

ALBEMARLE COUNTY HOMEBUYER ASSISTANCE PROGRAM (ACHAP)
Following VHDA's FIRST TIME HOMEBUYER GUIDELINES
General Requirements

Eligible Use of Funds	Down-payment & Closing Cost Assistance – Albemarle County Properties only. Purchaser must occupy the property as their primary residence. Funds may be used only with fixed rate, fixed-term mortgage products. Step-rate loans may be approved by the Office of Housing based on a review of the term of the step & the interest rate structure.
Eligible Recipients	First-time homebuyers with gross income not exceeding \$49,320 for a one and two-person household or \$60,280 for a three or more person household. Residency and/or employment (employees of UVa or its contractors are also eligible) must be established for at least six months prior to application for assistance.
Eligible Properties	Albemarle County properties only with purchase price not exceeding 80% of VHDA's Maximum Sales Price for its First-time Homebuyer Programs. That price is currently \$235,120.
Loan Terms	All loans funded with County funds shall carry a 6% simple interest rate with principle and interest due and payable upon sale of property or refinancing of debt. Prepayments are allowed. All HOME funds will be deferred for ten (10) years and forgiven at the rate of 20% per year beginning at the end of the eleventh year – fully forgiven after fifteen (15) years.
Loan Security	Generally 2 nd deed of trust; may approve 3 rd based on funding sources. County funds and HOME funds may be recorded in a combined deed of trust or as separate deeds of trust.
Loan-to-Value and CLTV Limits	The total loan-to-value for all secured debt should not to exceed 105% unless otherwise acceptable to primary lender.
Maximum Assistance	For households with gross household income not exceeding 60% AMI, borrowers may receive up to 20% of the purchase price or appraised value, whichever is less, up to a maximum of \$19,100. In addition, these borrowers may receive up to \$4,000 in deferred HOME funds for closing costs. For households with gross household incomes above 60% AMI and not exceeding 80% AMI, borrowers may receive up to 10% of the lesser of the purchase price or appraised value with a maximum of \$19,100.
Minimum Housing Debt Ratios	Deferred payment loans will be structured to ensure that subsidies are appropriate for homebuyer's needs. For households with gross household income not exceeding 60% AMI, the minimum housing debt ratio shall be twenty-one percent (21%). For households with gross household income above 60% AMI and not exceeding 80% AMI, the minimum housing debt ratio shall be 24%.
Homebuyer Contribution	All homebuyers must contribute at least one percent (1%) of the purchase price. Items paid at time of application (credit report and appraisal fees) and earnest money deposits may count toward the minimum contribution provided that the borrower does not receive reimbursement for these items at closing.
Security Documents & Subordination	PHA will hold the note(s) and deed(s) of trust requiring that the property be used as the primary residence of the borrower. PHA shall not subordinate the debt to any additional financing after purchase but may subordinate for the refinance of the balance, at any time, of the first mortgage only for the purpose of allowing the borrower to take advantage of lower interest rates. Such subordinations require approval by the County's Chief of Housing.
Ineligible Loan Programs	Adjustable rate and interest-only loans. Step-rate loans may be approved by the Office of Housing based on a review of the term of the step and the interest rate.
Maximum Debt Ratios	32-35 front ratio, 40-45 back ratio. If using a VHDA's First Time Homebuyer Program ratios will be determined by the primary lender to be within acceptable guidelines.

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