

# Welcome

## FOR YOUR INFORMATION

- Please note any questions you have during the presentation, as all questions will be answered at the end of our presentation.
- Guest lenders will be available to answer your loan questions at the end our presentations.



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# HouseKeys Buyers Session

— City of Hollister —  
County of San Benito

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## Today's Guest Loan Officers

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- **Janene Towner-Chernoff - Guild Mortgage**
- **Karisa Sarracino - Guild Mortgage**
- **John Norgard - Guild Mortgage**
- **Gelda Angel - Guild Mortgage**
- **Tanya Price - Guild Mortgage**



## HouseKeys Team

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- **Danielle De La Torre - Presenter**
- **Andrew Stebbins - Marketing**
- **Christopher Jue - Program Support**



# HouseKeys

## Unlock Opportunities

### Who We Are

A program administrator that connects YOU, the applicant, to a home for rent or to purchase at an affordable price based on county Income Category Limits\*

**\*We do NOT make policy, build or price homes.**

### We Work with Cities

As a program administrator, we work in partnership with cities to manage their affordable housing program to meet policy guidelines and fair housing standards

### We Work with Developers

We also work with Developers to meet permit conditions requiring them to build and sell affordable units to eligible and qualified buyers or renters



# TODAY WE WILL

## Learn

what Affordable Housing is and how HouseKeys can help you

## Find

out how to determine what opportunities you are eligible and qualify for



# WHAT IS A BELOW MARKET RATE HOME?

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- A Below Market Rate Home (BMR) is a home that has certain deed restrictions recorded on the property which ensure that the home remains affordable for future generations.
- BMRs are often a result of public investment in affordable housing developments or a result of “inclusionary housing policy” which ensures affordable homes are built as a result of market-rate development.



Let's Get  
Started!

**FOR  
SALE**





# BASIC REQUIREMENTS OF A BMR

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- The Owner **must occupy** the Property as the Owner's **principal residence** and is subject to annual compliance monitoring.
- **Future Sales Price** – The property is **restricted for resale to a moderate-income household** at a purchase price affordable to a moderate-income household, as applicable. (There are circumstances in which the property may not appreciate in value).
- The Owner **must give notice** to the City of Hollister before resale, refinance or capital improvement of the Property.
- The Owner's **rights to pledge** the Property as security for a debt **are limited**.
- The Owner **might not** be able refinance to pull out equity from their home (depends on the specific deed restriction agreement).
- Term of Restrictions: **30 years**
- Any **misrepresentation or intentional deceit** by an applicant could result in loss of eligibility for the program and loss of the property



# Program Guidelines: Minimum Requirements for Submission

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- **No First-Time Homebuyer requirement**
- **Total household income for all members**, 18 and over, is **under** the assigned income category maximum for the opportunity
- **No minimum or maximum** occupancy requirement
- **No minimum** down payment but the lender may require an amount to qualify for the loan
- **Minimum Loan to Value (LTV):** No minimum
- **Debt to Income (DTI):** Default to Lender ratios



# Program Guidelines: Minimum Requirements for Submission, Cont'd

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- **Asset Income:** Where the family has net family assets in excess of \$5,000, annual income added to the total gross annual gross income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on a passbook savings rate.

\*Retirement assets are **not** considered

- With a first mortgage, the **current passbook savings rate** used by the Administrator is **2.5%**, unless it's an **all-cash purchase**, in which case a **10% passbook savings rate** will be used.
- All Applicant and Co-Applicant members must appear as an owner or co-owner on the BMR Unit title. They also must co-sign for any purchase loan.
  - Additionally, any household members not living in the same household at the time of application will need to be a co-applicant for the first mortgage loan and on title to form a household.



# Some Important Terms

Area Median Income - Is the middle, not the average, of the income range of a region by household.

AMI



According to Cambridge.com, means inexpensive (subjective)  
Cost based on county income category limits



"Affordable"

The value or amount received for one's labor and/or products produced **plus up to 10% of assets\***

"Income"

