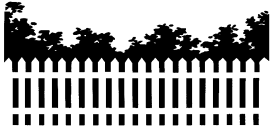




Port Hueneme Homeownership IDA Program



The City of Port Hueneme is sponsoring a new matching funds initiative to help low income families purchase a first home in Port Hueneme. The ***Homeownership IDA Program*** is available to low income families who either live in Port Hueneme or whose principal wage earner is employed full time (at least 35 hours per week) in Port Hueneme.

“IDA” stands for Individual Development Account. IDA participants enrolled in the Program will make regular savings deposits into a no-cost personal IDA savings account at the Port Hueneme branch of Citibank. Consistent deposits are required over a ten to twenty month savings period in order to reach a preset financial goal for the sole purpose of purchasing a home in Port Hueneme. The incentive to reach the savings goal is a grant of matching funds from the City in a 4:1 ratio. The participant who saves \$2,500 in an IDA account within the twenty month timeframe (average monthly savings will be \$125) will qualify for a grant of \$10,000 from the Program, provided the entire \$12,500 in savings and match funds is paid out in a lump sum into a home purchase escrow for a home or condominium within the City of Port Hueneme.

The ***Homeownership IDA Program*** is a pilot endeavor limited to 20 households over a two year period. Besides the basic eligibility criteria of income and residency or employment in the City of Port Hueneme, participants are selected on the basis of financial and family stability.

First Time Buyer. An IDA participant will qualify as a first time home buyer provided the participant:

- Has not owned a home inside or outside the U.S. in the past three years.
- Has previously owned a home with a spouse, but no longer holds title due to a divorce.
- Has owned a home not permanently affixed to a foundation (a mobile home).

Income Limits. Household income includes gross wages before deductions, tips, bonuses, commissions, unemployment, social security, SSI, pensions, TANF, child support, alimony, disability payments, workers compensation, rental income, interest and dividend income, plus net income from owning or operating a farm or business, and any other income received regularly. Income of all persons over 18 years of age in the household must be included in the computation of household income, even if some adult members of the household will not be signatory to the mortgage. The projected annual household income for IDA participants may not exceed the following:

Household Size	Maximum Annual Income
1	\$ 49,000
2	\$ 56,000
3	\$ 63,000
4	\$ 70,000
5	\$ 75,600
6	\$ 81,200
7	\$ 86,800
8	\$ 92,400

Asset Limits. Qualified IDA participants will have less than \$5,000 in net assets at the time of acceptance into the Program. Net assets include cash on hand, checking and savings accounts, stocks, bonds, savings, bonds, securities, equity in real property, and other forms of capital investment, including business assets for those participants who are self-employed. Primary vehicles, household goods, and retirement accounts are not included in the computation of net assets.

Education Requirements. IDA participants are required to attend 12 hours of financial and home buyer education classes and to participate in monthly Home Buyer Club meetings.

Eligible Property. Homes or condominiums purchased with Program matching funds must be located in Port Hueneme and must be of appropriate size for the household, i.e., no more than two occupants per bedroom. Multi-unit properties such as duplexes are not eligible. Eligible property must comply with local land use regulations, building codes, and Federal Housing Quality Standards. Defective paint surfaces must be tested for lead-based paint. Corrections, if required, must be made in accordance with all State and Federal standards. At the City's discretion, and in all cases where property is sold "as is," a code compliance inspection will be required and the withdrawal of matching funds may be contingent upon the completion of specified repairs.

Post-Purchase Occupancy. IDA participants must occupy the homes purchased with grants of matching funds.

Extra Down Payment Assistance. Most IDA participants who reach their goal and qualify for matching funds under the IDA Program will also qualify for a deferred payment second mortgage under the City's **Home Buyer Assistance Program**. Under this companion program, the participant can borrow up to \$75,000 with no monthly payments to keep mortgage costs affordable.

Escrow Requirements. All home purchase transactions assisted with IDA matching funds must be processed through a local escrow company which has been trained and approved in advance by the City of Port Hueneme. Contact City staff for a current list of approved escrows.

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