



Manufactured Housing Mortgage Assistance Program Guidelines

*for the
CalHome Program*



Pending HCD Approval

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**MANUFACTURED HOUSING
MORTGAGE ASSISTANCE PROGRAM GUIDELINES**

1.0. GENERAL

Self-Help Enterprises, hereinafter referred to as the “Sponsor”, has entered into a contractual relationship with the California Department of Housing and Community Development (“HCD”) to administer the CalHome Manufactured Housing Mortgage Assistance Program described herein and hereinafter referred to as the “Program”. The Program is designed to provide assistance to eligible homebuyers in purchasing manufactured housing units, also referred to herein as “mobile homes” or “housing units”. Assistance is provided in the form of a zero interest, deferred loan. Maximum CalHome assistance per household is \$60,000, which includes both the allowance for activity delivery as well as the amount secured by a Promissory Note. The Program service area includes Kern, Kings, Fresno, Madera, Merced, Stanislaus and Tulare counties.

1.1. PROGRAM OUTREACH AND MARKETING

All outreach efforts will be done in accordance with state and federal fair lending regulations to assure nondiscriminatory treatment, outreach and access to the Program. No person shall, on the grounds of age, ancestry, color, creed, physical or mental or physical disability, marital or familial status, medical condition, national origin, race, religion, gender or sexual orientation, be excluded, denied benefits or subjected to discrimination under the Program. Sponsor will ensure that all persons, including those qualified individuals with disabilities have access to the Program.

Flyers or other outreach materials, in English and any other language that is the primary language of a significant portion of the area residents, will be widely distributed in the Program service area and will be provided to any local social service agencies. The Fair Housing Lender and Accessibility logos will be placed on all outreach materials. See **Exhibit A**, Marketing Plan.

1.2. APPLICATION PROCESS AND SELECTION

- A. Sponsor will utilize a waiting list. Applicants are offered the opportunity to qualify for assistance by waiting list priority (a first-come, first served basis). In response to an applicant’s request, the applicant is placed on the waiting list and directed to the Sponsor’s HUD and CalHome approved Homebuyer Counseling and Education program. Each applicant must participate in the Homebuyer Counseling and Education program and receive a certificate of completion to be eligible for the Sponsor’s Manufactured Housing Mortgage Assistance Program.
- B. Once the applicant’s name comes to the top of the waiting list, Sponsor will contact the applicant by mail, telephone or email to advise of funding availability. An application packet will be provided to the applicant for completion and submittal to

the Sponsor within 30 days, along with supporting documentation. Should an applicant fail to respond or to provide any of the required documentation within the 30-day period, the applicant's name will be removed from the waiting list. If the applicant desires assistance at a later time, he/she will be placed at the bottom of the list.

Should the waiting list be exhausted, the program will be marketed in accordance with Sponsor's Marketing Plan, **Exhibit A**.

- C. Upon receipt of a complete application package, the Sponsor will review the application forms and documentation provided. Verifications will be obtained for income, assets, employment, and benefits.

If there are material discrepancies and/or misrepresentations, and/or there are income, asset, household composition, or other important questions that can't be resolved, the Sponsor reserves the right to deny assistance to the household. In this case, the applicant may re-apply after six months have elapsed from the time of written assistance denial.

- D. Households selected for participation in the Program are those determined eligible upon completion of processes described in A., B. and C. above.

1.3. HOME PURCHASE PROCESS

- A. The housing unit selection process will be conducted by the applicant.
- B. Applicant submits executed standard form, purchase and sale agreement to Sponsor. The purchase and sale agreement will be contingent on the household and housing unit meeting Program eligibility requirements and receiving Program loan approval. Sponsor verifies applicant eligibility, housing unit and loan eligibility and amount of assistance to be provided consistent with these guidelines.
- C. A report and loan request are prepared on behalf of the applicant by the Sponsor. A Loan Review Committee meeting is scheduled to hear the loan request. Section 6.1 provides additional information on the loan approval process. Once approved, loan documents are executed and the loan is funded.