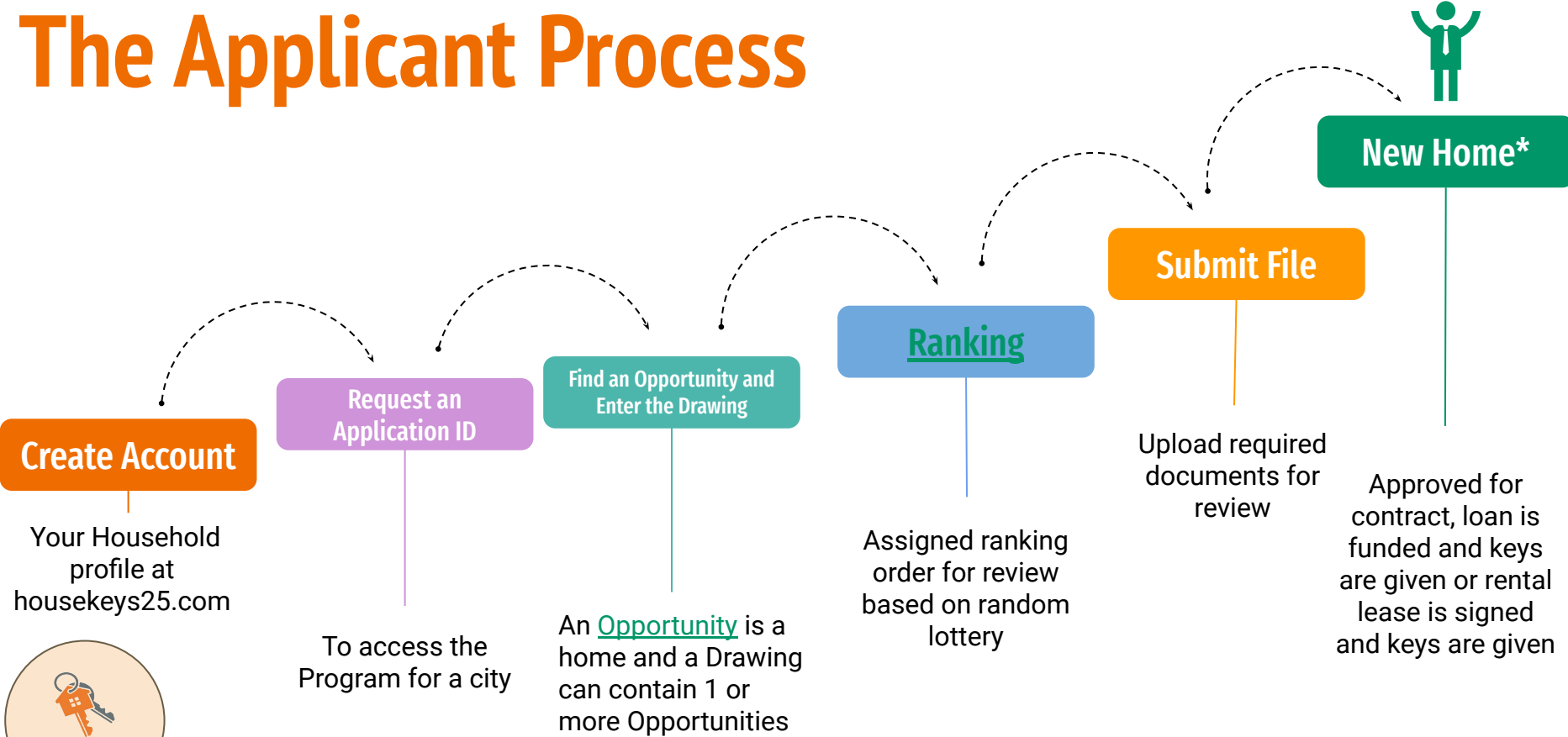


A percentage of Area Median Income which determines the categories of "affordability" for program eligibility that are set by HUD and then HCD



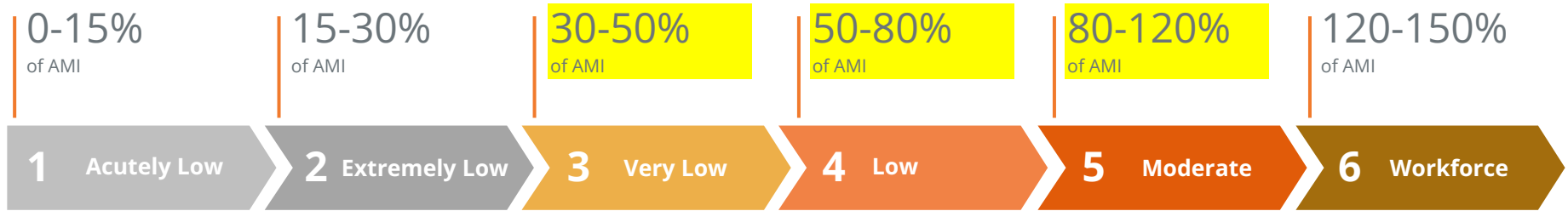
Income Limits

# The Applicant Process



# Income Limits

(Based off of Local County or Area Median Income (AMI) and Household size)



Each of the 3,006 counties in the U.S. has a different Area Median Income. That County Area Median Income (AMI) is used to drive the Income Category Limits above. Each Income Category Limit is used to calculate the rental rates and sales prices for “affordable” housing units.

