

# VHDA Consumer Loan Products & Programs

Since it was created, VHDA has helped more than 125,000 Virginians realize the dream of homeownership by offering lending products with more affordable terms, low down payments and/or lower monthly payments than may be available through standard mortgage loans. VHDA has developed new and expanded niche products that remove barriers to homeownership and meet the changing needs of today's low- and moderate-income consumers. VHDA loans are offered through more than 140 authorized lenders throughout the state.

**First-time Homebuyer Programs:** As a housing finance agency, VHDA offers programs funded by tax-exempt, mortgage revenue bonds that are designed for low- and moderate-income first-time homebuyers.

"First-time" is defined as not having had an ownership interest in a primary residence within the past three years.

<b>Conventional</b>	Offers qualified consumers an affordable loan product that is below market rate. Maximum financing up to 100 percent of the sales price or appraised value (whichever is less).
<b>FHA Plus</b>	For qualified consumers who need help with down payments and closing costs. Provides a second mortgage of up to 3 percent of the sales price or appraised value (whichever is less).
<b>Step Rate</b>	Eases qualified consumers into homeownership with a reduced interest rate for the first two years – the rate is reduced by 2 percent in the first year, 1 percent in the second year and is fixed at 1/2 percent higher than the standard rate the remainder of the loan.
<b>Fresh Start</b>	For consumers who have experienced difficulties or obstacles to homeownership because of past credit issues. Incorporates pre- and post-purchase counseling so consumers can work with housing counselors to evaluate their credit and formulate a spending plan.
<b>Home Improvement</b>	Offers qualified consumers an affordable interest rate and low closing costs with loan amounts ranging from \$1,000 to \$25,000. Provides up to 100 percent of the equity in the borrower's homes for most types of home improvements.

**The Flexible Alternative Program** offers increased buying power for both first-time and current homeowners who otherwise wouldn't qualify for VHDA's traditional lending programs. These loans

offer more flexibility to meet affordability needs among low- and moderate-income consumers. No down payment or mortgage insurance is required, usually resulting in lower monthly payments.

<b>Flex Alt 100</b>	Offers qualified consumers an attractive alternative to "move up" or refinance their current mortgage. This product provides increased buying power for borrowers with stable incomes and quality credit.
<b>Flex Alt Home Enhancer</b>	Offers qualified borrowers the option to finance modest home improvements and upgrades of their choice. It extends the benefits of the Flex Alt 100 to provide qualified consumers with 100 percent of the sales price plus an additional 5 percent for minor improvements.
<b>Flex Alt Home Access</b>	Offers qualified consumers financing of 100 percent of the sales price plus an additional 10 percent for home accessibility modifications.

In addition to its consumer lending products, VHDA designates funds from the Virginia Housing Fund to provide affordable loans to consumers with incomes of 50 to 60 percent of the local area median income who cannot be served through the organization's traditional bond-funded programs.