1.4. HOMEBUYER COSTS

- A. Eligible households must document that they have the funds necessary for down payment and closing costs as required by the Sponsor.
- B. Down payment – Homebuyer must contribute a minimum down payment of one percent (1%) of the purchase price, but may contribute more, if desired.

1.5. HOMEBUYER EDUCATION

Buying a home can be one of the most confusing and complicated transactions anyone can make. Providing the future homebuyer with informative homebuyer education training, can bring success to the Sponsor, the Program and, most importantly, the homebuyer. It has been documented that first-time homebuyers that have had homebuyer education have the ability to handle problems that occur with homeownership. All Program participants are required to attend a Sponsor’s homebuyer education class. The homebuyer education class will cover such topics as the following: preparing for homeownership; available financing; credit analysis; loan closing; homeownership responsibilities; home maintenance; impact of refinancing and loan servicing. Methods of homebuyer counseling and education may include, but are not limited to: online education, one-on-one counseling between homebuyer, counselor and family/individual and/or group workshops and informational sessions. Tools of instruction may include fliers, brochures, power point presentations, worksheets, etc.

1.6. CONFLICT OF INTEREST REQUIREMENTS

No member of the Sponsor’s governing body and no other official, employee, or agent of the Sponsor who exercises policy, decision-making functions, or responsibilities in connection with the planning and implementation of the Program shall directly or indirectly be eligible for this Program, unless the application for assistance has been reviewed and approved according to applicable State of California, Department of Housing and Community Development policies. This ineligibility shall continue for one year after an individual's relationship with the Sponsor ends.

1.7. NON-DISCRIMINATION REQUIREMENTS

The Program will be implemented in ways consistent with the Sponsor’s commitment to non-discrimination. No person shall be excluded from participation in, denied the benefit of, or be subject to discrimination under any Program or activity funded in whole or in part with State funds on the basis of his or her religion or religious affiliation, age, race, color, creed, gender, sexual orientation, marital status, familial status (children), physical or mental disability, national origin, or ancestry, or other arbitrary cause.

2.0. APPLICANT QUALIFICATIONS

2.1. INCOME LIMITS

All applicants must certify that they meet the household income eligibility requirements for the CalHome Program and have their household income documented. The income limits in place at the time of loan approval will apply when determining applicant income eligibility. All applicants must have incomes at or below 80% of the County’s area median income (AMI), adjusted for household size, as published by HCD each year. **See Exhibit B.**

Household: One or more persons who will occupy a housing unit. Unborn children are not counted.

Annual Income: Generally, the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period.

2.2. INCOME QUALIFICATION CRITERIA

Projected annual gross income of the household will be used to determine whether they are above or below the published HCD income limits. Income qualification criteria, as shown in the most recent CalHome Program guidance, will be followed to independently determine and certify the household's annual gross income. Income will be verified by reviewing and documenting tax returns, copies of wage receipts, subsidy checks, bank statements and third party verification of employment forms sent to employers. All documentation shall be dated within six months prior to loan closing, kept in the applicant file, and held in strict confidence.

A. HOUSEHOLD INCOME DEFINITION:

Household income is the annual gross income of all adult household members that is projected to be received during the coming 12-month period, and will be used to determine program eligibility. Refer to Income Inclusions and Exclusions for further guidance to the types of incomes to be included or excluded when calculating gross annual income. **See Exhibits D and E.** For those types of income counted, gross amounts (before any deductions have been taken) are used; the types of income not considered are the income of minors or live-in aides. Certain other household members living apart from the household also require special consideration. The household's projected income must be used, rather than past earnings, when calculating income.

B. ASSETS:

There is no asset limitation for participation in the Program. Income from assets is, however, recognized as part of annual income under the Part 5 definition. An asset is a cash or non-cash item that can be converted to cash. The value of necessary items such as furniture and automobiles are not included. (*Note: It is the income earned – e.g. interest on a savings account – not the asset value, which is counted in annual income.*)

An asset's cash value is the market value less reasonable expenses required to convert the asset to cash, including: penalties or fees for converting financial holdings and costs for selling real property. The market value of an item is counted as an asset.