**WHO** is eligible for the program opportunity is determined by these Income Limits and are *different* in each county.

**Note:** Affordable Prices are driven by the Incomes in the County



# Am I Eligible?

- Total Household Income
- Household Size (Total number of household members)

## HouseKeys

Every household member 18 years of age or higher must document income

Primary Applicant - \$50,000  
Spouse - \$65,000  
Dependent (18) - \$10,000  
Total Income: \$125,000



HouseKeys is underwriting to a **MAXIMUM INCOME LIMIT** based on the **Projected Income** expected to be earned over the **NEXT 12 MONTHS.**

*Household size maximums and minimums also factor into eligibility.*

# Am I Qualified?

- Can I make the payment?

## Lender

Every household member 18 years of age or higher must document income

Primary Applicant - \$50,000  
Spouse - \$65,000  
(\$50,000) – Avg. \$57,500  
Total Income: \$107,500



The lender is underwriting to a **MINIMUM INCOME** based on the **documented income averaged over the PREVIOUS 24 MONTHS.**

# Who is considered a household member?



- Every member of your current permanent household (including minors).





# Where do you land?

Number of Persons in Household:		1	2	3	4	5	6	7	8
San Benito County Area Median Income: \$140,200	Acutely Low	14750	16850	18950	21050	22750	24400	26100	27800
	Extremely Low	23400	26750	30100	33400	36100	40280	45420	50560
	Very Low Income	39000	44550	50100	55650	60150	64600	69050	73500
	Low Income	62350	71250	80150	89050	96200	103300	110450	117550
	<b>Median Income</b>	98150	112150	126200	<b>140200</b>	151400	162650	173850	185050
	Moderate Income	117750	134600	151450	168250	181700	195150	208650	222100



# Let's Try

We are taking it up a notch. Determine if the family in each listing is **Eligible** and if they **Qualify**.

***Watch out for, Minimum/Maximum Household Sizes, Listing Price, and Income Limits.***



Jones' Listing

Sanchez' Listing

Nguyen's Listing

Let's Get Started!



# Opportunity Drawing Index 540 - Brighton at Fairview by KB Home



Drawing Entry Deadline:  
11/30/2023 @ 5pm



Income Category	Percentage	Household Size 1	Household Size 2	Household Size 3	Household Size 4	Household Size 5	Household Size 6	Household Size 7	Household Size 8
<i>Moderate</i>	120%	\$117,750	\$134,600	\$151,450	\$168,250	\$181,700	\$195,150	208,650	\$222,100

- 6 Units - 3 Bed / 2.5 bath
- Approx. 1,726 to 1,775 Sq Ft
- Sales Price: \$508,786.01, HOA: \$53 (approx)
- New Construction, Single Family Detached
- Min/Max Occupancy Standard: N/A
- Moderate Income up to 120%
- First 6 of 33 total units to be delivered
- Future drawings will occur as each phase of completed units are released



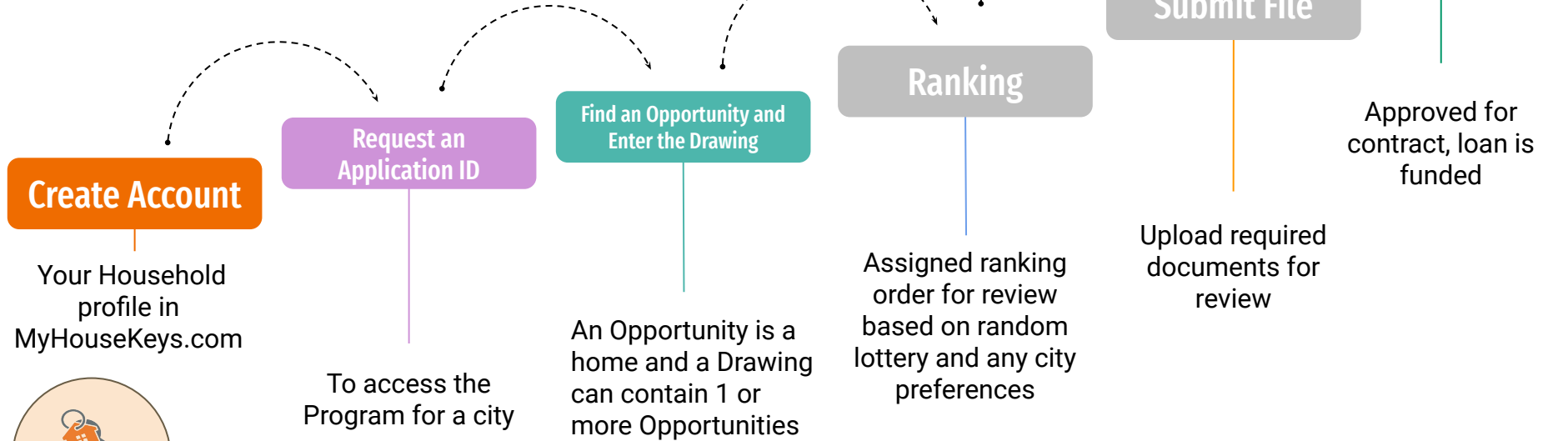
# Minimum Income and Funds Needed (est)

