



City of Madera DAP Instructions to Prospective Home Buyer

Applications for the Downpayment Assistance Program can be picked up at City Hall from Program staff.

After filling out the application, submit the application in ink and all supporting materials to City Staff for their review for completeness.

City staff reviews paper work to determine program eligibility and financing affordability for prospective program participants.

Eligible program participants are given a Preliminary Eligibility Letter that provides the potential homebuyer with a 90-day time period in order find a qualified home and begin securing a primary loan for the housing unit.

Participant works with lender of choice to obtain the primary lender's pre-qualification letter.

Participant works with real estate agent of choice to select home. Program disclosures are reviewed with agent for presentation to seller. Preference will be given to vacant or owner occupied homes rather than tenant occupied.

Participant selects home and enters into a purchase contract (contingent upon receiving Program loan approval). **Lender provides** City staff with a copy of:

- **real estate sales contract**
- **residential loan application**
- **credit report**
- **verified income documentation**
- **disclosure statement**
- **proof of personal funds for participation in program**
- **breakdown of closing costs**
- **structural pest control clearance**
- **appraisal with photos**
- **escrow instructions**
- **preliminary title report**

City staff has home inspected (if necessary) to meet HQS or code compliance (dependent upon the program). Notice of any deficiencies or needed corrections are given to participant's real estate agent, with recommended course of action.

City staff requests loan approval from Sponsor's CAO (City Administrator). Following loan approval, city staff prepares Deed of Trust, Promissory Note, Notice of Default, Declaration

of Covenants and Restrictions, Owner Occupant Agreement with City, requests checks and deposits same into escrow.

Escrow Company furnishes city staff with proof of documents to be recorded, and any escrow close out information. After receipt of recorded loan documents, HUD I, Insurance Loss Payee Certification and Final Title Insurance Policy city staff closes out the loan file.