (\$6,000)
Base First Loan	\$193,000	\$194,000
UFMIP	\$3,378 (1.75%)	\$0
Total First Loan	\$196,378	\$194,000
GSFA Platinum Grant	\$0	\$5,820 (3%)
Monthly P & I	\$938	\$1,012
Monthly MI	\$139 (0.85%)	\$105 (0.65%)*
Total Monthly Payment	\$1,077	\$1,117
Down Payment Needed	\$7,000	\$180

EXAMPLE 2: GSFA Platinum Program (Freddie Mac HFA vs. FHA First) – both w 5% DPA

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SCENARIO

30-year fixed rate mortgage loan. GSFA Grant sized at 5% of the 1st loan amount.

*MI based on FICO of 720 with Charter level coverage through MGIC.

€ For example purposes only; Interest Rate published 03/24/17, subject to change.

Category	GSFA Platinum Freddie Mac HFA Advantage 97% LTV (5% DPA)€	GSFA Platinum FHA 96.5% LTV (5% DPA)€
First Loan Interest Rate	5.250%	5.000%
Purchase Price	\$200,000	\$200,000
Down Payment Required	3.00% (\$6,000)	3.50% (\$7,000)
Base First Loan	\$194,000	\$193,000
UFMIP	\$0	\$3,378 (1.75%)
Total First Loan	\$194,000	\$196,378
GSFA Platinum Grant	\$9,700 (5%)	\$9,819 (5%)
Monthly P & I	\$1,071	\$1,055
Monthly MI	\$105 (0.65%)*	\$140 (0.85%)
Total Monthly Payment	\$1,176	\$1,195
Grant Funds Remaining (Can be used towards closing costs)	\$9,700 - \$6,000 (3% down) = <u>\$3,700</u>	\$9,819 - \$7,000 (3.5% down) = <u>\$2,819</u>

Eligibility Guidelines

MYTH BUSTED

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- ⦿ Eligible First Mortgages: (all 30-year fixed-rate)
 - Purchase of primary residences: FHA mortgages
 - Purchase or refinance of primary residences:
Conventional Freddie Mac HFA Advantage mortgage
 - Follow agency guidelines for standard underwriting
- ⦿ Loan Limits:
 - FHA loans follow the loan agency loan limits by county
 - Freddie Mac HFA Advantage loans – conforming loan limit \$424,100

Eligibility Guidelines

MYTH BUSTED

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○ Credit Qualifying Overlays *(Per GSFA and/or US Bank)*

1. Maximum DTI Ratio:

- FHA Loans = 45%
- Freddie Mac HFA Advantage = 50% ***NEW***
(DU “Approve/Eligible” or LPA “Accept”)

2. Minimum mid credit score = 640 (All loans)

- FHA Loans have different Grant Options/Pricing:
 - FICOs 640-659
 - FICOs 660+

Homebuyer Education/Counseling

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⦿ Freddie Mac

- Approved homebuyer education/counseling required if all borrowers are first time homebuyers
 - Please refer to loan agency for specific requirements

⦿ FHA

- Please follow loan agency guidelines for homebuyer education requirements

Income Limits (In Participant Guide Online)

MYTH BUSTED

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- Based on Credit Qualifying Income *(Not Household Income)*
 - From the FHA Loan Underwriting and Transmittal Summary HUD #92900-LT
- Limit Depends on First Mortgage Type and County of Property
 - <http://www.gsfahome.org/programs/dpa/limits.aspx>
 - FHA = 115% AMI
 - Freddie Mac HFA Advantage = Low-to-moderate income

The screenshot shows the GSFA Platinum website. The main header includes the GSFA Platinum logo and navigation links: Lender / Realtor Resources, Housing Programs, and About Us. Below the header is a banner for the 'GSFA Platinum™ Down Payment Assistance Program' with the text 'Providing Grant Funds up to 5% of the Loan Amount'. The main content area is titled 'GSFA Platinum™ Income Limits'. It explains that the program provides financial assistance to low and moderate-income homebuyers in California, and that income limits are determined by county and mortgage type. Two columns are shown: 'FHA, VA and USDA' and 'Freddie Mac'. Each column has a dropdown menu to 'Pick a County' and a link to 'download all counties here'. A red circle highlights the 'Income Limits' section. On the left, there are 'Quick Links' including Program Overview, Show Me the Program in Action!, Program Income Limits, Participant Guide, What People are Saying, Frequently Asked Questions, and Participating Lenders. At the bottom, there is a testimonial from Tanisha in San Bernardino County.