Property AMI	120%
Financing Scenario	OD 540
Bedroom Size	3
Property Address	
Annual income (Stated or on 1003)	\$129,370
Monthly Income (enter amount)	10781
SALES PRICE	508,786
Down payment %	3%
Buyers' Down payment (auto calculates based on %)	15,264
Other:	0
Subtotal of programs including Buyers Down Payment (does not include the closing costs)	15,264
MORTGAGE	493,522
Interest rate	8.000%
Term	30.00
LTV	97%
CLTV	0.0%
Principal payment	3621.29
Plus PROPERTY taxes '=price*0.0096/12 (auto calculates)	407.03
PMI if required by lender	0.00
Solar (lease price)	156.00
Homeowner's Assn dues	53.00
Plus insurance - HO6	75.00
= Total monthly housing payment (auto calculates)	\$4,312.32
Buyers Housing Pmt calculated at 40% PITI (auto calculates)	\$4,312.32
Front End Ratio (40% or less for most Programs)	40.0%
Monthly debt (minimum payment required per credit report)	540.00
Back end ratio (45% or less for most programs)	45.0%
divided by PITI ratio	0.40
= monthly gross income	10,781
<b>MINIMUM ANNUAL INCOME REQUIRED (at 40% front ratio)</b>	<b>129,370</b>
FUNDS NEEDED	
Closing Costs - Estimated at 3.5%	\$17,807.51
Approximate funds Needed (down plus cc costs)	\$33,071.09

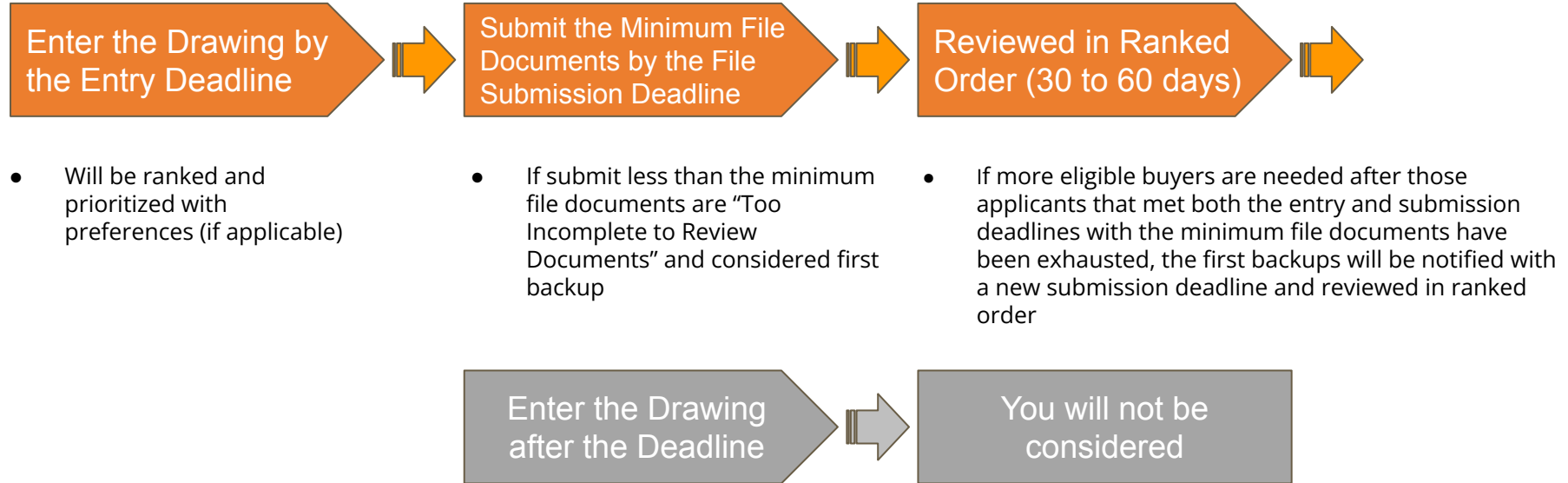


# The Applicant Process

- First 3 steps are covered in the Program Workshop (webinar).
- Next date 11.18 at 11:30am



