Program Application Process

NEWARK california

CITY OF NEWARK'S DOWN PAYMENT
LOAN APPLICATION PROCESS

To be considered for a down payment assistance loan, applicants must follow a five-step application process that includes attending a mandatory Down Payment Assistance Workshop. Interested individuals/households must first complete a Pre-Application to qualify for entry into the Application Lottery. Those who submit an eligible Pre-Application by the deadline will receive an invitation to attend this workshop, where they will learn about the City's Down Payment Assistance Loan Program (DPAL), the loan terms, the Application Lottery and how to properly submit a Program Application. The Program Application requires supporting documentation for evaluation as to whether applicants meet the eligibility criteria for qualifying for the assistance. This streamlined two-step application approach is designed to efficiently assess initial eligibility based on basic household information and city preference criteria prior to the lottery and then rank pre-qualified applicants in rank order for moving through the Program Application and final qualification process.

Step #1 Pre-Application

Once the Pre-Application period opens, interested households will be directed to submit a Pre-Application form by a specific due date, in order to determine initial eligibility for the DPAL Program. This document assesses initial household eligibility and city preferences based on the information provided by the applicant. Applicants who meet the preliminary eligibility criteria will be invited to a mandatory Down Payment Assistance Workshop. Following confirmed attendance at the workshop, attendee's will be entered into an Application Lottery, which establishes a ranked order for submitting Program Applications. The Pre-Application will request that applicants indicate the following information:

- Completed Pre-Application form
- Current residence information
- Verification of First-Time Homebuyer Status
- Stated combined annual Gross Household Income for all adults
- Total household assets
- Name and relationship to the primary applicant of all household members
- Preference Priority Criteria (Live/work preference criteria established by the City)
- Household demographic information (for the purpose of tracking who is accessing the program)

Applicants will not be required to submit supporting documentation to verify the information indicated at the Pre-Application stage.

The Program Administrator shall review the Pre-Application information submitted to determine basic eligibility to proceed to the next steps of the application process. If the Applicant is considered eligible to proceed, they shall receive an email confirmation containing a unique identification number.

Confirmation of eligibility to proceed following the submittal of the Pre-Application does not mean approval of a funding reservation by the City. Qualification for the DPAL Program will be evaluated at the time an applicant submits a complete Program Application.

Step #2 Down Payment Assistance Workshop

The Program Administrator will invite applicants who submitted an eligible pre-application by the deadline to attend a mandatory workshop where households will learn important information about the program, the loan terms, and how to submit a Program Application. The workshop will be hosted and led by the Program Administrator and is a separate requirement from the First-Time Homebuyer Education requirement. All registered and confirmed attendees at the Application Workshop shall be entered into the Application Lottery.

Step #3 Application Lottery

The Program Administrator will conduct a lottery to assign rankings for all Preference/Priority categories. In lottery ranking order, applicants will be invited to submit a Program Application. The following guidelines shall be applicable to the lottery process for the DPAL Program:

- At least thirty (30) calendar days prior to a lottery, the Program Administrator starts to accept complete Pre-Applications.
- All households that submit an eligible Pre-Application will receive a unique identifying number (Unique ID) and following attendance at a mandatory workshop, shall be included in the lottery that fits their Preference/Priority category.
- At the lottery, the Program Administrator will use an electronic system to randomly rank the Unique ID within each Preference/Priority category. Each Applicant will subsequently be notified of their ranking position ("lottery position").
- Lottery results shall be emailed and posted on the program website. The list will not include the names of applicants but will include the lottery numbers and corresponding lottery positions.
- The top ranked lottery positions will be invited to move forward in the application process and given the opportunity to submit an Application for review in batches based on their lottery number.

Step #4 Program Application

The fourth step in the application process is for applicants, who are invited by their ranked lottery position, to submit a Purchase Application. The Purchase application requires more detailed household information and the submission of supporting documentation for each household member to verify that all household members meet the program eligibility criteria.

Households who are invited by their ranked lottery position will be sent a link by email to the online Program Application (or a paper version upon request) by a certain deadline noted in the emailed link. The Program Application must include all requested supporting documents.

An applicant's Program Application supporting documents packet must include ALL of the following for:

- Program Application
- First Mortgage Loan pre-approval letter
- Applicant(s) two months' most current and consecutive paystubs
- Award letter or two months' documentation for all other income sources including child support, social security, pension and disability income
- Applicant(s) Driver License or State Issued Identification Card
- Applicant(s) signed & dated federal tax returns for the past 3 years with all schedules & W-2s OR IRS Verification(s) of Non-Filing

- Applicant(s) three most current and consecutive months of financial account statements for all accounts
- Gift letter and evidence of donor availability of funds (if applicable)
- For self-employed Applicant: a) copies of Applicant's Federal Income Tax Returns (both individual return and business returns) that were filed with the IRS for the past three years with all schedules; b) YTD profit & loss statement
- Supporting documentation for 1st Priority or 2nd Priority in City of Newark Preference Criteria (if applicable)
- Additional documents as requested by Program Administrator in order to verify program eligibility

Once invited to submit a Program Application, Applicant will be provided thirty (30) calendar days to complete the Program Application and submit all required supporting documents. Upon Program Administrator review, any and all missing and additional documents required will be requested of Applicant, who will then have five (5) business days to submit the requested documents. If Applicant responds with the requested missing documents submitted and further clarifications or documents are still required that were previously requested, Applicant will be provided an additional two (2) business days to provide the outstanding documentation. Failure by the Applicant household to submit a complete Program Application with all required supporting documents within the application submittal period or failure to meet the subsequent document submission deadlines will result in program disqualification..

Step #5 Conditional Approval and Loan Reservation Process

Upon the Program Administrator's review of a complete Application, the Administrator shall transmit to the City a recommendation for a Conditional Approval and Reservation of Funds or a DPAL Program disqualification, accompanied by the completed Application and a summary of ineligibility findings.

A Conditional Approval and Reservation of Funds does not constitute Final Loan Approval nor guarantee that the Applicant will receive a DPAL. Conditional Approvals are always subject to the availability of DPAL Program funds and are conditioned upon meeting the criteria for Final Loan Approval through the submission of the First Loan Package and Borrower Closing Package as described in the DPAL Implementation Manual (Section 3).