2.3. DEFINITION OF AN ELIGIBLE HOMEBUYER

- A. An eligible homebuyer means an individual or individuals or an individual and his or her spouse who meets the income eligibility requirements and is/are not currently on title to real property. Documentation of homebuyer status will be required for all homebuyers.

The CalHome Program uses the following definition of an eligible homebuyer, which is a “first-time homebuyer” from 8201(1) Title 25 California Code of Regulations:

“First-time homebuyer” means an individual or individuals or an individual and his or her spouse who have not owned a home during the three-year period before the purchase of a home with subsidy assistance, except that the following individual or individuals may not be excluded from consideration as a first-time homebuyer under this definition:

1. a displaced homemaker who, while a homemaker, owned a home with his or her spouse or resided in a home owned by the spouse. A displaced homemaker is an adult who has not, within the preceding two years, worked on a full-time basis as a member of the labor force for a consecutive twelve-month period and who has been unemployed or underemployed, experienced difficulty in obtaining or upgrading employment and worked primarily without remuneration to care for his or her home and family;
2. a single parent who, while married, owned a home with his or her spouse or resided in a home owned by the spouse. A single parent is an individual who is unmarried or legally separated from a spouse and has one or more minor children for whom the individual has custody or joint custody or is pregnant; or
3. an individual or individuals who owns or owned, as a principal residence during the three-year period before the purchase of a home with assistance, a dwelling unit whose structure is:
 - a. not permanently affixed to a permanent foundation in accordance with local or state regulations; or
 - b. not in compliance with state, local, or model building codes and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure.

3.0. HOUSING ELIGIBILITY

3.1. LOCATION AND CHARACTERISTICS

- A. Housing units to be purchased must be located within Kern, Kings, Fresno, Madera, Merced, Stanislaus or Tulare counties.
- B. Housing unit types eligible for the Homebuyer Program are new or previously owned manufactured homes in mobile home parks, in common-interest

developments or on a single-family lot and placed on a permanent foundation or a foundation system.

- C. All housing units must be in compliance with State and local codes and ordinances.
- D. Housing units located within a 100-year flood zone will be required to provide proof of flood insurance with an endorsement naming the Sponsor as additional insured in order to close escrow.

3.2. CONDITIONS

A. **Previously Owned Housing Units** - Prior to a commitment of Program funds, the following steps must be taken for a previously owned housing unit to be eligible for purchase under the Program:

1. The housing unit must have a remaining life expectancy of at least 20 years.
2. The Sponsor or a certified housing inspector will walk through the housing unit, determine if it is structurally sound, and identify any code related and health and safety deficiencies that need to be corrected. A list of code related repair items will be given to the homebuyers and their Realtor to be negotiated with the seller.
3. A clear pest inspection report will be required.
4. If there are one or more health and safety deficiencies, and/or violations of applicable building codes noted in the written report, the Sponsor will approve the purchase only if the buyer and seller agree to make necessary repairs to the dwelling unit prior to transfer of property ownership at their own expense.
5. Upon completion of all work required by the Sponsor, appraiser, pest inspector and/or certified housing inspector, a final inspection will be conducted prior to close of escrow.
6. The Sponsor will encourage each homebuyer to secure a homeowner's warranty policy as part of the purchase of a resale housing unit.

B. **New Housing Units** - Prior to a commitment of Program funds, the following steps must be taken for a new housing unit to be eligible for purchase under the Program:

1. The housing unit must have a minimum life expectancy of at least 20 years.
2. Housing unit on real property must comply with current local health and safety standards and all applicable federal, state, and local building codes as evidenced by a building permit finalized by the local Building Department.