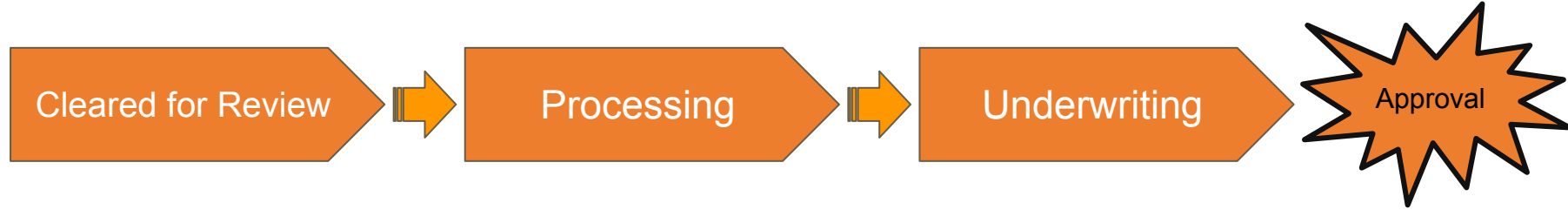
# The Review Process - Part 1 (Entry to Initial Assessment)



\*If enough eligible and qualified buyers are not found through above process, we may reopen the drawing by issuing another File Submission Deadline, with ranking based on drawing entry

# The Review Process - Part 2 (Initial Assessment to Underwriting)

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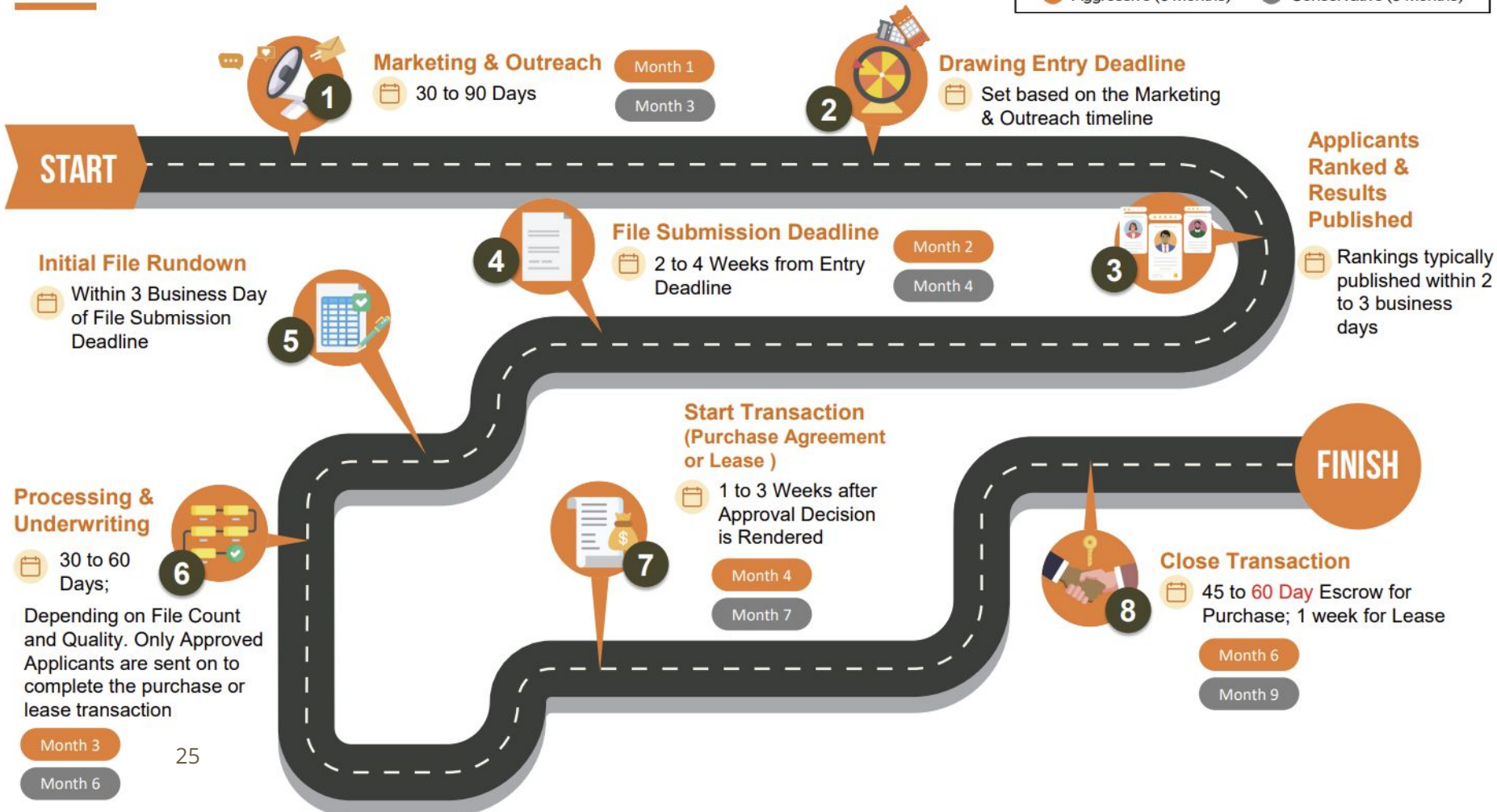
- An Initial Assessment of your documentation is done by the Program Officer
- Your income is projected and general household makeup is confirmed
- You will receive a notification of your file being sent to Processing for further review
- A Needs List is issued with a due date for the remaining items that apply on the Full Document Checklist
- If further clarification is needed, the underwriter will request documentation with a due date
- If found eligible, an approval will be issued and you go into contract