Let's See Some of the Actual Income Limits

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County	FHA First Mortgages	Freddie Mac HFA Advantage First Mortgages
Butte	\$80,500	\$98,000
Fresno	\$80,500	\$98,000
Kern	\$80,500	\$98,000
Merced	\$80,500	\$98,000
Orange	\$97,750	\$107,520
Riverside	\$80,500	\$98,240
Sacramento	\$80,500	\$111,840
San Bernardino	\$80,500	\$98,240
San Joaquin	\$80,500	\$98,000
Shasta	\$80,500	\$98,000
Tehama	\$80,500	\$98,000

Eligible Properties

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⦿ Properties Allowed:

- Owner occupied, single family residences
- FHA Loans also Allow:
 - Agency approved condominiums & planned unit developments (PUDs)
- Freddie Mac HFA Advantage Conventional Loans:
 - Follow agency/servicer guidelines

⦿ Properties NOT Allowed:

- Manufactured housing
- 2-4 Units
- Co-ops
- Rental homes or investment properties
- Recreational, vacation or second homes

**Subject to any overlays from Servicer and/or your lender*

Freddie Mac HFA Advantage Loans -Guidelines

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○ Refinance Specific Guidelines:

- Minimum 3% equity required
- No cash out
- Full documentation

○ Underwriting:

- No Manual Underwriting for LTVs Above 95%
- Delegated Underwriting Allowable Findings:
 - “HFA Advantage” through LPA: “Accept”, or
 - “HFA Preferred” through DU: “Approve/Eligible”

Freddie Mac HFA Advantage Loans -Guidelines

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- ⦿ Mortgage Insurance:

- HFA Advantage “Charter Level Coverage”

LTV	Standard Coverage	Charter Coverage
95.01 – 97.00%	35%	18%
90.01 – 95.00%	30%	16%
85.01 – 90.00%	25%	12%
80.01 – 85.00%	12%	6%

- ⦿ Remember, with Conventional Loans & MI:

- No upfront MIP
- Monthly BPMP is Cancellable

Want to Learn More?

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Special Training for Freddie Mac HFA Advantage Program

- LIVE WEBINAR

April 13, 2017 | 11:00 AM - 12:30 PM PDT

[Register HERE](#)

- ON-DEMAND WEBINAR

<http://freddiemac.elearningserver.com/7733006597>



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Originating GSFA Platinum Loans

- ⦿ Guidelines
- ⦿ Process in 5 Easy Steps

Originating GSFA Platinum Loans

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- ⦿ Origination Fee Allowed: Up to 1.50%
- ⦿ Discount Points NOT Allowed
- ⦿ Closing Costs (customary/reasonable) Allowed:
 - Including appraisal, credit reporting, survey, title insurance
 - Must be charged in accordance with agency policies

Origination Process

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1. Lender Prequalifies Borrower for Program

- Income, FICO, DTI

2. Lender Registers/Locks First Mortgage and Grant


- MWF Lock desk will register the submission with GSFA.
- GSFA will issue electronic “Reservation Confirmation” AND “Grant Letter”
- MWF will accept lock requests from 8:30 AM to 3:00 PM PT.
- Locks are available for 30 days only.
- Loans under the GSFA program are not eligible for MWF’s re-lock and extension policies. No extensions are available on this product.
- If a loan is canceled for whatever reason, whether withdrawn or denied, GSFA charges a \$400.00 cancellation fee. This fee will be charged to the broker.
- If a loan has been canceled, it may only be re-locked after 30 calendar days from the cancellation date.

