Mortgage Assistance Program Guidelines

Program Purpose

The purpose is to provide mortgage assistance in the form of a deferred payment "silent" loan to low-income and moderate-income households, using federal, state, and local funds. The intent of this program is to assist people in qualifying for home mortgages and to encourage homeownership.

Program Scope

The Mortgage Assistance Program (MAP) offered by the OC Housing & Community Development (HCD) serves to assist families in the purchase of their first home. These general guidelines cover aspects of the loan offered under the Mortgage Assistance Program. There is a loan committee that approves each loan.

Eligible Locations

The eligible locations are County of Orange (County) unincorporated areas and participating cities in the urban county and metro cities. See addendum for a list of participating cities and respective funding sources. Participating and metro cities may be added or removed as approved by the Board.

Eligible Units

In general, eligible units are: Single-family homes, Planned Unit Developments (PUD), Condominiums, Manufactured Homes, and Co-Op Housing. Two-to-four-unit properties (depending on the funds available) are eligible if HOME funds are used (See addendum for further details).

Eligible Applicants

Applicant(s) must be a first-time homebuyer. They must have a gross annual household income that does not exceed 120% of the Orange County area median income, adjusted for family size (depending on the funds available).

Program Priorities

The Mortgage Assistance Program (MAP) aims to promote homeownership opportunities for qualified mortgage ready applicants who live and/or work in Orange County. The program is designed to assist qualified households with the monies necessary to meet the down payment and/or closing costs requirement to purchase a property.

Funding Sources

The following funding sources are to be considered for the mortgage assistance loan:

- Federal HOME Investment Partnerships Program (HOME) funds
- California Department of Housing and Community Development CalHome funds
- Permanent Local Housing Allocation (PLHA) funds

Additionally, as other sources may become available for homeownership, they may be utilized under these guidelines subject to approval by the Board of Supervisors.

Financial Criteria

Each applicant must be able to provide 1% of the purchase price of the home in addition to the remainder of closing costs.

ELIGIBILITY CRITERIA

- All program applicants must be 1st time homebuyers.
- All program applicants must attend a 1st time homebuyer workshop offered by a HUD Certified Housing Counseling Organization and receive counseling by a HUD Certified Housing Counselor.
- All program applicants must have a credit rating that is acceptable in the financial lending industry.
- Owner must occupy the home.
- Total debt-to-income ratio cannot exceed 45%.
- A recorded Deed of Trust will secure all loans.
- Foreclosure and Bankruptcy will be deferred to lender guidelines.
- Loans can be subordinated to conventional or other financing.
- Total annual income (2026) of all income-earning household members cannot exceed the income limits published by State HCD*:

Household Size	Low-Income (80% AMI)	Moderate Income (120% AMI)
1 person	$104,200	$116,400
2 persons	$119,100	$133,050
3 persons	$134,000	$149,650
4 persons	$148,850	$166,300
5 persons	$160,800	$179,600
6 persons	$172,700	$192,900

*Subject to change on annual basis.

LOAN TERMS

A Deed of Trust on the property secures the loan. Total sales price shall not exceed 85% of the Orange County median sales price for all homes, which as of 2026 would be $1,015,217 (85% of $1,194,373).

- Loan of up to $120,000 for low-income households (up to 80% AMI).
- Loan of up to $80,000 for moderate-income households (up to 120% AMI).
- Loan term is thirty (30) years.
- Deferred Payment Loan.
- Loans are not forgivable.
- An interest rate of 3% (simple) shall be used for all loans.
- All loans (principal and earned simple interest) are due and payable upon sale or transfer of interest or when property ceases to be owner occupied, with the exception of transfers between surviving spouses continuing to reside in the property.

Assistance Amount	AMI	Interest	Buyer Contribution	Funding Source
Up to $120,000	80% Low-Income	3%	1%	HOME, CalHome, PLHA
Up to $80,000	120% Moderate-Income	3%	1%	PLHA

Subordination
The County may, at its sole discretion, agree to subordinate its financing to the first lien purchase money mortgage on the property ("First Lien") held by an institutional lender, and as applicable one or more additional loan(s) as approved by County, including lien instruments that secure other homebuyer purchase money and/or downpayment assistance, including without limitation state or federal affordable housing programs such as Housing Enabled by Local Partnerships (HELP), Building Equity and Growth in Neighborhoods (BEGIN), the CalHome program, and CalHFA mortgage downpayment assistance. Any additional loan(s), aside from the first lien, shall exceed the amount of financial assistance provided by the County.