# HouseKeys Applicant Management Timelines

Time Count  
● Aggressive (6 Months) ● Conservative (9 Months)



# The *Minimum File Documents*

1. **HouseKeys Program Application (specific to the opportunity)**
2. **Loan Pre-Approval Documentation (full purchase price)**
  - a. **1003 - Uniform Residential Loan Application**
  - b. **1008 - Uniform Underwriting and Transmittal Summary**
3. **Latest Filed Tax Return (ALL pages)**
  - **Transcripts are not acceptable**
4. **Last Pay Stubs (or appropriate to your income type) for ALL members 18 and over**
  - **If self-employed, YTD Profit & Loss Statement**
5. **Current statement for ALL asset accounts**
  - **means within 30 days of the file submission deadline**
6. **Gift Letter (if applicable) with current statement of the account the funds are coming from**



# Janene Towner-Chernoff - Guild Mortgage

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- With over 35 years in the mortgage business I have the knowledge and expertise to assist you with your home loan financing. Whether it's your first home purchase or a refinance, I am honored to help you qualify for the best home loan that meets your needs. Guild Mortgage and my team provide quick, stellar service to make the loan process easy. Thank you for your interest in Guild Mortgage Company.



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## Sales Manager

155 East Main Avenue, Suite 170, Morgan Hill,  
CA 95037

## Contact Info:

Office: (408) 782-8800

Mobile: (408) 835-3246

Email: [jtowner@guildmortgage.net](mailto:jtowner@guildmortgage.net)

# Karisa Sarracino - Guild Mortgage

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**Guild**  
mortgage

- What started as a summer job turned into my career. Born and raised in Morgan Hill, I graduated from Live Oak High School and planned on going to Gavilan College to get my AA degree in business and then transfer to a four year school. I intended to work while in college and so took a summer job with my Mother/mentor in the mortgage business, which continued while I earned my AA degree. I loved it so much that I chose to continue my career in the mortgage business. That was 15 years ago, and I still find that I truly enjoy putting all the pieces together to help people obtain their dream of home ownership. That, along with the lasting relationships I have built with my clients and partners make my career choice incredibly rewarding and fulfilling. I specialize in all aspects of lending such as first time home buyers, jumbo financing, FHA, VA, USDA, CalHFA down payment assistance, MCC and conventional financing.
- In my free time, I enjoy working out, but what is most important to me is spending time with my husband and our two beautiful little girls. We love sports, camping, and off roading/ATV riding, especially in sand dunes. We usually do these activities with family and/or friends, taking our RV's and campers on many wonderful adventures.

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**Loan Officer**, NMLS# 1385148

155 East Main Avenue, Suite 170, Morgan Hill,  
CA 95037

**Contact Info:**

Office: (408) 782-8800

Mobile: (408) 802-5533

Email: [ksarracino@guildmortgage.net](mailto:ksarracino@guildmortgage.net)



# John Norgard - Guild Mortgage

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**Guild**  
mortgage

- I am a native Californian, born and raised in the San Jose/Bay Area other than the last few years of high school were in Ukiah, graduating in 1981. I returned to the Bay Area and graduated from SJSU in 1992. After spending 10 years in retail, I entered the mortgage industry in late 1991 and the rest is history. I had found a place where I can make a difference and a path that provides a continued opportunity to learn and grow. With many different jobs and titles in the mortgage industry, I can say I still love every minute of it.

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## Senior Loan Officer

155 East Main Avenue, Suite 170, Morgan Hill, CA 95037

[jnorgard@guildmortgage.net](mailto:jnorgard@guildmortgage.net)

[Directions](#)

Phone:(408) 825-0214

Mobile:(408) 390-1913

Branch:(408) 782-8800



# Gelda Angel - Guild Mortgage

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**Guild**  
mortgage

- I am a California native, born in San Jose and raised in the Bay Area. In 2018, I relocated to Gilroy. In college I studied Marketing and then went on to get my Master's in Public Administration. After college, I spent eleven years in consumer banking. Then, in 2011, looking for a new career path, I made the leap to Mortgage Lending. It was here I found my passion, helping those who want to buy a home navigate the loan process, making it as easy and seamless as possible.
- As a Silicon Valley resident, I understand the juggle of work life balance. When I am not at work, I am a "Sports Mom" and have been since my three children could kick and throw. You can find me cheering them on at their sporting events, walking at many of our local parks or enjoying some of the many local festivals in our area.