3. Housing units to be placed in mobile home parks must comply with the requirements of the mobile home park and the Department of Housing and Community Development (HCD). The HCD inspector will sign off on all required construction work assuring that each housing unit receiving Program assistance is in compliance with local codes and health and safety requirements at the time of purchase and prior to occupancy.

4.0. PURCHASE PRICE LIMITS

The maximum purchase price of a home shall be set at 100 percent of the current median sales price of a single family home in the county in which the CalHome Program is operated. See CalHome Purchase Price/After Rehabilitation Value Limits attached to these Guidelines as **Exhibit B**.

5.0. ADDITIONAL FINANCING (THE PRIMARY LOAN)

If the cost of the manufactured home, whether on real property, in a mobile home park, or on leased land, exceeds the maximum amount available under this Program, the applicant may need to secure additional financing to complete the purchase and setup of the unit.

The qualifying ratios, interest rate, loan type, and terms of additional financing must be acceptable to Sponsor since the Sponsor is willing to take a second lien position.

5.1. QUALIFYING RATIOS

The front-end (housing) debt-to-income ratio shall be between 25% and 35% and is the percentage of a borrower's gross monthly income (before deductions) that would cover the cost of the loan principal and interest payments, property taxes, property insurance, space rent, mortgage insurance, and HOA dues, if any.

The back-end (total) debt-to-income ratio shall be between 25% and 42% and is the percentage of the borrower's gross monthly income that would cover the cost of housing as described in the paragraph above and any other debt service payments (car payments, credit card bills, personal loans, etc.).

5.2. INTEREST RATE

The primary loan must have a fixed interest rate that does not exceed the current market rate. No temporary interest rate buy-downs are permitted.

5.3. LOAN TYPE AND TERM

The primary loan shall be fully amortized and have a term "all due and payable" in no less than 20 years. There shall not be a balloon payment due before the maturity date of the Program Loan.

5.4 IMPOUND ACCOUNTS

All borrowers are advised to have impound accounts for the payment of taxes and insurance to ensure they remain current, if the option is available through payment of the Primary Loan.

6.0 THE PROGRAM LOAN

6.1 MAXIMUM AMOUNT OF PROGRAM ASSISTANCE

The amount of Program assistance to a homebuyer toward purchase of a home shall not exceed \$60,000, which includes a maximum loan amount of \$56,600 and \$3,400 in activity delivery.

6.2 NON-RECURRING CLOSING COSTS

Non-recurring costs such as credit report, escrow, closing and recording fees, title report and title insurance, title updates and/or related costs may be included in the Program loan.

6.3 AFFORDABILITY PARAMETERS FOR HOMEBUYERS

The actual amount of a homebuyer’s Program Loan shall be computed according to the housing ratio parameters specified in Section 5.1. Sponsor will use the “front-end ratio” of housing expense-to-income to determine if the amount of the proposed Primary Loan is acceptable.

6.4 RATE AND TERMS FOR PROGRAM LOANS

A. Homeowners are eligible for a Deferred Payment Loan (DPL), at zero interest, with a graduated principal forgiveness schedule as allowed by CalHome. No loan payments of principal or interest are required during the loan term unless there is a default of the loan as described in Section 7.2 of these Guidelines. If a default event occurs during the deferral period, the entire loan principal is due and payable unless the Sponsor approves an exception.

At the end of the 11th year of the loan and each year thereafter, 10% of the loan principal is forgiven. At the end of the 20 year term, no principal is due and the loan is completely forgiven. See chart below.