Reservation Confirmation & Grant Letter

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	Reservation Confirmation Program: GSFA / CHF Platinum Program (USBank) Program Option: FHA/VA - 5% Grant
	Reservation Number: 510352 Reservation Date: 12/9/2013 Expiration Date: 3/15/2014 Purchase Price: \$100,000.00 Amount of First Loan: \$96,500.00 First Loan Lock Rate: 4.375% Borrowers Name: r, a Annual Household Income: \$31,750.25 Mid FICO: 620 DPA: 0.00% of Total Loan Amount Property Address: 123 City, CA 95831 County: Sacramento Program Contact Information: National Homebuyers Fund, Inc. 1215 K Street, Suite 1650 Sacramento, CA 95814 (866) 643-4968
Representative: Anthony Rahill User ID: arahill@rcrcnet.org Participating Lender: NHF Branch Office:	
Disclaimer: This Reservation Confirmation constitutes a reservation of funds only and does not guarantee the purchase of the associated loan. The borrower must meet all conditions as defined in the Program Term Sheet, the Servicer Lender Guide as well as all Conventional, FHA, VA or USDA-RHS underwriting criteria as applicable. All loan documentation is required by the Servicer, per the Servicer Lender Guide, for review and approval. The loan associated with this Reservation Confirmation must be purchased by the Servicer prior to the Expiration Date to avoid cancellation of reservation. This reservation is being held on your behalf under the premise that all data has been submitted accurately. The submission of incorrect information may result in the reservation being void. Please review this Reservation Confirmation carefully and contact our offices for assistance and/or to make appropriate changes.	

[Return to Home Page](#)
[Logout](#)


Golden State Finance Authority
 1215 K Street, Suite 1650 • Sacramento, California 95814
 Phone: (855) 740-8422 • Fax: (916) 444-3219 • www.gsfahome.org

GSFA Platinum Program Funding Commitment Notice and Grant Letter

Date: 12/9/2013
 Company: NHF
 Address: 1215 K Street
 Sacramento, CA 95814
 Phone: 916-421-5807
 Fax: 916-555-1234

GSFA Reservation #: 510352
 FHA Case:

First Mortgage Loan Amount: \$96,500.00
 GSFA Grant Amt: \$5.01

Borrower(s): r, a
 Property Address: 123
 City, CA 95831

GSFA hereby agrees to provide its own funds for down payment and closing costs assistance. This grant is made in connection with the eligible first mortgage referenced above. GSFA confirms it has a legally enforceable obligation to fund the down payment and closing costs assistance with funds which legally belong to GSFA at or prior to closing.

The down payment and closing costs assistance financing available in conjunction with the first mortgage will be provided in the form of a non-repayable grant from GSFA. There are no second liens filed against the property or repayment requirements associated with the use of the grant funds.

This Funding Commitment Notice and Grant Letter applies only for costs associated with the purchase and financing of the above referenced property and borrower(s).

Any questions regarding this letter should be addressed to client relations department by telephone at (866) 643-4968 or email to info@nhfloan.org

Sincerely,

Craig Ferguson
 Vice President
 Golden State Finance Authority

Borrower's Signature

Co-Borrower's Signature

50030.00

Origination Process continued....

MYTH BUSTED

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3. MWF Underwrites, Approves, Closes and Funds First Mortgage and Grant
 - NO additional compliance review from GSFA

Reservation Modifications

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- ◉ Modifications to a Reservation Require Approval
- ◉ NHF (Program Manager)
(866) 643-4968
info@nhfloan.org
- ◉ Modifications Allowed:
 - Property
 - Loan amount
- ◉ Modification NOT Allowed:
 - Borrower change
 - Interest rate change
 - Grant option changes

Remember these Common Myths about DPA?

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- ⦿ Only in certain areas
- ⦿ Only for first-time homebuyers
- ⦿ Only for low income
- ⦿ Only for those with zero savings
- ⦿ Only for those with exceptional credit
- ⦿ Has to be paid back
- ⦿ Only works with FHA
- ⦿ Harder to qualify
- ⦿ Takes longer to close
- ⦿ Limited funding

MYTHS BUSTED

Let's Revisit the Program Advantages

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HOMEBUYERS

- Provides a Grant, up to 5%, that never has to be repaid.
- Homebuyer does not have to be a first-time homebuyer to qualify.
- FICO scores as low as 640.
- Variety of mortgage loan types (including refinance options).