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**Loan Officer**, NMLS# 648429

155 East Main Avenue, Suite 170, Morgan Hill,  
CA 95037

**Contact Info:**

Office: (408) 782-8800

Mobile: (408) 807-0407

Email: [gangel@guildmortgage.net](mailto:gangel@guildmortgage.net)

# Tanya Price - Guild Mortgage

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**Guild**  
mortgage

- Joining Guild Mortgage Company and the Stebbins Mortgage team has afforded me the opportunity to help clients achieve something they might never have thought possible, whether it's to purchase their first home, refinance their current home or to upsize/downsize their present home based on their current financial needs. Guild Mortgage and Stebbins Mortgage Team has proven their ability to provide these things year after year. Their commitment, coupled with my 20 + years of experience in all facets of the banking/financing industry along with my degree in finance, furnish me all the tools I need to provide clients with the type of home loan experience they deserve. It is my goal that they know they have a partner who is invested in their best interests, not just today but for life.
- Away from work, I enjoy spending time with my family...my husband of 20+ years and my amazing teenage son. We love the outdoors, camping and traveling with my son's baseball team. In addition to my family and my career, my passion is being active in and giving back to my community. I have been a longtime member of Rotary and am currently President of the Los Banos Rotary along with being a member of the Los Banos Chamber of Commerce and the Los Banos Downtown Association. Most recently, I became President of the local Chapter of NHORA (National Hispanic Organization of Real Estate Associates).

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## **Loan Officer**

907 6th St., Suite A, Los Banos, CA 93635

## **Contact Info:**

Office: (209) 509-3296

Mobile: (209) 509-3296

Email: [tprice@guildmortgage.net](mailto:tprice@guildmortgage.net)



# Loan Officer Panel Questions...

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1. Pre-Approval vs Pre-Qualification?
2. What documents do I need for a pre-approval?
3. Is my credit score affected with a pre-approval?
4. How long does it take to get a pre-approval?
5. How long is the pre-approval good for?
6. Do I need a pre-approval for each opportunity?
7. What happens to my pre-approval if the project is delayed?
8. Why do I need a pre-approval from an approved, registered lender?
9. Should I get pre-approved even if I haven't found a property to buy yet?
10. Other than rate, what should I consider when shopping for a loan?
11. Do's and don'ts for the buyer during the process?
12. When does my rate get "locked" and what if it needs to be extended? Cost?

- For ALL:

What Down Payment or Closing Cost Assistance is available for BMR purchase?







### Watch Out



**Are you  
sure?**

Once you opt out of a drawing you will not be able to reenter

### Watch Out



**One &  
Done**

Cities only allow you to partake in one opportunity drawing at a time within their city.

# NOW WHAT?

## Sign Up



### Program Workshop

Need more? Join us  
for our more in depth  
program workshop.

## Join Us



### FAQ's

Thursday/Friday at  
12pm  
Every other Saturday  
at 10am

## Look For



### Opportunities

We encourage you to  
start exploring  
opportunities at  
HouseKeys.org





**TODAY WE:**

**Learned**

what Affordable Housing is and how HouseKeys can help you

**Found**

out what opportunities you are eligible for and if you qualify for



# Thank You!

## Please stay for Q&A

### Need to Chat?

- 1-877-460-KEYS (5397)
- [customerservice@housekeys.org](mailto:customerservice@housekeys.org)
- <https://www.housekeys.org/housekeylibrary>
- <https://www.housekeys.org>
- Danielle De La Torre  
[danielle@housekeys.org](mailto:danielle@housekeys.org)  
<https://calendly.com/danielle-housekeys>

### Program Workshop Agenda

1. Understand the process to apply to Programs, look for Opportunities you are eligible for and enter Opportunity Drawings
2. Learn about and enter at least one Opportunity Drawing
3. Upload the first of our Initial File Documents

**SIGN UP FOR OUR PROGRAM WORKSHOP  
HERE**

# APPENDIX - READING THE INCOME CATEGORY GRID

## Let's Recap...

- Income Category limits are based on the Area Median Income (or AMI) by household size for a surrounding area, generally defined by the county lines
- The AMI is the midpoint of the income distribution for that area by household size
- This means that a household's income category can change, depending on the county or area of the program they are interested in



Download 2023 Income Limits by County [HERE](#)



# APPENDIX - READING THE INCOME CATEGORY GRID

1. To find out what category your household would be in Santa Clara County, you would start by finding the grid for “Santa Clara County Area Median Income” in the published limits from the Department of Housing and Urban Development (HUD) or Department of Housing and Community Development (HCD).
2. Find the column that matches the number of people in you household
3. Under that number, go down the column until you find the amount your total household income is **BELOW**.



