

Medallion Sales Pilot Program DOWN PAYMENT ASSISTANCE

When you agree to sell your medallion in the SFMTA Medallion Sales Pilot Program, you also agree to provide down payment assistance to the purchaser of your medallion should he/she not have the full 20% required down payment to obtain a loan. As the seller of the medallion, you may be required to provide up to 15% or \$37,500 from the proceeds of the sale as collateral for a Down Payment Assistance Loan.

How does it work?

When you are matched with a purchaser for your medallion, and that purchaser has less than the required 20% down payment needed to obtain a purchase loan, you assist the sales transaction by allowing a small portion of the sale proceeds to be used as collateral for a Down Payment Assistance Loan to the purchaser.

The funds used for collateral come from the sales proceeds. You do not need to provide any other funds. The following is an example of a medallion sales transaction with Down Payment Assistance:

Medallion sales price:	\$250,000
Fees paid by seller to SFMTA	
Transfer Fee:	-\$37,500
Driver's Fund:	-\$12,500
Less fees paid by seller to SFMTA:	-\$50,000
Net sales proceeds	\$200,000
Paid to seller:	
Paid by check, wire transfer or deposit to account	\$162,500
Deposited into DPA Certificate in seller's name	\$37,500
Net sales proceeds paid to seller	\$200,000

When will I have access to the funds used for Down Payment Assistance?

The funds deposited into your Down Payment Assistance Certificate (DPA Certificate) will earn dividends at a high rate of 4.00% APY for a term of 7-years. Each month, the earnings on the DPA Certificate are paid out to you and, each year, the portion of the balance in the DPA Certificate that is no longer needed as collateral will be released to you.

The chart below shows an example of funds needed to remain on deposit as collateral each year, assuming the purchaser makes minimum monthly loan payments on the Down Payment Assistance Loan. Should the purchaser repay the DPAL sooner, the funds held as collateral in the DPA Certificate will be immediately released to you.

DPA Certificate Example			
End of Year	Principal Amount Released	Certificate Balance	Dividends Earned
	Beginning Balance	\$37,500	4.00% APY
1	4,164	\$33,336	\$1,500
2	4,510	\$28,826	\$1,333
3	4,884	\$23,942	\$1,153
4	5,290	\$18,652	\$958
5	5,729	\$12,923	\$746
6	6,204	\$ 6,719	\$517
7	6,719	-0-	\$291
	Total		\$6,498