End of Year #	Remaining Principal Balance Due (% of Original Loan Amount)
1 – 10	100%
11	90%
12	80%
13	70%
14	60%
15	50%

End of Year #	Remaining Principal Balance Due (% of Original Loan Amount)
16	40%
17	30%
18	20%
19	10%
20	0%

- B. Sponsor shall perfect its security interest related to any loan to purchase a manufactured home by making the necessary filings with the Department of Housing and Community Development (HCD). After making the necessary filings with HCD, Sponsor shall be on title as the legal owner of the manufactured home used to secure the loan and the borrower shall be the registered owner.
- C. In the event that an owner sells, transfers title, or discontinues residence in the purchased property for any reason, the loan shall become all due and payable. The CalHome loan is not assumable.
- D. If a homeowner converts the property to any residential-rental, commercial or non-residential use, the loan becomes all due and payable.
- E. The following transfers of interest shall not require the repayment of the CalHome Program loan:
1. transfer to a surviving joint tenant by devise, descent, or operation of law on the death of a joint tenant;
 2. a transfer, in which the transferee is a person who occupies or will occupy the property, which is:
 - a. a transfer where the spouse becomes an owner of the property;
 - b. a transfer resulting from a decree of dissolution of marriage, legal separation agreement, or from an incidental property settlement agreement by which the spouse becomes an owner of the property; or
 - c. a transfer into an inter vivos trust in which the borrower is and remains the beneficiary and occupant of the property.

6.5 COMBINED LOAN-TO-VALUE RATIO

The loan-to-value ratio for a Program loan, when combined with all other indebtedness to be secured by the property, shall not exceed 100 percent of the sales price, plus a maximum of up to 5 percent of the sales price, to cover actual, non-recurring closing costs.

6.6. APPRAISAL

The value of the housing unit is determined by a licensed appraiser. The cost of the appraisal will be included in the borrower's loan. The purpose of the appraisal is to determine that purchase price of the housing unit will not exceed the permitted amount per CalHome Program regulations. **See Exhibit B.**

6.6. INSURANCE

6.6.1. FIRE INSURANCE

The owner shall maintain fire insurance on the property for the duration of the Program loan. This insurance must be an amount adequate to cover all encumbrances on the property. The insurer must identify the Sponsor as Loss Payee for the amount of the Program loan. A binder shall be provided to the Sponsor.

In the event the applicant fails to make the fire insurance premium payments in a timely fashion, the Sponsor at their option may make such payments for a period not to exceed 60 days. The Sponsor may, in its discretion and upon the showing of special circumstances, make such premium payments for a longer period of time. Should the Sponsor make any payments, it may, in its sole discretion, add such payments to the principal amount that the applicant is obligated to repay the Sponsor under this Program. CalHome funds cannot be used to pay insurance at any time.

6.6.2. FLOOD INSURANCE

For homes in a 100-year flood zone, the owner is required to maintain flood insurance in an amount adequate to secure the Program loan and all other encumbrances. This policy must designate the Sponsor as Loss Payee and a binder shall be provided to the Sponsor and maintained in the borrowers file. CalHome funds cannot be used to pay insurance at any time.

6.6.3. TITLE INSURANCE

Sponsor shall request a Formal Title Search from HCD to establish the registration and titling status of the subject property prior to the close of escrow. A Notice of Escrow Opening will also be filed with HCD. This notice places a moratorium on the manufactured home record preventing any changes to the title status of the home until the escrow has closed.

6.7. LOAN SECURITY

- A. Loan security for all manufactured homes located on real property will be secured by real property and improvements, and will include a Deed of Trust, Promissory Note and Loan Agreement in favor of the Sponsor.

- B. Loan security for all manufactured homes in a mobile home park or on leased land that is not on a permanent foundation will be secured by an HCD 480.7 or an HCD 484 Statement of Lien, and will also include a Promissory Note and Loan Agreement.

7.0. PROGRAM LOAN PROCESSING AND APPROVAL

7.1. LOAN PROCESS

The Sponsor's Loan Review Committee must approve all loans. The Loan Review Committee may approve assistance with financing exceeding 100% of the sales price of a single family home in the county in which the CalHome Program is operated, to a maximum of up to 5 percent of the sales price, to cover actual, non-recurring closing costs.

In order to obtain financing, applicants must meet all property and eligibility guidelines in effect at the time the application is considered. Applicants will be provided written notification of approval or denial. Any reason for denial will be provided to the applicant in writing.

Once approved, loan documents are executed and the loan is funded.