Note: The amount shown is the **MAXIMUM** allowable amount for that category. Anything over that amount is into the next category.

4. To the left of that amount is the Income Category for your household.

Number of Persons in Household:		1	2	3	4	5	6	7	8
Santa Clara County Area Median Income: \$181,300	Acutely Low	19050	21750	24500	27200	29400	31550	33750	35900
	Extremely Low	37450	42800	48150	53500	57800	62100	66350	70650
	Very Low Income	62450	71400	80300	89200	96350	103500	110650	117750
	Low Income	96000	109700	123400	137100	148100	159050	170050	181000
	<b>Median Income</b>	126900	145050	163150	<b>181300</b>	195800	210300	224800	239300
	Moderate Income	152300	174050	195800	217550	234950	252350	269750	287150

Download 2023 HUD Income Limits by County [HERE](#)



# APPENDIX - READING THE INCOME CATEGORY GRID

- So what category are you in?
- Now let's look at a different county and do the same exercise.



Number of Persons in Household:		1	2	3	4	5	6	7	8
San Luis Obispo County Area Median Income: \$113,100	Acutely Low	11850	13550	15250	16950	18300	19650	21000	22350
	Extremely Low	24350	27800	31300	34750	37550	40350	45420	50560
	Very Low Income	40550	46350	52150	57900	62550	67200	71800	76450
	Low Income	64900	74150	83400	92650	100100	107500	114900	122300
	<b>Median Income</b>	79150	90500	101800	<b>113100</b>	122150	131200	140250	149300
	Moderate Income	95000	108550	122150	135700	146550	157400	168250	179100

- Are you in the same or a different category?
- Now that you know how to find your Household Income Category, you want to look for Opportunities in the same category for the same household size.
- Note: Generally, minimum household size standards apply (1 person per bedroom), but refer to program guidelines for exact standards and exceptions.

Download 2023 HUD Income Limits by County [HERE](#)



# Deed Restrictions

CLICK [HERE](#) FOR OUR CITY DATA BASE



Deed Restrictions can include but are not limited to the following:

- **Resale Price Restriction**
  - When and It limits the how much you can sell it for during the duration of the agreement
  - If is sold before the term expires it needs to be sold to a qualified buyer
  - The agreement includes the resale price formula and is calculated at time of sale
  - It does not protect you from the market (e.g. in the event of the housing market crashing, the resale price may be less than the restricted value)
  - It may limit cash out refinances. In some cases, it may not allow it.
- **Annual verification of residency**
  - Proof that all the owners are living in the home
  - You cannot rent the home
- **Term of the restriction**
  - How long the restriction lasts
- **Transfers/Inheritance restrictions**
  - When life changes happen
- **Capital improvements**
  - Need to be approved by the city or the administrator before the works starts or you will not be able to recoup the value of the work done.
  - Some improvements may not be eligible because the home needs to remain affordable to the next buyer.

\*\*\*\*The applicants must certify that they have reviewed and understand the Deed Restrictions (AKA Resale Restriction) and other applicable program documents [BEFORE](#) their file can be reviewed. \*\*\*\*





# APPENDIX - DIFFERENT TYPES OF INCOME DOCUMENTATION

## Company Employee

- Paystubs
- Offer letter

## Non Working Income

- Retirement Account Statement...401K, Pension, IRA, etc
- Investment Account Statement
- Social Security award letter
- Unemployment Benefit statement

## Self-Employed

- Current Year-to-Date Profit & Loss statement  
Notarized
- 1099
- Contract

\*Non-working adult with zero income would submit a exhibit B notarized



# Glossary of Terms

## Program

The formalization of a city's affordable housing policies and procedures for Ownership, Rental and Finance.

## Drawing

A grouping that contains 1 or more opportunities.

## Application ID

A record that attaches an applicant to a Program, providing access to its Opportunities through Drawings.

## Ranking

A process by which a random number is assigned to each applicant in the Drawing. If **preferences** apply, the list is re-ordered accordingly, and the random number is the "tie-breaker".

## Opportunity

A listing of an available home for purchase or rent. Could also be a finance resource.

## Preference

A priority given to applicants that meet certain criteria for the program (i.e., live or work in the city). Determined by the city/county.

## File

Verifiable evidence of an applicant's eligibility and qualification (documentation).

