



# GAP Loan Program

## Downpayment Assistance Program

### For Home Purchases

✓ **WHAT IS THE GAP LOAN PROGRAM?**

The City of Ripon Loan program provides deferred downpayment assistance loans, 20% of the sales price up to \$60,000 (whichever is the lesser), to low income, first-time homebuyers for the purchase of homes in the incorporated City Limits. The loans are intended to bridge the "GAP" between the cost of a home and what a low-income household can afford. All such loans are processed on a first-come, first served basis.

✓ **WHAT ARE THE QUALIFICATION REQUIREMENTS?**

- You may not have owned a home during the past three (3) years;
- Your house payment cannot be greater than 38% of your gross monthly household income;
- Your total debt cannot be greater than 41% of your gross monthly household income;
- You must obtain a 30-year, fixed rate primary loan, with no co-signer, from a lender of your choice.
- You must provide a cash down payment equal to at least 1% of the purchase price.
- You must pay off all collections and judgments prior to the close of escrow and,
- Either work or live in Ripon (City Limits) for the previous 12 months prior to applying; or lived in Ripon for 3 consecutive years during a 10 year period prior to applying; or within the past 15 years immediately preceding the application date, lived within the current Ripon city limits for 3 consecutive years before graduating from a Ripon high school; or, if returned from military service with Ripon continually being applicant's home of record;

COUNTY-APPROVED HOMEBUYER'S CLASS	CONTACT NUMBER
Visionary Home Builders of California	(209) 466-6811
NID-HCA	(209) 952-8806
Neighbor Works	(916) 452-5356

✓ **ELIGIBLE PROPERTIES**

- Home must pass a HUD Section 8 standard inspection. (This is conducted by a County inspector at no charge);
- Properties that are tenant-occupied as of the date of purchase offer are not eligible; and
- The maximum allowable cost of a home is \$458,850.

**HOUSEHOLD**

Family Size	Maximum Income
1	\$ 41,450
2	47,400
3	53,300
4	59,200
5	63,950
6	68,700

## ✓ SPECIFICS ABOUT THE LOAN

- Secured by a second deed of trust;
- Down payment assistance is 20% of the sales price up to \$60,000;
- Payments may be deferred over a 30-year period at 2% interest;
- Purchased home must be located in the incorporated City area;
- To secure the loan, the homebuyer agrees to occupy the home as their principal residence.
- Once the home is purchased, there are no further income restrictions.

## ✓ HOW TO PROCEED

The City of Ripon's program is administered through the San Joaquin County Neighborhood Preservation Office. After you have been pre-qualified by a lender for a primary loan, contact the Neighborhood Preservation office at (209) 468-3175 to apply.

To begin the pre-qualification process with San Joaquin County please provide the following documents:

1. Three (3) months pay stubs for each applicant as well as any other income.
2. Six (6) months most-recent bank statements.
3. Three (3) years of most recent Federal tax returns and W-2's.
4. Lender approval letter.
5. Lender loan application (Form 1003).
6. Credit report not more than thirty (30) days old.
7. 4560T Form

Additional documentation will be required from the borrower and the first mortgage lender. For more program information email [neighborhood@sjgov.org](mailto:neighborhood@sjgov.org).