7.2. UNDERWRITING CONSIDERATIONS

Grounds for denial of a loan request include, but are not limited to, the following:

- A. Sponsor may deny a loan request if the applicant has any unexplained or unresolved delinquencies for any payments or amounts owed in the twelve (12) months prior to applying for assistance. Sponsor will consider all delinquencies in the evaluation, including delinquent rent and utility payments.
- B. Sponsor may deny a loan request if the Loan to Value (LTV) ratio will exceed 100%. The LTV ratio is based on an appraisal.
- C. The after rehabilitation value may not exceed the CalHome Purchase Price/After Rehabilitation Value Limits, attached to these Guidelines as **Exhibit B**.
- D. Sponsor may deny a loan request if the applicant has any bankruptcies in the past seven (7) years or has filed bankruptcy prior to funding of the loan.
- E. Sponsor may deny a loan request if the applicant has provided false or erroneous information, failed to complete the application process, or if there are any unresolved clouds to the property's title at the time of applying for a loan from Sponsor. Examples of clouds to title include, but are not limited to, persons named on title who are deceased, judgments against the property for nonpayment of taxes of any kind, and mechanics liens filed against the property.

Exhibit C of these Guidelines is the Loan Review Committee Underwriting Criteria document that is used by the Committee to determine if the loan is approved or denied.

8.0. PROGRAM LOAN SERVICING AND MAINTENANCE

8.1. LOAN MONITORING PROCEDURES

Owners will be required to submit the following documents to the Sponsor, annually, for the term of the loan, which will be reviewed and certified by the Sponsor:

- Proof of occupancy in the form of a copy of a current utility bill;
- Statement of unit's continued use as a residence;
- Declaration that other title holders do not reside on the premises;
- Verification that Property Taxes are current; and
- Verification of current required insurance policies.

8.2. DEFAULT AND FORECLOSURE

If an owner defaults on the loan during the deferral period, the entire loan principal is due and payable unless the Sponsor approves an exception. If foreclosure procedures are instituted, they shall be carried out according to the requirements of California Health and Safety Code Section 18000, et. seq. and other related laws and regulations.

8.3. SUBORDINATIONS

Entering a subordinate lien is acceptable. However, the Sponsor will not subordinate a first lien position once established.

9.0. EXCEPTIONS AND SPECIAL CIRCUMSTANCES

9.1. AMENDMENTS

The Sponsor may make amendments to these Program Guidelines. Any changes made shall be in accordance with state regulations and shall be submitted to HCD for approval.

9.2. EXCEPTIONS

Any case to which a standard policy or procedure, as stated in the guidelines, does not apply or an applicant treated differently from others of the same class would be an exception.

9.2.1. PROCEDURES FOR EXCEPTIONAL CIRCUMSTANCES

The Sponsor may initiate consideration of an exception and prepare a report containing a narrative, including the Sponsor's recommended course of action and any written or verbal information supplied by the applicant. The Loan Review Committee will review the report and make a final decision.

10.0. DISPUTE RESOLUTION AND APPEALS PROCEDURE

Complaints concerning the Sponsor's Manufactured Mortgage Assistance Program should be made to the Sponsor first. If unresolved in this manner, the Sponsor will then schedule a meeting with the Loan Review Committee. The Committee's written response will be made within thirty (30) working days. If the applicant is not satisfied with the Committee's decision, a request for an appeal may be filed with Sponsor's Board of Directors. Final appeal may be filed in writing with HCD within one year after denial or the filing of the Project Notice of Completion.

EXHIBIT A

MARKETING PLAN

SUMMARY

The Sponsor will market the Manufactured Housing Mortgage Assistance Program in a manner that will reach all community members.

All marketing related to the Manufactured Housing Mortgage Assistance Program is publicized in both English and Spanish. All marketing materials include information identifying the Sponsor's commitment to fair housing laws and affirmative marketing policy, and are widely distributed. Equal opportunity is emphasized in written materials and oral presentations. A record is maintained by the Sponsor identifying what marketing materials are used, and when and where they are distributed.

