The City of San Marcos, working in partnership with Texas State University, is offering an incentive to Texas State employees to choose San Marcos as their principal place of residence.

The program provides a zero-interest, deferred forgivable loan of $5,000 to be used for:
- Closing Costs
- Down Payment
- Prepaid Items (such as insurance and taxes)

No repayment will be required if the borrower:
- Lives in the house for the next five years
- Remains a qualified Texas State employee

Fair Housing is the Law
The City of San Marcos promotes Equal Housing Opportunities in accordance with the Federal Fair Housing Act. Individuals who refuse to rent or sell homes to people based on race, color, national origin, religion, sex, familial status, or disability are violating federal law.

City of San Marcos Program
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Choose San Marcos

Great Quality of Life
Centrally nestled between Austin and San Antonio, San Marcos is blessed with mild winters, two crystal clear rivers, and access to a wide variety of recreational and cultural amenities.

- Growing city with small town charm - population of about 55,000
- 52 City parks, trails and green spaces covering 2,200 acres
- Two excellent public school Districts-San Marcos CISD and Hays CISD
- Outstanding Public Library featuring a variety of children and adult programs
- Activity Center with indoor pool, racquetball courts, and programs for all ages
- Historic Downtown offering both shopping and entertainment
- Beautiful homes, many with state and national historic designation throughout seven Historic Districts.

Who Qualifies for the Incentive?

Texas State University

At the time of application, the primary applicant shall remain continuously employed by Texas State University in a full-time faculty position serving in one of the following capacities: tenured professor, tenure-track professor, or research professor during the five-year term loan term.

Simple Application Process

1. Select a single-family home located inside the San Marcos city limits. The home can be an existing home or new construction.
2. Apply for the primary mortgage loan from the lender of your choice and let your loan officer know that you anticipate receiving a homebuyer incentive loan from the City.
3. Complete the simple Incentive Loan Application form and have the university's Human Resources Department verify your eligibility. The form is available on-line at www.sanmarcostx.gov/cdbg under the "Housing" tab.
4. Submit the completed application, along with a copy of the good faith estimate that the primary lender will have given you, to the City's Community Initiatives Division of Planning and Development Services.

Loans are awarded on a first-come, first-serve basis subject to funding availability

What comes next?

1. The City will review your application - if everything is in order, you will receive an approval letter with a copy provided to the lender.
2. You will need to notify the City staff when a closing date is set.
3. The title company provides a preliminary HUD-1 Settlement Statement to the City at least 72 hours in advance of closing.
4. The City will provide the loan documents and loan funds to the title company so that both loans close at the same time.
5. You file an application with the county appraisal district to designate the new home as your homestead.

Loan Terms

The City's loan is a $5,000 zero interest, forgivable loan. No monthly payments are required and the loan is "forgiven" after five years if the following terms are met:

- The applicant must remain continuously employed in an eligible position with Texas State University.
- Maintain, own, and occupy the home as his or her principal place of residency for a minimum period of five (5) years after the purchase date.
- The property purchased must be designated as "Homestead" for property tax purposes.
- Comply with all terms of the deed of trust and note.