

Truckee Tahoe Airport District Home Purchase Assistance Program

Program Outline

The Truckee Tahoe Airport District (TTAD) Home Purchase Assistance Program is designed to provide assistance to TTAD employees purchasing homes within the District's Service Boundaries (see attached map). The Program provides this assistance in the form of simple interest, deferred payment, second priority loans. The loans will supplement traditional financing provided by the primary lender for the home.

Interested participants must complete an application to be considered. Once a completed application has been submitted, the selection committee will meet within 72 hours to consider the request. If approved, the borrower will be connected to the program loan administrator, who will provide program education / assistance and work directly with the borrower and their primary lender.

Eligible Borrowers: Full-time / permanent employees of TTAD, employed longer than 180 days, determined to be in good standing, with a credit score of at least 670.

Eligible Properties: Housing unit types eligible for the homebuyer program are new or previously owned: single-family detached houses, condominiums, or manufactured homes on a single-family lot and placed on a permanent foundation system. The Program does not allow manufactured homes unless on a permanent foundation system.

Max. Purchase Price: \$1,500,000
This cap will be reviewed on an annual basis and may be revised based on market fluctuations.

Income Threshold: No household income limitations.

Loan Amounts: Loans cannot exceed 16% of the home purchase price or \$100,000, whichever is less.

Loan Terms: The loan shall carry simple interest at 3% per annum, with payment deferred as set forth in the repayment clause in the loan documents.

Loan Distribution: Funds will be distributed on a first come-first serve basis. To receive funds, the borrower must first be pre-approved with the lender who is originating the primary loan.

Application of Funds: Funds may be used for home purchase only. The program does not fund construction loans.

Compatible Mortgages: The primary loan must be fixed rate with duration equal to or in excess of thirty (30) years.

Borrower Investment: Borrower must make a minimum investment of 4% of the down payment from a source acceptable to the primary lender. Gifts from family are allowed.

Assets: Applicants with non-retirement assets in excess of one and one half times (1.5x) the amount being requested will not be eligible for the program.
A definition of non-retirement assets is included in the program guidelines (money market accounts / checking / etc).
Applicants cannot currently own property within TTAD service boundaries, and/or own property that could be sold to purchase a home in the service area.

Repayment: The down payment loan shall become due at the earliest of the following dates and/or events:

- 1) Sale of the residence;
- 2) The employee no longer occupies the residence as their primary residence;
- 3) Default of any terms of the loan or deed of trust securing the loan;
- 4) Payment in full of the primary loan (including but not limited to a refinance of the primary loan if the refinance includes any "cash out" component);
- 5) Cessation of employment: the loan shall become due two years from the date of cessation of employment.

Terms re: foreclosure, non-payment of taxes, etc. are included in the guidelines.

Employment Requirements: Employees can pursue assistance if they work a minimum of 40 hours per week, are employed as full-time/permanent, have completed 180 days of employment, and have been determined to be in good standing.

Good Standing: Applicants must have received an overall score of "Achieves" on their most recent semi-annual performance review, there no documented written warnings within the last six (6) months, or no corrective action plans within the last twelve (12) months.

Homebuyer Education: Program loan education will be provided to all borrowers on all loans. First time homebuyers may be required to complete a First Time Homebuyer course before receipt of program funds.

Occupancy Requirements: **Employee/s must occupy the housing units as their full-time primary residence during the life of the loan. The housing unit, nor any of its rooms, may be short-term rented during the life of the loan.**

Term: Down payment loans will have a term of 30-years or a term that is concurrent with the primary loan, if longer than 30 years.

Loan Security Priority: The down payment assistance loan shall be subordinate only to the primary loan.

Funding Method: Loans will be funded by TTAD and serviced by TTWHA. TTAD will be the lien-holder on the home.

Interest/Principal Payments: Payments are not required during the life of the loan. If payments are made during the life of the loan, they will be made to TTWHA. TTWHA will then submit to TTAD.

Repayment: Loan principal and principal will be repaid to TTAD.