

Loan Combo

FREE Homebuyer Class

Income Limits

Contact Us

Mortgage Credit Certificate

Fannie Mae Mortgages

Government Loan Programs

VHDA Plus Second Mortgage

Closing Cost Assistance Grant

Down Payment Assistance Grant

Why Choose a VHDA Loan Product?



Home Loan Options

This is an interactive pdf. Click on the tabs to navigate.

To print please select the desired pages.

This document prints best on 8"x14" (legal).

vhda.com/HomebuyerPrograms



est. 1972

Helping Virginians Attain Quality, Affordable Housing

When homes are affordable and accessible to jobs, good schools and transportation, everyone benefits. Individual lives are improved and communities as a whole grow stronger. VHDA was created in 1972 by the General Assembly to help Virginians attain quality, affordable housing. We carry out this mission by working in public-private partnerships with local governments, community service organizations, lenders, Realtors, developers and many others.

We provide mortgages for first-time homebuyers, as well as financing for apartment communities and neighborhood revitalization efforts. We offer free homebuyer classes, support housing counseling, and help people with disabilities and the elderly make their homes more livable. We also administer the federal Housing Choice Voucher and Housing Credit programs in Virginia. VHDA is self-supporting and receives no state taxpayer dollars to fund our programs. Instead, we raise money in the capital markets, and we contribute a significant portion of our net revenues each year to help meet Virginia's most difficult housing needs.

[More >](#)

- [Loan Combo](#)
- [FREE Homebuyer Class](#)
- [Income Limits](#)
- [Contact Us](#)
- [Mortgage Credit Certificate](#)
- [Fannie Mae Mortgages](#)
- [Government Loan Programs](#)
- [VHDA Plus Second Mortgage](#)
- [Closing Cost Assistance Grant](#)
- [Down Payment Assistance Grant](#)
- [Why Choose a VHDA Loan Product?](#)

Stop Dreaming & Start Living

With our unique collection of loans and grant programs, VHDA is able to help both first-time and repeat homebuyers with financing options not found anywhere else.

For the most up-to-date information on our home loan options, please visit vhda.com/HomebuyerPrograms.

“I remember when I was a loan officer, there were times I didn't have any loan options for families who needed special financing. VHDA has been a wonderful resource in helping to provide options to make the dream of homeownership a reality for so many Virginians.”

- *Gigi Houchins, VHDA*

< Back

Loan Combo

FREE Homebuyer Class

Income Limits

Contact Us

Mortgage Credit Certificate

Fannie Mae Mortgages

Government Loan Programs

VHDA Plus Second Mortgage

Closing Cost Assistance Grant

Down Payment Assistance Grant

Why Choose a VHDA Loan Product?





For First-time Homebuyers

Down Payment Assistance Grant

VHDA's Down Payment Assistance Grant provides qualified first-time homebuyers with funds to help make the dream of homeownership a reality.

Benefits

- The maximum grant is 2 - 2.5% of the purchase price, depending on which type of VHDA mortgage loan you receive.
- Because this is a grant, you never have to pay it back!
- This grant may be combined with other down payment assistance programs available through other organizations. Some restrictions apply.
- Borrowers who receive this grant are also eligible for a VHDA Mortgage Credit Certificate (MCC). [See the Mortgage Credit Certificate tab for details.](#)

Requirements

- Income of all household members cannot exceed VHDA loan limits. See vhda.com/LoanLimits.
- Grant funds must be used with an eligible VHDA loan.
- Buyers must have a ratified sales contract on a home before grant funds can be reserved.
- The VHDA mortgage must be locked prior to reserving grant funds.
- For the complete list of requirements, please visit vhda.com/LoanInfo.

To see if you qualify for this grant, please contact a VHDA-approved lender. See vhda.com/FindALender.

To learn more about VHDA's Down Payment Assistance Grant, please visit vhda.com/DownPayment.

Why Choose a VHDA Loan Product?

Down Payment Assistance Grant

Closing Cost Assistance Grant

VHDA Plus Second Mortgage

Government Loan Programs

Fannie Mae Mortgages

Mortgage Credit Certificate

Loan Combo FREE Homebuyer Class

Income Limits

Contact Us

Closing Cost Assistance Grant

The Closing Cost Assistance Grant reduces the out-of-pocket expenses for borrowers applying for either a Rural Housing Service (RHS) or Veterans Affairs (VA) loan. This grant makes these 100% financing programs even more affordable.



For First-time Homebuyers

Benefits

- The maximum grant is 2% of the purchase price.
- Because this is a grant, you never have to pay it back!
- Grant funds can be applied to your closing costs, RHS guarantee or VA funding fee.
- Borrowers who receive this grant may also qualify for a Mortgage Credit Certificate (MCC). [See the Mortgage Credit Certificate tab for details.](#)
- This grant may be combined with other down payment assistance programs that may be available through other organizations. Some restrictions apply.
- It may strengthen your negotiation of RHS and VA contracts.