Homebuyer may be able to purchase a home with \$0 out of pocket

LENDER / REALTOR

- Selling tool:
Ability to offer down payment assistance options.
- Flexibility of financing:
May be combined with other programs, including MCCs.
- Close more loans/sales:
More qualified borrowers =
More closed loans.

Potential Business Increase

29 The Value of a Mortgage Credit Certificate

- ⦿ Entitles the Homeowner to a Federal Income “Tax Credit”:
 - Dollar-for-dollar reduction in Federal Income Tax Liability
 - “Effectively” reduces the interest rate on the mortgage
 - May assist with qualifying for the mortgage loan
 - Credit applies for the life of the original loan
 - As long as the holder resides in the home and pays mortgage interest
- ⦿ Tax Credit is Calculated as:
 - A Percentage of the Annual Mortgage Interest Paid
 - GSFA MCC = 20% Rate
(20% of the Annual Mortgage Interest Paid)

Eligible Loan Area (GSFA MCC Allocations)

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COUNTIES			
Alpine	Inyo	Monterey	Sierra
Amador	Kern	Napa	Siskiyou
Butte	Kings	Nevada	Stanislaus
Calaveras	Lake	Orange	Sutter
Colusa	Lassen	Placer	Tehama
Del Norte	Madera	Plumas	Trinity
El Dorado	Mariposa	San Benito	Tulare
Fresno	Mendocino	San Bernardino	Tuolumne
Glenn	Merced	San Joaquin	Ventura
Humboldt	Modoc	San Luis Obispo	Yolo
Imperial	Mono	Shasta	Yuba
ADDITIONAL CITIES			
Vacaville			

Example of Combining GSFA Platinum & GSFA MCC

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Example of a 30-year FHA mortgage loan of \$196,378 with a fixed interest rate of 5.00% through the GSFA Platinum Program and an MCC through GSFA.

(FHA Loan amount includes UFMIP)

€ For example purposes only; Interest Rate published 03/24/17, subject to change.

First-time homebuyer with little or no \$ for down payment

Purchase price:	\$200,000	
FHA Total 1st Mortgage:	96.5% LTV	\$196,378
Monthly P & I		\$1,055
Monthly MI		\$140
Total Monthly Payment		\$1,195
<u>GSFA Platinum Grant</u>	5% of \$196,378	\$9,819
<u>Borrower required down payment</u>	\$200,000- Loan and Grant	\$0 (\$2,819)
12-months of Mortgage Interest (Jan-Dec)		\$9,819
<u>MCC Tax Credit</u>	20% x \$9,819	\$1,963

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Our Support Services for You

- ◉ Client Relations Department
 - M-F 8:00 AM – 5:00 PM PST
- ◉ Lender Resource Center: www.gsfahome.org
- ◉ Program Bulletins
 - Sent directly to Reservation System contacts
 - Posted on website within 24-hours
- ◉ **NEW Lender Recognition Program – began Mar 3, 2017!**
 - Program participation reviewed end of calendar year
 - “Leaders in Homeownership” recognized and awards give out

Training / Education

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◉ Live Online Webinars

- GSFA Platinum
- GSFA MCC
- Special Training for Freddie Mac HFA Advantage Program
(April 13, 2017 | 11:00 AM - 12:30 PM PDT | [Register Now](#))

