

CITY OF SOUTH SAN FRANCISCO  
BELOW MARKET RATE HOMEOWNER PROGRAM

**Eligible Buyer Minimum Requirements\***

To be eligible to purchase a BMR, households must meet the following minimum requirements:

1. Household size is appropriate for the number of bedrooms.
2. All adult household members are First Time Homebuyers:
  - a. Defined as: Individuals who have not owned a residential property during the three-year period before applying for participation in the home buyer program, regardless of whether or not the individual's interest in such property results in a financial gain, such property is located in another state or country, or the member has occupied such property as his or her primary residence.
  - b. Exceptions to this definition include:
    - i. An individual who owned a home with a former spouse during their marriage.
    - ii. An individual who has owned a principle residence that was not permanently affixed to a permanent foundation, according to applicable regulations.
    - iii. An individual who has owned a property that was not in compliance with state, local building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.
3. The maximum gross combined income from all adult members of the household may not exceed the applicable Income Limits for San Mateo County by household size. For these amounts, visit the County's website at <https://housing.smcgov.org/income-and-rent-limits>.
4. Legal resident.
5. Minimum credit score of 640.
6. Able to make a minimum down payment of 3% of the sales price, using buyer's own funds. Down payment funds must be held in an account in the applicant's name for at least three months prior to submitting an application. Gift funds are acceptable as long as (1) the buyer contributes a minimum of 3% from their own funds and (2) the gift funds plus the buyer's down payment do not exceed a total of 20% of the purchase price.
7. Pre-approved for a primary mortgage. (Be advised that, to qualify for your loan, it is possible that your lender will require a down payment that is larger than the City's minimum requirement.)

8. Must have sufficient cash reserves to cover a minimum of two months of housing expenses (in the amount estimated on the loan application). These funds cannot be used toward the purchase of the home.
9. 10. Debt to income (DTI) ratios must be within the following limits:
  - a. Front-end: 40% maximum: The "front-end" ratio is the proportion of monthly housing costs as a percentage of monthly income. Monthly housing costs include mortgage (principal and interest), private mortgage insurance (if applicable), hazard insurance, property taxes, condominium fees or dues, and utilities.
  - b. Back-end: 45% maximum: The "back-end" ratio is the proportion of monthly housing costs plus all other monthly debt payments (e.g. student loans, car payments, credit cards) as a percentage of monthly household income.
  - c. If household income is below 80% Area Median Income (AMI), as adjusted for household size, DTI limits are 35% front-end and 40% back-end.
10. Preference will be given to eligible buyers who live and/or work in South San Francisco.
11. If your application is approved, completion of a HUD-approved, 8-hour Homebuyer Education Workshop is required.
  - a. The Homebuyer Education Workshop must be completed within the 6 months prior to close of escrow.
  - b. Completing a Homebuyer Education Workshop early on in the home buying process is strongly recommended.
12. For a list of locally available options see this web site: [www.ssf.net/housing](http://www.ssf.net/housing)

\* The City reserves the right, at its discretion, to change or modify the guidelines above.