



## Below Market Price (BMP) Homes Frequently Asked Questions (FAQs)

*Updated August 2021*

### **Q1. How do I qualify to buy a Below Market Price (BMP) home?**

To be eligible to purchase a BMP home, you must meet all of the following requirements:

- 1) You have not owned a home within the last three years.
- 2) You currently live or work in Fremont.
- 3) You meet the minimum and maximum income requirements. These requirements are usually listed on the property flyer for the home that is for sale or the BMP webpage at [Fremont.gov/BMPHomes](http://Fremont.gov/BMPHomes).
- 4) All household members age 18+ have a credit score of at least 680.
- 5) All members in your household are US citizens or permanent residents (green card holders).

Please note that requirements are subject to change.

### **Q2: How do I apply for a BMP home?**

The steps to apply for a BMP home are outlined below:

- 1) **Realtor:** You must hire a realtor to represent you. For a list of realtors with experience in the City's BMP program, you can email [housing@fremont.gov](mailto:housing@fremont.gov).
- 2) **City's BMP Application:** You must complete the City's [BMP Application](#) and have your realtor submit it to the listing agent for the property. Please do not submit the application to the City.
- 3) **Loan Pre-Approval Letter:** You must obtain a loan pre-approval letter from a [City Approved Lender](#) and have your realtor submit it to the listing agent for the property. To apply for a loan pre-approval letter, you must submit several documents to the lender. See the [list of documents](#). You should give lenders at least 7-10 days for loan pre-approval.

- 4) **HUD First Time Homebuyers Certificate:** This certificate is not required to apply for a BMP home, but if you are selected, it is required to purchase the home. For that reason, it is recommended that you obtain this certificate before applying for a BMP home and requesting loan pre-approval from one of the City's approved lenders. The certificate is valid for up to one year. View a [list of local agencies who provide certification](#).
- 5) Duplicate offers from the same household will be disqualified.

### **Q3: Can I hire the listing agent to represent me?**

No. The City does not permit dual agency representation. The buyer and seller should have their own realtors/agent to represent them with an exclusive fiduciary duty.

### **Q4: Will I be notified by the City when my application has been received? What happens after my application has been received?**

Please contact the listing agent to confirm. If you qualify, your application will be typically entered a lottery that takes place after the application deadline. If you do not rank in the top 5, then you will be notified by the listing agent and encouraged to apply to future listings.

### **Q5: Are there any financing programs to help me buy my first home?**

The City does not currently offer new financing programs, but you can contact the California Housing Finance Agency (CalHFA) ([www.calhfa.ca.gov/](http://www.calhfa.ca.gov/)) and Alameda County's Down Payment Assistance Loan Program (AC Boost) ([www.acboost.org](http://www.acboost.org)).

### **Q6: What is the definition of live and work in Fremont? How do I apply for the preference?**

- **Living in Fremont:** This is defined as a person or household who resides permanently and continuously at a residential address which is physically located within the current incorporated area of Fremont and where that location is the household's permanent place of residence. The City may require applicants to submit a driver's license, voter registration, utility bill, vehicle registration, or other evidence as proof of residency in Fremont.
- **Working in Fremont:** This is defined as a person earning their primary source of annual income (salary, wages, commissions) and working at least 50 percent of

their working hours (e.g., 20 or more hours per week) within the Fremont city limits at the time of the application and for at least six months prior to the application date. Employment must be by a Fremont employer that is licensed and permitted by the City at a primary work site in Fremont; or through operation of a Fremont-based business that is licensed and permitted by the City. Working in Fremont does NOT include volunteer or unpaid work or self-employment consisting solely of operating a business entity established solely for the purposes of investment in a rental property.

**Q7: Who needs to be listed on the application?**

Your entire household needs to be listed. All household members aged 18 or older must appear on the title of the property and be co-applicants on the mortgage.

**Q8: Do I need to be a US citizen to qualify? Do I qualify if I hold an H-1B visa?**

You must be a US citizen or lawfully permitted for permanent residence (green card). You do not qualify if you hold a H-1B visa. There are no exceptions.

**Q9: What is the definition of a First Time Homebuyer?**

To be eligible to purchase a BMP home, you must be a first time homebuyer, which means you have not owned a home within the last three years, regardless of whether or not your interest in such property results in a financial gain, such property is located in another state or country, or you have occupied such property as your primary residence.

**Q10: What are the minimum financial qualifications?**

The minimum qualifications to purchase a BMP home include a credit score of 680 from all applicants, a 3% down payment, and loan pre-approval that consists of complying with the City's Affordable Housing Cost (AHC) requirements. The City needs to ensure families will not be overly financially burdened and at risk of default, as well as not over subsidizing families. Affordable Housing Cost means the sales price of a home resulting in projected average monthly housing payments (including mortgage insurance, property taxes, and HOA fees) and not exceeding 35% of the household's gross income. The typical minimum AHC is 25%, and the maximum is 35%.

**Q11: What is the eligible income range?**

The eligible income range will depend on the specific BMP home for sale. Typically, it is 80% to 110% of the area median income (AMI). To view the current AMI figures, visit [Fremont.gov/AreaMedianIncome](http://Fremont.gov/AreaMedianIncome).

**Q12: Do I still qualify if I am over the maximum income requirement?**

No. However, you can check with other financial institutions to see if they have other programs for first time homebuyers. If you feel you are slightly over the maximum income requirement, then check with a [City Approved Lender](#) to determine eligibility. If your income changes in the future, you are encouraged to apply again.

**Q13: Do I still qualify if I am under the minimum income requirement?**

No. However, if your income changes in the future, you are encouraged to apply again. If you feel you are slightly under the minimum income requirement, then check with a [City Approved Lender](#) to determine eligibility.

**Q14: Can I use a different lender than the City's Approved Lenders?**

No. You have to use a [City Approved Lender](#) in order to apply for a BMP home.

**Q15: Do I need to take the homebuyer workshop to own a BMP home?**

**Where can I go for the Homebuyer Education Workshop?**

Yes. You will need to attend a [HUD approved First Time Homebuyer Workshop](#). View a [list of local agencies who provide certification](#). You can also send an email to [housing@fremont.gov](mailto:housing@fremont.gov) for more information. Certificates are good for up to one year.

**Q16: How do I get notified of future BMP home ownership opportunities?**

To be notified when a BMP home is available, please sign up for the City's [First Time Homebuyer Program Interest List](#).

**Q17: Are cash offers allowed on new BMP sale listings?**

Cash offers are not permitted.

**Q18: How long do we need to live in a BMP home before we can sell it?**

You can sell any time. Be sure to contact the City when you plan to sell your home. You should also review the resale process in your Buyer's Occupancy and Resale Restriction Agreement.

**Q19: How long are the BMP homes restricted for?**

Typically, the restriction terms are 30 years, 45 years, or 50 years.

**Q20: Can I sell a BMP home at market value after the restricted period expires?**

Yes.