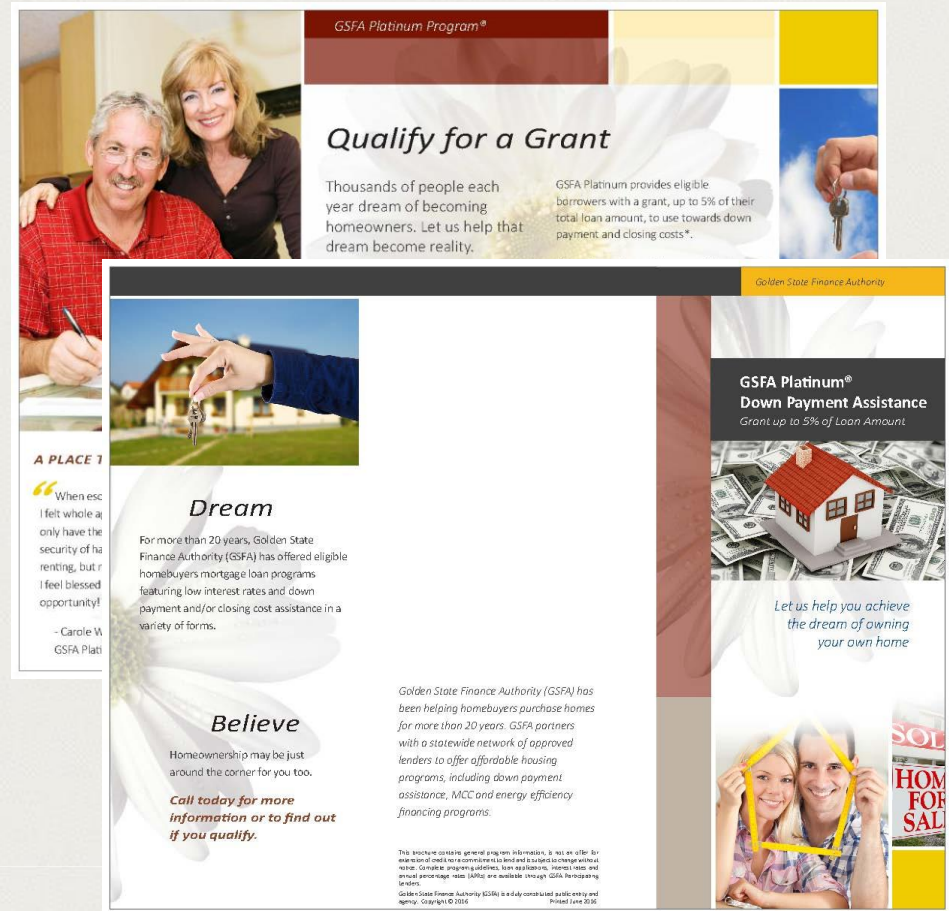
◉ Webinars On-Demand

- Special Training for Freddie Mac HFA Advantage Program

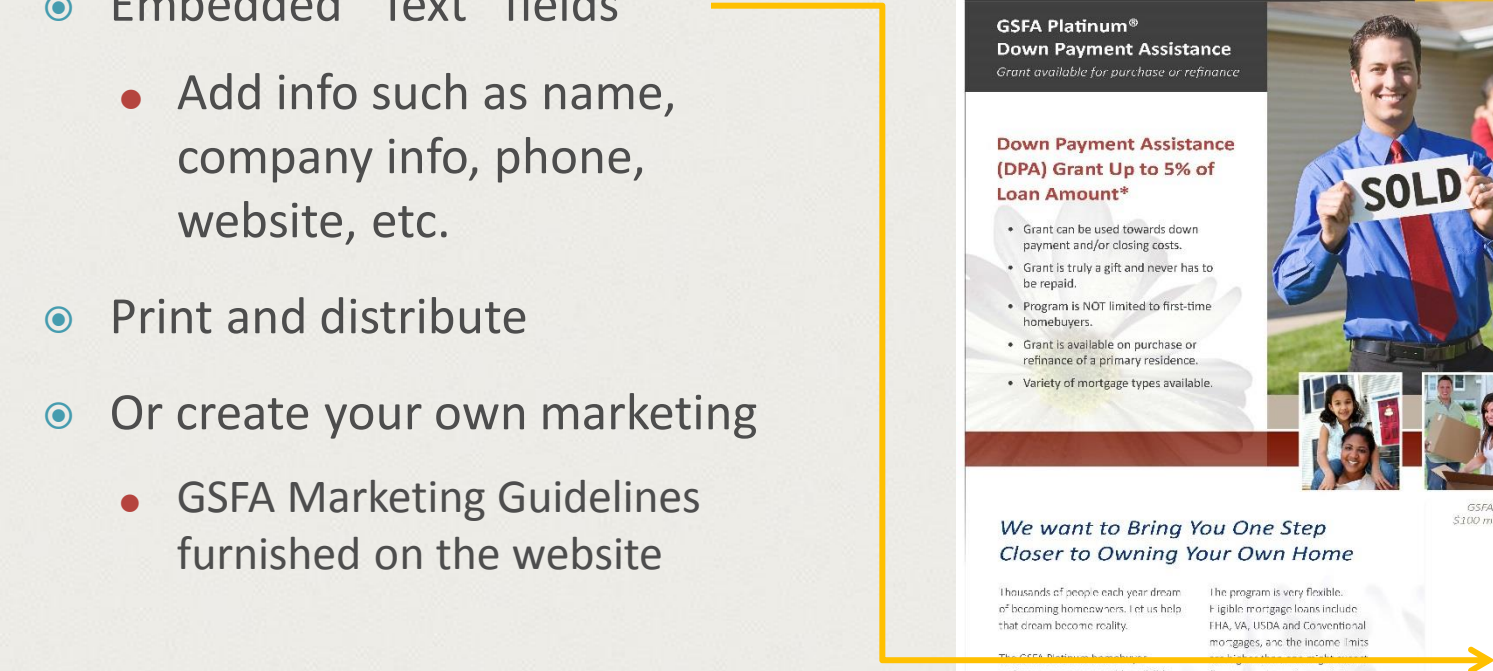
Marketing Literature Templates

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- Flyers and brochures
- In Adobe PDF format (download from our website)
- Program-specific
- English & Spanish
- GSFA Marketing Guidelines:
 - Represent programs accurately
 - Must be with or working with an Approved Lender



- Embedded “Text” fields
 - Add info such as name, company info, phone, website, etc.
- Print and distribute
- Or create your own marketing
 - GSFA Marketing Guidelines furnished on the website



GSFA MCC Marketing Pieces (w/ Embedded Text Fields)

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Golden State Finance Authority

GSFA MCC® Mortgage Credit Certificate

Tax Credit for First-time Homebuyers

Do You Qualify?

To be eligible for an MCC, the homebuyer and their household must meet certain eligibility criteria:

- **Be a first-time homebuyer.**
Defined as "someone who has not owned a primary residence in the past three years".
This requirement is waived if the homebuyer is a qualified veteran or the home being purchased is in a federal designated target area.
- **Use the home as a Primary Residence.**
- **Have "Household Income" below the Program Limits.**
Low-to-moderate household size.
- **The Sales Price of the home does not exceed the Program Limits.**
- **Apply through a Participating Lender.**
Homebuyer must receive an MCC Commitment from GSFA prior to closing the mortgage loan.

GSFA MCC Program®

Mortgage Credit Certificate

Tax Credit for First-time Homebuyers

If you are buying your first home, a Mortgage Credit Certificate (MCC) from Golden State Finance Authority could **save you thousands of dollars each year.**

Unlike an income tax deduction, an MCC is a dollar-for-dollar reduction in "federal income taxes owed."

- The credit is equal to 20% of the annual mortgage interest paid.
- The remaining mortgage interest (80%) continues to qualify as an itemized deduction.

The tax credit also helps increase a homebuyer's disposable income and in-turn assist them when qualifying for the initial mortgage loan.

The tax credit can be taken year after year, as long as the person continues to live in the home and pay mortgage interest.

Plus, any unused credit can be carried forward up to three years.

How to Apply

Apply for the Program through a GSFA MCC Participating Lender.

Participating Lenders will review all Program guidelines and determine if you qualify. The Lender will submit your MCC application to GSFA at the same time as you apply for your mortgage loan.

Applications are accepted first-come, first-served.

Don't wait -- Call today to get started!

