



Down Payment Assistance (DPA) Grant Program

Program Guidelines and Procedures

Program Availability	DPA's may be reserved with all new eligible first mortgage loans locked on or before Sept. 6, 2016. New program guidelines are effective Sept. 7, 2016.
Maximum Household Income	Lower Income Limits apply, and income for all household members must be included . Income of non-borrowing occupants must be certified on the VHDA Program Disclosure/Affidavit (Ex. E) – Include VHDA Program Disclosure for Fannie Mae Loans.
Maximum Grant	3% of the lesser of sales price or appraised value for VHDA Fannie Mae and 3.50% for VHDA FHA (if appraised value or sales price is reduced after initial reservation lender must make the change in the system and obtain new Awards Letter at changed amount).
Eligible First Mortgage Programs	VHDA Fannie Mae and VHDA FHA.
Ineligible First Mortgage Programs	VHDA Conventional Bond, FHA Plus, Rural Development, VA. Available only with VHDA loans.
Mortgage Credit Certificates	DPA borrowers are eligible for an MCC. Approved MCC lenders are requested to offer an MCC with the DPA Grant.
Other Down Payment Assistance	Not eligible if borrower receives other down payment assistance including Federal Home Loan Bank and HOME funds.
Repayment	No repayment required.
Closing Documents	No note or deed of trust for the grant funds.
Maximum Assets	No maximum borrower asset limit (other than standard VHDA Net Worth).
Minimum LTV	If DPA grant used with other borrower funds – the minimum LTV is 95% .
First-time Homebuyer	Yes – borrower must meet VHDA First-time Homebuyer requirement unless purchasing in a targeted area; 3 years tax returns/transcripts required, including Fannie Mae Loans.
Recapture	None on Grant funds.
Use of Funds	Fund to be used for down payment only – not closing costs.
Homebuyer Education	Yes – standard VHDA requirement.
AUS Submissions / Approvals	Grant must be entered under “Source of Funds” as “FHA-Gift-Government Assistance” and as a “gift” in assets. It may not be entered as “other” in Details of Transaction or “Subordinate Financing.” If a Refer decision is rendered, lenders should be sure to document and include all available assets such as a 401(k) account, as this may assist in rendering an Approved decision. Fannie Mae loans must receive an Approve/Eligible Decision.
Refer / Manual Approvals	Lenders may approve loans with a manual underwrite on FHA loans only. The lender’s DE underwriters may approve the loan in accordance with FHA manual underwrite guidelines. The lender is fully responsible for compliance with the FHA manual approvals. Minimum credit score is 620 even with manual approval.

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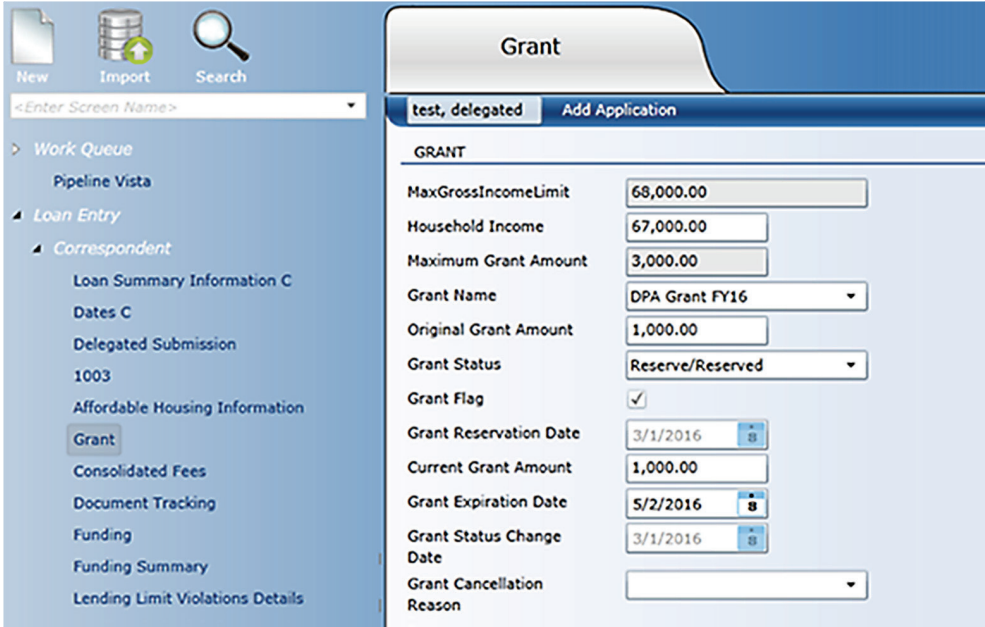
The information contained herein (including but not limited to any description of VHDA and its lending programs and products, eligibility criteria, interest rates, fees and all other loan terms) is subject to change without notice.

