

CITY OF SAN FRANCISCO'S DOWNPAYMENT ASSISTANCE LOAN PROGRAM (DALP): OFFERING LOANS UP TO \$375,000 TO BUY A HOME



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Contributing Writer

The Downpayment Assistance Loan Program (DALP) offers Downpayment loans up to \$375,000 to bid on a property in San Francisco's open market. The loan must be used for the Downpayment of a single

unit that will become a primary residence. The owner can re-sell the unit at market prices.

The DALP is a silent second loan that requires no monthly payments. When the property is sold or transferred, the owner pays MOHCD back the principal amount of the loan, plus an equitable share of the appreciation.

The cost of applying for the loan is free – but when your lender finalizes your purchase, your household pays a \$600 - \$700 fee as part of your closing costs.

You need to make under a certain amount for your household size. The highest limit for a one-person household is \$163,200 a year. First responders and educators have an income limit of \$186,500 a year.

Check if you can apply. The amount you can borrow depends on how much you

need. You can't have owned any residential property anywhere within the last 3 years. Your household must make under a certain amount. The maximum amount depends on the number of people in your household:

- For 1 person \$163,200
- For 2 people \$186,450
- For 3 people \$209,850
- For 4 people \$233,100
- For 5 people \$251,750

Before you apply you must attend a homebuyer education course and get a mortgage pre-approval letter from an approved lender. Note your pre-approval letter must contain the sales price of a market-rate property, the maximum first loan amount, and the DALP loan amount. A pre-approval letter for a below-market rate (BMR) property will not be accepted.

Next you will need to apply for the lottery. You will need the following documents:

- Loan pre-approval letter, dated within the past 120 days
- Verification of homebuyer education, dated within the past year

The current application period is now closed. Sign up for the MOHCD mailing list to get an email alert as to when the next round of DALP opens up.

If you apply by the deadline you will receive a lottery number. Applications will be processed by lottery rank order. Once your application is received you will need to fill out a more detailed form and provide more paperwork. If the program determines that you are income-eligible they will issue a pre-approval letter and reserve the funds for you. You then have 90 days to enter a sales contract for any property on the open mar-

ket. A non-refundable fee will be charged to process the paperwork. Your lender has 30 days to submit a loan packet; DALP will take up to 15 days to review. Once approved a loan commitment letter will be issued. The letter allows 30 days to close the sale. The DALP is a silent second loan that requires no monthly payments.

You can sell your home at market rate prices, but must pay back the principal amount plus an equitable share of appreciation. For more information go to the Mayor's Office of Housing & Community Development's website www.sfmohcd.org.

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