

FREQUENTLY ASKED QUESTIONS



- 1. Do you have a list of lender's that you refer applicants? And if so, how do I get on it?**
The city does not have a referral list and is not allowed to refer applicants; however we do have a List of Lenders that are familiar with our program. Such list is located in the CITY's application packet. A lender must request to have their contact information placed on the list and you must have attended a Mortgage Professionals and Realtor workshop hosted by the CITY or received an hour-long training with city staff regarding the program. Applicants do not have to choose a lender from the list, they may choose whoever they want to be their lender with the exception of no online lenders (must be a person that the CITY can contact).
- 2. How large can a home be to qualify for the First-Time Home Buyer Program?**
The home can be up to 2,400 square feet or less. A home larger than 2,400 square feet will not be eligible for the First-Time Home Buyer Program.
- 3. Does the city loan get forgiven over time until eventually I owe nothing? NO!!! The principal loan amount is never forgiven,** it is a loan and the money eventually must be repaid to the city. However, the longer the borrower remains in the home, the less they will have to repay to the city because interest will cease to accrue on the loan and a portion of interest shall be forgiven until eventually there is no accrued interest remaining and only the original principal loan amount shall be due.
- 3. Can the purchase price of the home be increased to cover a credit back to the homebuyer?**
No. The seller may pay closing costs; however, the purchase price may not be increased in order to accomplish this.
- 4. Do the inspections required by the City cost anything to the homebuyer?**
The Building Code Compliance Inspection and Lead Based Paint Inspections is free of charge to applicants going through one of the CITY's programs; however, if items are found that need to be repaired, the buyer and seller must negotiate who will pay for the repair. The pest inspection is not done by the CITY and must be negotiated between the buyer and the seller.
- 5. Can a pest inspection that was done prior to the escrow being opened be used and what must be included in the inspection?**
Possibly, the pest inspection must cover section 1 and 2 items for all structures on the property and the inspection cannot be more than 4 months old by the close of escrow.
- 6. How long are workshop certificates valid?**
Home Buyer Workshop Certificates are valid for a period of one (1) year, which means escrow must close before the certificate expires or the workshop must be retaken.
- 7. When can the city inspections be scheduled?** An applicant must have their application into the City, be income eligible to go through the City's program, entered an escrow on a property within the city limits of Oroville and have their agent submit a copy of their purchase contract and receipt of deposit to escrow prior to scheduling any City inspections.
- 8. Can escrow close sooner than 60 days?**
Yes, escrow may close sooner than the required 60 days as long as everything has been completed and all inspections have been cleared.
- 9. Can a mobile home be purchased through the Home Buyer Programs?**
Yes, a single-family manufactured home (including a mobile home) is allowed to be purchased through the First-Time Home Buyer Program provided that the home is not older than ten (10) years at the close of escrow. Further, the manufactured/mobile home must be placed on a permanent foundation with siding extended to the foundation in a manner that is consistent with conventional homes and the manufactured/mobile home cannot be located in a mobile home park. It must be located on a residential parcel within the city limits of Oroville and the land must be part of the purchase.

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- 10. Can a home be purchased through any of the Home Buyer Programs that was being used as a rental when escrow opened?**

NO! Homes being purchased through any of the Home Buyer Programs must be owner occupied or vacant for a minimum 90 day period prior to an escrow being opened in order to be eligible homes for purchase through the Home Buyer Programs.

- 11. I have never purchased a home; however, a home was granted/willed to me. Do I qualify for the First Time Home Buyer Program?**

No. You must not have interest in the home for the last three years to be considered a First-Time Home Buyer through the City program. However, if you are not currently on title to real property, you may be eligible to go through the City of Oroville CDBG Home Buyer Program.