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ALBEMARLE COUNTY HOMEBUYER ASSISTANCE PROGRAM (ACHAP) 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 with fixed rate, fixed-term mortgage products provided by Virginia Housing approved lenders only . Lenders are limited to two and one-half (2 ½) origination points. All lender fees would be included in the point allowance. These funds ARE NOT ELIGIBLE for use as the FHA 3.5% minimum investment.
Eligible Recipients	First-time homebuyers with gross household income not exceeding 80% of the area median income (AMI) for Albemarle County . Residency or employment in Albemarle County (employees of UVa or its contractors are also eligible) must be established for at least six months prior to application for assistance. <i>Borrowers who have access to an amount equal to 10% or more of the purchase price in their current savings/liquid assets are not eligible to receive down payment assistance. <u>GIFT MONEY WILL BE COUNTED AS AN ASSET</u>. If lender does not have a minimum credit score requirement, minimum credit score will be the Piedmont Housing Alliance (PHA) minimum score. Minimum credit score of PHA is 620.</i>
Recipient Responsibilities	Must take the Virginia Housing Homebuyer Class. Must complete at least one counseling session with a PHA housing counselor. Must invest at least 1% of the purchase price into the transaction. Items paid for outside of closing such as appraisal fees or inspection fees may be counted toward this 1% as long as they are recorded on the final Closing Disclosure, and <i>the recipient does not receive reimbursement for these items at closing.</i>
Eligible Properties	Albemarle County properties only, with purchase price not exceeding the lower of (1) 5 times recipient's gross annual household income, or (2) 95% of the most recently published HUD HOME program median home price for existing housing for Albemarle County.
Home Inspection Required	Home inspection must be completed by a certified home inspector with separation of duties. PHA will review the inspection report, and all items noted as 'Repair/Replace' unless purely cosmetic must be repaired, and the re-inspection completed prior to closing. Wherever possible, all re-inspections will be completed by the same home inspector who completed the initial inspection to confirm repairs are done in a satisfactory manner.
Loan Terms	All loans funded with ACHAP funds shall carry a 0% interest rate with principle due and payable upon sale of property, refinancing of debt (with the exception of refinancing for a lower interest rate), or if recipient ceases to occupy property as primary residence. Prepayments are allowed and incur no penalty. Recipients will be given a PHA Loan Estimate for these funds that they must sign and give back to PHA once funds have been reserved for them. PHA shall provide ACHAP recipients with a copy of the loan terms annually.
Fees	There will be a \$1,500 administrative fee charged per loan origination. The administrative fee must be added to the total amount of the ACHAP loan, and the fees must be used to cover the costs associated with qualifying the prospective

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	homebuyer for a mortgage, originating the ACHAP loan, and processing closing documents.
Reservation of Funds	PHA shall work with prospective applicants and primary lenders to determine amount of ACHAP assistance to be provided. To reserve funds, Lender must complete and submit to PHA the 'Secondary Financing Guarantee' form, along with the Ratified Sales Contract, Loan Estimate, Form 1008, Form 1003, and loan fee sheet. Once approved, the Secondary Financing Guarantee will be signed by the loan program administrator and returned to the lender. Any deviation from the approved ratios or loan product on the form will render the approval null and void.
Maximum Assistance	Eligible households may receive up to 15% of the lesser of the purchase price or appraised value up to a maximum of \$30,000. This assistance may be combined with other regional funds. Total assistance may not exceed 20% of purchase price.
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-three percent (23%). For households with gross household income above 60% AMI and not exceeding 80% AMI, the minimum housing debt ratio shall be twenty-six percent (26%).
Maximum Debt Ratios	33 front ratio, 43 back ratio.
Loan-to-Value and CLTV Limits	The total loan-to-value for all secured debt should not to exceed 105%.
Lender Closing Requirements	The final loan commitment from the lender must be received by PHA's loan program administrator with all conditions cleared one week prior to closing. Recipients may NOT receive money back at closing. 1% investment must show up on the final Closing Disclosure. Detailed closing instructions will be sent from PHA to lender and settlement provider within two (2) weeks of the closing date.
Loan Security	Generally, 2 nd deed of trust; may approve 3 rd based on funding sources.
Security Documents & Subordination	PHA will file original note(s) and deed(s) of trust requiring the property be used as the primary residence of the borrower with the Albemarle County Circuit Court, will retain copies of the note(s) and deed(s) of trust in a secure file, and share a copy of the documents with the Albemarle County Office of Housing. PHA shall not subordinate the debt to any additional financing after purchase except for the refinancing 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 Albemarle County Office of Housing.
Repayment/Recapture of Loan Funds	All repayments or recapture of funds shall be deposited as program income into the ACHAP account. The requirement to repay/recapture the loan funds will be

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	<p>triggered upon sale or transfer of the property, or when the loan recipient ceases to use the property as their primary residence. The repayment/recapture provision does not apply to a sale or transfer of the property</p> <ul style="list-style-type: none">• To a spouse upon a dissolution of a marriage;• To the surviving spouse upon the death of a joint tenant Owner; OR• By will. <p>The amount of recapture funds is subject to the availability of Net Proceeds available from the resale of the property. "Net Proceeds" shall mean the amount equal to the sales price minus any superior private debt minus any reasonable closing costs, which are defined as including only the following: title search fees; state, county, and local transfer fees; courier fees; and closing officer fees. If there are no Net Proceeds available, no recapture of funds shall be made. The amount of recapture funds will not exceed the amount that is available from the net proceeds of the sale. No loans shall be forgiven without the approval of the Albemarle County Board of Supervisors.</p>
Ineligible Loan Programs	Adjustable rate and interest-only loans.

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