

## **What is the American Dream Downpayment Assistance Initiative?**

The American Dream Downpayment Assistance Initiative (ADDI) Program was created to assist low-income first-time homebuyers in purchasing homes by providing funds for downpayment, closing costs, and rehabilitation carried out in conjunction with the assisted home purchase.

## **What type of assistance is available?**

ADDI will provide downpayment, closing costs, and rehabilitation assistance to eligible applicants in the form of a silent second contingent interest mortgage. The interest rate will be based on the ratio of the County loan to the purchase price of the home.

For example, if your home costs \$350,000 and you receive \$3,500 in assistance from ADDI, your contingent interest rate will be one percent. You do not have to make regular payments on the loan. The loan will be due and payable when you go to sell your home. At that time, you would pay back the principal (\$3,500) plus one percent of any appreciation that has accrued.

# **CONTRA COSTA COUNTY**

# **AMERICAN DREAM DOWNPAYMENT ASSISTANCE INITIATIVE**



**What is the maximum loan amount?**

The maximum loan amount is six percent of the purchase price.

**What is the maximum purchase price?**

The maximum purchase price is \$405,650.

**Who is eligible?**

Low-income households that are first-time homebuyers are eligible for the program. A first-time homebuyer is defined as a household who has not owned a home during the three-year period prior to the purchase of a home with ADDI assistance. A low-income household has a maximum income of 80% of area median income, adjusted for household size. All applicants accepted into the program must attend an approved first-time homebuyer course.

**In what parts of the County can the funds be used?**

The funds can be used throughout the County with the exception of the City of Richmond.

**Can I use this program with other first-time homebuyer programs?**

ADDI funds can be used with other first-time homebuyer programs. Be sure to let the administrator of your other program know that you are interested in ADDI funds; they must apply directly to the County for funds on your behalf.

**How do I apply?**

To apply for funds, have your mortgage lender complete and submit the application to:

Kara Douglas, Affordable Housing Program Manager  
Contra Costa County  
Community Development  
Department 651 Pine Street, 4<sup>th</sup> Floor, North Wing  
Martinez, CA 94553  
Fax: (925) 335-1265

The County will notify you within 15 business days if your application has been accepted. All accepted applicants must attend an approved first-time homebuyer course.

**Do I need a down payment?**

This program requires a three percent down payment.

**Do I need to have a house picked out and a purchase contract to use this program?**

No, you do not need to have entered into an agreement to buy a house. Your ADDI allocation will be reserved for six months. If you do not purchase a home within the six month time period, you will lose the allocation.

**What if I want to refinance my first mortgage at a later date?**

Refinancing of the first mortgage is permitted – if you choose to refinance solely for a lower interest rate, the ADDI loan will be subordinated. If you refinance for a larger first mortgage amount, the ADDI loan will need to be repaid.

**How long will funds be available?**

The County has approximately \$300,000. Funds are available on a first-come, first-served basis.

**Who do I contact for more information?**

Check our website at [www.ccreach.org](http://www.ccreach.org) to download the brochure and a program application, as well as a list of HUD approved homebuyer counseling agencies. Contact Sara Welch, Housing Planner at (925) 335-1264 with questions.