



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

Updated May 2024

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) Priority will be given to those who currently live or work in Fremont.
- 2) You have not owned a home within the last three years.
- 3) Loan pre-approved by one of the City's Participating Lenders.
- 4) 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 on the BMP webpage at city.fremont.gov/bmphomes.
- 5) All household members age 18+ have a credit score of at least 660.
- 6) 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.
- 2) **City's Eligibility Checklist:** You must complete the City's [Eligibility Checklist](#) and have your realtor submit it to the listing agent for the property. Please do not submit the checklist to the City.
- 3) **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.

- 4) **Current Photo ID for All Adult Household Members:** You must provide a current photo ID, such as a passport, driver's license, state ID, or school ID, for every adult household member in your family who is 18 years of age or older.
- 5) **Loan Pre-Approval Letter:** You must obtain a loan pre-approval letter from a [City Participating 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.
- 6) **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. The certificate is valid for up to one year. View a [list of local agencies that provide certification](#).

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/agents 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 through a lottery that takes place after the application deadline. If you do not rank in the top 5 prospective buyers, 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/) and Alameda County's Down Payment Assistance Loan Program (AC Boost) (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 that 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 an eligible household will be determined to work within the city if the applicant is working at least 20 hours or more per week within the incorporated area of the city. This includes applicants who have been hired or have received bona fide work offered in the city. Employment must be by an employer that pays business tax in Fremont, through the operation of a city-based business that pays business tax in Fremont. Working in the city does not include 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 an 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 660 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 28%, and the maximum is 35%. The maximum debt-to-income ratio (DTI) requirement is 45%.

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 120% of the area median income (AMI). To view the current AMI figures, visit city.fremont.gov/incomerequirements.

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 Participating Lender](#) to determine eligibility. The lender will not issue you a loan approval letter if your income exceeds the maximum income requirement. However, 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 Participating Lender](#) to determine eligibility.

Q14: Can I use a different lender than the City’s Participating Lenders?

No. You have to use a [City Participating 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 if you have been selected for the lottery. View a [list of local agencies that provide certification](#). You can also send an email to housing@fremont.gov for more information. Certificates are good for up to one year.

Q16: How do I get notified of future BMP Homes 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 the BMP Home at 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.

Q21: Can I rent out the place or one room in the unit?

No. The home will have to be always owner-occupied and cannot be used as a rental property.

Q22: Can boyfriend/girlfriend, or roommates apply for BMP Home?

All household members must be co-habiting at least six months prior to the close of escrow. The City reserves the right to request valid third-party documentation, as needed, to document co-habitation or relationship status.

Q23: I have some cash and assets that I can use for downpayment, what is the maximum amount of allowable assets?

\$250,000. The City will still have to determine the current value of each asset both monetary (checking, savings, investments) and non-monetary (stock options, mobile homes, boats, commercial real estate).

Q24: My son/daughter has not yet turned 18 and probably will not turn 18 before the close of the escrow. Will my son/daughter need to be included in the title?

The son/daughter will not be included in the title, as they would not have turned 18 before the close of escrow.

Q25: Can the buyer grant a rent back through a SIP-California Seller Licensed to Remain in Possession? The home we will be moving into will not be ready by the time we sell the BMP and we need to stay in the BMP for a month after escrow opens.

Seller rent-back is not allowed.

Q26: I am an owner of a business for the past 1 year and have been self-employed for the previous 2 years. How will the City compute my income?

The City will average the most recent 24 months of income.