Forms of marketing may include fliers, brochures, newspaper ads, articles and public service announcements. Fliers and brochures are distributed at local government buildings, other public buildings and through the mail, as well as to businesses that assist those not likely to apply without special outreach. Advertisements and articles are published in newspapers that are widely circulated within the community.

Established working relationships with local lending agencies also aid in informing the public by facilitating the distribution of informational fliers to households seeking financial assistance for repairs that are unable to obtain conventional financing.

Informational meetings are offered to potential participants to explain Program requirements. Often, minimal formal outreach efforts are required as the need for assistance generally exceeds funds available. However, marketing measures are actively performed in order to maintain a healthy interest list.

Characteristics on all applicants and participants are collected and compared with the Sponsor's demographics. Should the Sponsor find that there are underserved segments of the population, a plan to better serve them will be developed and implemented.

MARKETING FORMS

- Fliers
- Brochures
- Newspaper Ads and Articles
- Public Service Announcements
- Public Informational Meetings

MARKETING VENUES

- Local Government Buildings
- Local Public Services Buildings
- Private Businesses
- Lending Agencies
- Real Estate Offices
- Newspaper
- Radio
- Mail

EXHIBIT B**INCOME LIMITS BY COUNTY**
80% of Area Median Income Limits – Effective 2/28/14

<i>Number of Persons in Household</i>								
	1	2	3	4	5	6	7	8
Fresno	\$32,450	\$37,050	\$41,700	\$46,300	\$50,050	\$53,750	\$57,450	\$61,150
Kern	\$32,450	\$37,050	\$41,700	\$46,300	\$50,050	\$53,750	\$57,450	\$61,150
Kings	\$32,450	\$37,050	\$41,700	\$46,300	\$50,050	\$53,750	\$57,450	\$61,150
Madera	\$32,450	\$37,050	\$41,700	\$46,300	\$50,050	\$53,750	\$57,450	\$61,150
Stanislaus	\$34,750	\$39,700	\$44,650	\$49,600	\$53,600	\$57,550	\$61,550	\$65,500
Tulare	\$32,450	\$37,050	\$41,700	\$46,300	\$50,050	\$53,750	\$57,450	\$61,150

Source: HCD Income Limits: <http://www.hcd.ca.gov/hpd/hrc/rep/state/inc2k14.pdf>

MAXIMUM SALES PRICE / AFTER REHABILITATION VALUE LIMIT

For homes assisted with a CalHome Program loan, the maximum allowable sales price or the maximum After-Rehabilitation Value of a home shall be set at 100% of the current median sales price of a single family home in the County in which the CalHome Program is operated. The source of the data for the maximum sales price/value limits to be used will be the FHA 203(b) one-family limits.

SPONSOR OVERCROWDING GUIDELINES CHART

Maximum No. of Persons in the Household	Number of Bedrooms	Number of Bathrooms
1	SRO	1
1	0-BR	1
2	1-BR	1
4	2-BR	2
6	3-BR	2
8	4-BR	3
10	5-BR	3
12	6-BR	4

- Opposite sex children under 6 years of age may share a bedroom, up to 2 children per bedroom.
- Opposite sex children 6 years of age and older may have their own bedroom.
- Children shall be permitted a separate bedroom from their parents.
- Same sex children of any age may share a bedroom, up to 2 children per bedroom.
- Adults not in a partner relationship may have their own bedroom.
- 4 or more people – a second bathroom may be added.
- 8 or more people – a third bathroom may be added.
- Same rules apply to manufactured housing units.