VHDA Main Number 877-VHDA-123
 Español 877-843-2123
 Virginia Relay 711 (in Virginia) / 800-828-1140



Down Payment Assistance (DPA) Grant Program

Program Guidelines and Procedures *(continued)*

<p>Registering Grant Funds</p>	<p>After registering and locking the eligible VHDA first mortgage in VHDA's Mortgage Cadence System, the lender will complete the "Grant" screen located on the left navigation menu. Only individuals with Security Access Level 1 (Administrators), Level 2 (Underwriters) and Level 3 (Secondary) may reserve or make changes to the grant. Other system users may view the Grant screen. See Grant screen below. You must complete the Appraised Value field on the Loan Summary C Screen prior to reserving the grant.</p> <p><i>DPA Grant Screen in VHDA's Mortgage Cadence System:</i></p> 
<p>Confirmation/ DPA Awards Letter and Letter of Obligation</p>	<p>The DPA Awards Letter and Letter of Obligation may be obtained through the "Attachments" utility after the grant is reserved. The Awards letter must be signed by borrower(s) and included in the closing package submitted to VHDA.</p>
<p>DPA Expiration</p>	<p>DPA Grant expires on same day as the first mortgage loan lock expiration.</p>
<p>Extension Request</p>	<p>DPA funds follow the first mortgage rate lock along with any allowed extension, up to a maximum 60-day extension (extension fees apply only to the first mortgage).</p>
<p>Closing Disclosure</p>	<p>The Closing Disclosure must reflect "VHDA DPA Grant."</p>
<p>Funding of Grant</p>	<p>Originating lender will fund the grant at closing and VHDA will reimburse the lender upon purchase of the first mortgage.</p>

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Program Guidelines and Procedures *(continued)*

	Maximum Household Income*	Maximum Household Income*	Maximum Sales Price / Loan Limits
Area	<i>2 or Fewer People</i>	<i>3 or More People</i>	<i>New & Existing</i>
Washington / Arlington / Alexandria MSA	\$97,520	\$113,840	\$500,000
Charlottesville MSA	\$74,080	\$86,480	\$375,000
Richmond MSA	\$68,000	\$78,720	\$375,000
Norfolk / VA Beach / Newport News MSA	\$64,320	\$75,040	\$375,000
Culpeper	\$74,720	\$87,200	\$425,000
Rappahannock	\$74,640	\$87,120	\$425,000
Warren	\$68,800	\$80,320	\$425,000
King George	\$74,080	\$85,520	\$325,000
Statewide <i>(All areas not listed above)</i>	\$58,880	\$67,680	\$251,900

*For eligibility, include all income for individuals residing in the residence.

Washington-Arlington-Alexandria MSA

- Alexandria
- Arlington County
- Clarke County
- Fairfax
- Fairfax County
- Falls Church
- Fauquier County
- Fredericksburg
- Loudoun County
- Manassas
- Manassas Park
- Prince William County
- Spotsylvania County
- Stafford County

Charlottesville MSA

- Albemarle County
- Charlottesville
- Fluvanna County
- Greene County
- Nelson County

Richmond MSA

- Amelia County
- Caroline County
- Charles City County
- Chesterfield County
- Colonial Heights
- Dinwiddie County
- Goochland County
- Hanover County
- Henrico County
- Hopewell
- King William County
- New Kent County
- Petersburg
- Powhatan County
- Prince George County
- City of Richmond
- Sussex

Norfolk-Virginia Beach-Newport News MSA

- Chesapeake
- Gloucester County
- Hampton
- Isle of Wight County
- James City County
- Mathews County
- Newport News
- Norfolk
- Poquoson
- Portsmouth
- Suffolk
- Virginia Beach
- Williamsburg
- York County

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