

**MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT  
CITY AND COUNTY OF SAN FRANCISCO**



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**SAN FRANCISCO MORTGAGE ASSISTANCE LOAN PROGRAM (MALP)**

**GOALS:** To preserve san Francisco neighborhoods by assisting low to moderate income homeowners (up-to 120% AMI) who are at risk of or in default of their first mortgage loan due to financial hardship by providing a deferred loan to reinstate or pay down the first mortgage loan.

**SUMMARY:** The Mortgage Assistance Loan Program will be administered by MOHCD. MALP is a deferred loan up to \$50,000 which will carry a share of the owner's appreciation due upon sale of the home or re-payment. A qualified homeowner must occupy their single family home or condominium as principal residence prior to and during the duration of the MALP loan.

**MAXIMUM LOAN AMOUNT:** \$50,000 or 90% of the available equity.

**TO QUALIFY:** Homeowners must work with HomeownershipSF participating HUD-approved housing counseling agency to determine eligibility and apply for MALP. Trained HUD counselors will provide MOHCD with a MALP application which includes a copy of the household's counseling action plan indicating their ability to undertake the ongoing costs of their first mortgage or HOA dues and need for MALP to reinstate or assist with a refinance or modification. A qualifying household must have available equity to cover the MALP principal and all outstanding mortgage debt and/or liens against a property. An appraisal conducted by a licensed appraiser will be required to determine the fair market value of the property. A hardship is defined as an unforeseen event which has caused financial adversity such as death, divorce, disability, unemployment, underemployment, or unexpected medical expenses. The financial hardship must be severe enough to cause a household's mortgage payments to be in excess of 40% of their monthly income.

**MECHANICS:** A HUD certified agency will help the household to assess their financial situation and resources available to avoid foreclosure including Federal programs HAMP, HARP; CalHFA and others. When a household qualifies for a refinance or loan modification but must pay an outstanding balance beyond the household's means, the Housing Counselor will complete a MALP application and negotiate with the first mortgage lender/HOA on behalf of the homeowner. Upon approval, the household will sign a promissory note and a deed of trust securing the MALP loan.

**REPAYMENT:** Repayment of the MALP loan will include a share of appreciation. The share of appreciation will be based upon the appraised value of the property at the time the MALP loan is made and is due in 10 years or upon homeowner's default or non-compliance of program rules. MALP loan can be extended for another 10 year term for income qualified households.