EXHIBIT C

LOAN REVIEW COMMITTEE UNDERWRITING CRITERIA

LOAN INFORMATION

Loan Amount: \$ _____
Interest Rate: 0%
Repayment: Deferred until loan maturity; principal forgiveness schedule
Loan Term: 20 years

HOME PURCHASE

New Previously-Owned

 Single Wide Double Wide Bdrms _____ Baths _____ House SF _____
Appraised Value: \$ _____ Property will have Loan to Value of _____%

Proposed Lien Position: 1st 2nd 3rd

Existing Encumbrances
1st: _____ Balance: _____
2nd: _____ Balance: _____
3rd: _____ Balance: _____

HOUSEHOLD INFORMATION

Male Female Husband & Wife #Adults _____ #Children _____
Ages: _____

Total Monthly Income \$ _____
From: Wages Alimony AFDC Self-Employment
 Pension Social Security Rental Income Unemployment
 SSI Child Support Interest Income Disability
 Worker's Compensation Other _____

Income is _____% of Area Median Income for _____ County.
Monthly Household Expenses of \$ _____ are _____% of gross monthly income.
 This will change upon loan approval. This will not change upon loan approval.
Proposed Monthly Housing Expenses of \$ _____ are _____% of gross monthly income.

Credit History: Excellent Good Fair Poor Non-Existent

Notes: _____

LOAN APPROVAL IS SUBJECT TO

- Delinquent Property Taxes Brought Current
- Purchase of Fire Insurance
- Purchase of Flood Insurance
- Correct Vesting to Read: _____
- Other: _____
- Other: _____

RECOMMENDATION

Member	Approved	Denied	Date

Comments/Basis for Denial: _____

EXHIBIT D

Title 25 Section 6914 Gross Income Inclusions – For CalHome activities

“Gross income” shall mean the anticipated income of a person or family for the twelve-month period following the date of determination of income.

“Income” shall consist of the following:

(a) Except as provided in subdivision (b), “Exclusions”, all payments from all sources received by the family head (even if temporarily absent) and each additional member of the family household who is not a minor shall be included in the annual income of a family. Income shall include, but not be limited to:

- (1) The gross amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses;
- (2) The net income from operation of a business or profession or from rental or real or personal property (for this purpose, expenditures for business expansion or amortization of capital indebtedness shall not be deducted to determine the net income from a business);
- (3) Interest and dividends;
- (4) The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts;
- (5) Payments in lieu of earnings, such as unemployment and disability compensation, worker’s compensation and severance pay;
- (6) Public Assistance. If the public assistance payment includes any amount specifically designated for shelter and utilities which is subject to adjustment by the public assistance agency in accordance with the actual cost of shelter and utilities, the amount of public assistance income to be included as income shall consist of:
 - (A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter and utilities, plus
 - (B) The maximum amount which the public assistance agency could in fact allow for the family for shelter and utilities,
- (7) Periodic and determinable allowances such as alimony and child support payments, and regular contributions or gifts from persons not residing in the dwelling;

All regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is head of the family or spouse.

EXHIBIT E

Title 25 Section 6914 Gross Income Exclusions

- (b) The following items shall not be considered as income:
- (1) Casual, sporadic or irregular gift items;
 - (2) Amounts which are specifically for or in reimbursement of the cost of medical expenses;
 - (3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;
 - (4) Amounts of educational scholarships paid directly to the student or to the educational institution, and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books and equipment. Any amounts of such scholarships, or payments to veterans, not used for the above purposes of which are available for subsistence are to be included in income;
 - (5) The special pay to a serviceman head of a family away from home and exposed to hostile fire;
 - (6) Relocation payments made pursuant to federal, state, or local relocation law;
 - (7) Foster child care payments;
 - (8) The value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1964 which is an excess of the amount actually charged the eligible household;
 - (9) Payments received pursuant to participation of the following volunteer programs under the ACTION Agency:
 - (A) National Volunteer Antipoverty Programs which include VISTA, Service Learning Programs and Special Volunteer Programs.
 - (B) National Older American Volunteer Program for persons aged 60 and over which include Retired Senior Volunteer Programs, Foster Grandparent Program, older American Community Services Program, and National Volunteer Program to Assist Small Business Experience, Service Corps of Retired Executive (SCORE) and Active Corps of Executives (ACE).