

FREQUENTLY ASKED QUESTIONS

For the first time ever, San Francisco Federal Credit Union has created a home loan product that offers up to 100% financing.

Created by San Franciscans for San Franciscans who are fed up with paying ridiculous rents, POPPYLOAN™ is a game-changing solution that can significantly reduce the down payment needed to make your dream of home ownership a reality.



Why did we create POPPYLOAN™ ?

We were seeing too many people interested in home loans, who were qualified in every way, and either didn't have enough money saved up, had to tap into their retirement accounts, or needed to borrow from a family member for the 20% down payment required for a conventional mortgage loan.

We also see Bay Area rents skyrocketing. It's not that people can't afford to make a house payment (look at the amount of rent that's being paid!), it was the lack of funds or access to the size of down payment that is typically required. We wanted to find a solution to this growing problem and help our community.

As San Francisco's credit union of choice, we delivered a real solution for our community. Our Proud Ownership Purchase Program for You - POPPYLOAN™ is our answer to the down payment problem so many people struggle with when trying to buy a home in the Bay Area. Too many people living and working in San Francisco give up the dream of homeownership or moving up to a larger home. The necessary down payment would require they commit their entire nest egg to the home purchase. They see it as hopeless. POPPYLOAN™ brings back that hope, brings back the real opportunity to stop paying ridiculous rents and start having your money go to work for you.



How does POPPYLOAN™ work?

It's simple, really.

- POPPYLOAN™ is available to anyone who works in San Francisco or San Mateo County.
- The home you want to buy and will live in as your primary residence must be located in one of the 9 Bay Area Counties. These are San Francisco, San Mateo, Marin, Napa, Sonoma, Santa Clara, Alameda, Contra Costa, Solano.
- You can finance up to 100% of the purchase price or appraised value, whichever is less - all in one loan.
- Loans are available up to \$2,000,000.
- There is NO added cost of Private Mortgage Insurance (PMI).



Who can apply for a POPPYLOAN™?

All applicants must qualify for membership in San Francisco Federal Credit Union and be at least 18 years old. Applicants must be able to show proof that he/she works in San Francisco or San Mateo County and be purchasing a primary residence in San Francisco, San Mateo, Alameda, Contra Costa, Marin, Napa, Sonoma, Solano, Santa Clara

POPPYLOAN™ eligibility also depends on a number of additional factors, such as credit scores, income, employment status, and property value and eligibility.



What types of properties are eligible?

POPPYLOAN™ is available for primary owner-occupied residences only. This includes single-family homes, condos, townhomes, and 2-to-4 unit multi-family dwellings in which the borrower(s) is the primary occupant. Tenants-in-common (TICs) are also eligible. Please note that eligible properties are those located in an area that is indicated as stable or increasing in value according to the appraisal report. Declining value properties are not eligible for POPPYLOAN™.



What is the minimum down payment for a POPPYLOAN™?

POPPYLOAN™ has no down payment requirement. Maximum loan amount and program requirements apply.



Do you require taxes and insurance be paid with my mortgage payment?

Yes, we require you to establish an impound or escrow account which will pay your annual taxes and insurance when they become due. The payment is paid each month with your regular principal and interest payment on your loan.



Can I refinance an existing mortgage with a POPPYLOAN™?

No, POPPYLOAN™ is not available to refinance an existing mortgage loan.



Do you require private mortgage insurance (PMI)?

No, there is no requirement for PMI with a POPPYLOAN™.



What type of loan is a POPPYLOAN™?

POPPYLOAN™ is a 5/5 adjustable rate mortgage which is amortized over 30 years. This means the interest rate and monthly payment are fixed for the first 5 years of the loan and every 5 years thereafter. The loan has an opportunity to reprice at 5 year intervals but no more than 2% at each 5-year interval and no more than 6% over the life of the loan.



Why is POPPYLOAN™ only available to anyone who "works" in San Francisco or San Mateo Counties?

San Francisco Federal Credit Union was founded to assist Members with the challenges/difficulties of finding credit in San Francisco. Due to the significant high cost of living/working in San Francisco, and that this is a new program for the Credit Union, it is starting out as currently limited to those individuals that work in San Francisco or San Mateo County. These are the two counties in which the Credit Union is chartered for membership. Over time, additional geographical employment areas may be added to POPPYLOAN™.



Does POPPYLOAN™ require a property appraisal?

Yes, prior to final approval of the loan, a property appraisal with an interior and exterior inspection will need to be completed to verify the property meets eligibility standards.



What is your rate lock policy?

San Francisco Federal Credit Union may grant a 45-day rate lock at the time we receive your properly executed sales contract and the required disclosures. Otherwise, please note that mortgage rates may change on a daily basis.



What fees does the credit union charge for POPPYLOAN™?

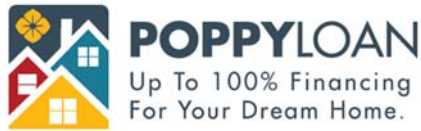
Yes, San Francisco Federal Credit Union charges a \$1,700 loan origination fee for any type of mortgage loan with an LTV above 80%. POPPYLOAN™ also has an additional origination fee based the loan-to-value as follows:

80.01% to 85.00% LTV, we charge a fee of 0.375%

85.01% to 95.00% LTV, we charge a fee of 0.75%

95.01% to 100% LTV, we charge a fee of 1.00%.

This fee is based on the total loan amount. For example, if your loan amount is \$600,000, and your LTV is 94%, then your total Origination Fees would be \$1,700 plus 0.75% of the loan amount or \$4,500 for a total of \$6,200.



You are also responsible for standard third-party closing costs.



What are standard third-party closing costs?

Closing costs are costs associated with a new mortgage. Typical closing costs include fees for appraisal, title insurance, title search, transfer taxes, settlement services, property taxes and hazard insurance premiums and government recording fees. These fees vary depending on the transaction type and the geographic location of the property.



Are there prepayment penalties?

No, there are never any prepayment penalties on any loan you may have with San Francisco Federal Credit Union. You can pay off your loan at any time without incurring a prepayment penalty.



What other home loan options does San Francisco Federal Credit Union provide?

San Francisco Federal Credit Union offers a wide variety of conventional and jumbo home purchase loans available to members with no restrictions on geographical work area, and with higher loan-to-value financing up to 95% (certain restrictions may apply.) If you would like more information about any home purchase programs the Credit Union offers, or would like to talk more about POPPYLOAN™, please feel free to call us at 415-359-2977 or email us at HomeLoans@SanFranciscoFCU.com.