See the Tax Benefits of an MCC*

	Without an MCC	With an MCC
Gross Income	\$60,000	\$60,000
Mortgage Interest Paid (Annual)	\$9,000	\$9,000
Mortgage Interest Deducted (80% of Interest Paid)	\$9,000	\$7,200
Taxable Income	\$44,800	\$46,800
Federal Income Tax Owed	\$5,846	\$6,166
MCC Credit Applied (20%)	---	\$1,800
Federal Income Tax Due	\$5,846	\$4,316
Taxes Withheld (Annual)	\$6,200	\$6,200
Tax Refund	\$954	\$1,884

*Based on example of Tax benefits of an MCC is based on a \$200,000 mortgage with a 4.75% interest rate = \$9,000 annual interest. \$9,000 x 20% MCC Credit = \$1,800. This reduction is applied for example purposes only. Actual figures may vary and many other considerations may impact actual tax debt. Homebuyers are encouraged to consult with a tax advisor regarding the impact of an MCC on their individual tax liability.

Golden State Finance Authority

GSFA MCC® Mortgage Credit Certificate

Tax Credit for First-time Homebuyers

Apply for an MCC at the same time you buy a home. -- It can mean thousands of dollars back each year.

If you are buying your first home, a Mortgage Credit Certificate (MCC) from Golden State Finance Authority could **save you thousands of dollars each year.** An MCC is a dollar-for-dollar credit against your federal income tax liability.

- The credit equals 20% of the annual mortgage interest paid.
- Example: On a \$200,000 mortgage loan with a 4.50% interest rate, the annual interest from January through December would be \$9,000. Which means the GSFA MCC Tax Credit equals \$1,800. (20% of \$9,000).
- The remaining 80% of the mortgage interest continues to qualify as a tax deduction.
- The tax credit amount also helps increase a homebuyer's disposable income and in-turn assist them when qualifying for the initial mortgage loan.
- The tax credit can be taken year after year, as long as the person lives in the home and pays mortgage interest.
- Unused credit can be carried forward up to three years.

Do You Qualify?

To be eligible for an MCC, the homebuyer and their household must meet certain eligibility criteria:

- **Be a first-time homebuyer.**
Defined as "someone who has not owned a primary residence in the past three years". (Waived if a qualified veteran or the home is in a "target area".)
- **Use the home as a Primary Residence.**
- **Have "Household income" at or below the Program Limits.**
Low-to-moderate income, based on household size.
- **The Sales Price of the home does not exceed the Program Limits.**
- **Apply through a Participating Lender.**
Homebuyer must receive an MCC Commitment from GSFA prior to closing the mortgage loan.

I have provided accurate general program information and it is not intended as legal or tax advice. Homebuyers are encouraged to consult with a tax advisor regarding the impact of an MCC on their individual tax liability. GSFA MCC Approves Lenders can provide you with complete program guidelines and an application. Golden State Finance Authority (GSFA) is a fully licensed public utility and agency. Copyright © 2018 GSFA. All Rights Reserved.

Homeownership Counseling



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- Help Clients Reach a Place Where Homeownership is Attainable
- NCC assesses program-specific requirements and readiness to buy.
- NCC provides counseling and education (through local agency in certain areas).
- When ready, NCC assists client with referral to Lenders/Programs.
- FREE to Lender and Borrower



- Lender OR Borrower can Initiate Services
 - Please provide Lender Name and Program Name if available
 - By phone: (888) 532-3021
 - Via online website: <http://www.nhn.org/nhf>

Cost for the telephone-based counseling services are covered by GSFA through a unique partnership with National Council of La Raza (NCLR). Services are provided through NCLR's Homeownership Network (NHN).

For more information, visit www.nhn.org/nhf.

This concludes today's training event.

Thank you all for attending.

TOGETHER WE CAN MAKE A DIFFERENCE

*Presentation contains program highlights only. All guidelines are subject to change without notice.
Visit www.gsfahome.org for complete program guidelines.*

*Golden State Finance Authority (GSFA), a duly constituted public entity and agency.
GSFA MCC Program is sponsored by GSFA and managed by National Homebuyers Fund, Inc., a non-profit public benefit corporation and Instrumentality of Government under Internal Revenue Service code section 115.*

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