Application Process
Applications will be made available through HCD and/or a third-party service provider. Applications will be accepted on a year-round basis from eligible clients until all funds have been expended. Funding is provided on a first come, first served basis for applicants submitting complete application packages. Additional applications may be reviewed for funding throughout the year based on available resources.

Once the applicants are qualified, the committee approved applicant then is provided with a list of approved Lender Partners who will then process each applicant for the first mortgage loan. Lender Partners will be identified through a Request for Qualifications process.

Program Overview
HCD may contracts with a third-party service provider for loan processing (application intake, loan processing, homebuyer education, etc.) of deferred payment "silent" home loans. HCD lends funds for the purchase of qualified homes through our contract with the Service Provider. The Service Provider under contract with the County/HCD is the primary contact. While the County acts as a lender in the MAP, it is the Service Provider who performs verification of applicant qualifications. The County/HCD monitors the performance of the Service Provider through in-house meetings and telephone conferences and will make a determination of continued participation based on the quality of work performed. As the recipient of public funds, the Borrower's responsibility is to ensure they occupy the property for the duration of the loan period or begin paying back the loan plus 3% simple interest. The County/HCD reserves the right to amend this program overview if contracted services or program guidelines are modified or funds are expended. The Service Provider will be selected through a competitive process.

MAP Loan Committee
The MAP Loan Committee includes the following members: one Housing Development Manager and two Housing Development Administrator/Analysts. The Loan Committee, consisting of at least two members, will review and may approve all qualified applicants.

The Program Administrator/Analyst will review all applications for completeness and applicability to program guidelines. If an application does not meet all guideline criteria and is recommended, "do not proceed," staff may bring the application to the Loan Committee for further review at a later date.

Monitoring and Portfolio Management
All homebuyers may receive a monitoring visit approximately 60 days after the funding of the loan. The purpose of the visit is to ensure the owner occupies the residence. Homebuyers are required to occupy the unit as their primary residence. Monitoring is done on an annual basis or according to funding requirements.

HCD or a third-party service provider will manage the portfolio of loans and work with owners, buyers, and escrow agents to assure compliance, process documents for sales transactions, and protect the County assets invested in the program. Owners may refinance their properties provided their total housing costs remain affordable, and net refinance proceeds are used to pay down the MAP loan.

ADDENDUM A

HOME (up to 80% AMI)	**CalHome (up to 80% AMI)**	**PLHA (up to 120% AMI)**
Eligible Units: • Single-family unit • A two-to-four-unit property • Condominium • Manufactured home **Eligible Locations:** **County Unincorporated Areas and the following participating cities:** • Brea • Cypress • Dana Point • La Palma • Laguna Beach • Laguna Hills • Laguna Woods • Los Alamitos • Seal Beach • Stanton • Villa Park	**Eligible Units:** • Single-family properties • **NO** 2-4 unit properties • Condominium • Planned unit developments (PUDs) • Manufactured home • Co-op housing **Eligible Locations:** **County Unincorporated Areas and the following cities:** • Brea • Cypress • Dana Point • La Palma • Laguna Beach • Laguna Hills • Laguna Woods • Los Alamitos • San Juan Capistrano (2021) • Seal Beach • Stanton • Villa Park **Metro Cities:** • Placentia • Yorba Linda	**Eligible Units:** • Single-family unit • Condominium • Planned unit developments (PUDs) • Manufactured home • Co-op housing **Eligible Locations:** **County Unincorporated Areas and the following cities:** • Brea • Cypress • Dana Point • La Palma • Laguna Beach • Laguna Hills • Laguna Woods • Los Alamitos • Seal Beach • Stanton • Villa Park

REPAID FUNDS

Loan and interest will be repaid to the respective funding source's account. CalHome funds will be reused to fund other downpayment assistance loans, consistent with the CalHome program. For PLHA funds, the County shall reuse the repayments consistent with the Eligible Activities per Section 301 of the PLHA Guidelines.