Requirements

- This grant must be used with an RHS or VA loan from VHDA.
- You must be a first-time homebuyer.
- Income of all household members cannot exceed VHDA loan limits. See vhda.com/LoanLimits.
- The eligible VHDA mortgage must be locked prior to reserving grant funds.
- Buyers must have a ratified sales contract before reserving grant funds.
- For the complete list of requirements, please visit vhda.com/LoanInfo.

To see if you qualify for Closing Cost Assistance Grant, contact a VHDA-approved lender to discuss eligibility requirements. Find one near you at vhda.com/FindALender.

Why Choose a VHDA Loan Product?

Down Payment Assistance Grant

Closing Cost Assistance Grant

VHDA Plus Second Mortgage

Government Loan Programs

Fannie Mae Mortgages

Mortgage Credit Certificate

Loan Combo FREE Homebuyer Class

Income Limits

Contact Us



VHDA Plus Second Mortgage

The VHDA Plus Second Mortgage eliminates the down payment requirement for qualified first-time homebuyers by pairing an eligible VHDA first mortgage with a VHDA second mortgage to cover the down payment.

Benefits

- The maximum second mortgage is 3-5% of the purchase price, depending on your credit score and type of VHDA first mortgage you receive.
- This is a 30-year, fixed-rate loan with no prepayment penalty.
- This loan covers your entire down payment.
- Qualified buyers with credit scores of 680 or higher can also finance part of their closing costs into the second mortgage.
- The VHDA Plus Second Mortgage may be combined with down payment assistance programs that may be available through other organizations. Some restrictions apply.
- Borrowers who qualify for this loan are also eligible for a Mortgage Credit Certificate (MCC). [See Mortgage Credit Certificate tab for details.](#)

Requirements

- Income of all borrowers and additional persons on the title cannot exceed VHDA loan limits. See vhda.com/LoanLimits.
- At closing, borrowers must have 1% of the purchase price documented in reserves and/or funds available.
- This loan is for purchase transactions only.
- For the complete list of requirements, please visit vhda.com/LoanInfo.

To see if you qualify for a VHDA Plus Second Mortgage, contact a VHDA-approved lender. Find one near you at vhda.com/FindALender.

For First-time Homebuyers

Why Choose a VHDA Loan Product?

Down Payment Assistance Grant

Closing Cost Assistance Grant

VHDA Plus Second Mortgage

Government Loan Programs

Fannie Mae Mortgages

Mortgage Credit Certificate

Loan Combo FREE Homebuyer Class

Income Limits

Contact Us

Government Loan Programs

VHDA offers several types of federal government loans. These loans are eligible for VHDA grants that reduce the out-of-pocket expenses for qualified borrowers.

Homebuyers who qualify for one of these loans may also take advantage of VHDA's Mortgage Credit Certificate program.

FHA

- FHA-insured.
- Eligible for VHDA's Down Payment Assistance Grant. See the Down Payment Assistance Grant tab for details.
- 3.5% down payment (or as low as 1% down with our Down Payment Assistance Grant).
- Liberal credit qualifying; credit scores may be as low as 620.
- Borrowers who qualify for this loan are also eligible for a Mortgage Credit Certificate. [See the Mortgage Credit Certificate tab for details.](#)
- If not receiving a Down Payment Assistance Grant, borrowers may be eligible for a VHDA Plus Second Mortgage.

USDA (Rural Housing Service)

- USDA-guaranteed.
- Eligible for VHDA's Closing Cost Assistance Grant. See the Closing Cost Assistance Grant tab for details.
- 100% financing for eligible rural properties.
- Affordable monthly payments.
- Low mortgage insurance.
- Borrowers who qualify for this loan are also eligible for a Mortgage Credit Certificate. [See the Mortgage Credit Certificate tab for details.](#)

VA (Veterans Administration)

- VA-guaranteed.
- Eligible for VHDA's Closing Cost Assistance Grant. See the Closing Cost Assistance Grant tab for details.
- 100% financing for eligible veterans.
- Liberal credit qualifying; credit scores may be as low as 620.
- Borrowers who qualify for this loan are also eligible for a Mortgage Credit Certificate. [See the Mortgage Credit Certificate tab for details.](#)

Why Choose a VHDA Loan Product?

Down Payment Assistance Grant

Closing Cost Assistance Grant

VHDA Plus Second Mortgage

Government Loan Programs

Fannie Mae Mortgages

Mortgage Credit Certificate

Loan Combo

FREE Homebuyer Class

Income Limits

Contact Us

Fannie Mae HFA Preferred with Reduced Mortgage Insurance

This loan provides affordable financing for first-time and repeat homebuyers.

Benefits

- Available to first-time and repeat homebuyers.
- May be used for purchase or limited cash-out refinance.
- This is a fixed-rate, 30-year loan.
- This loan has the lowest conventional mortgage insurance payments available.
- Flexible down payment sources are allowed, including gifts, FNMA Community Seconds, VHDA Down Payment Assistance Grant funds and VHDA Plus Second Mortgage.
- Borrowers who qualify for this loan may also be eligible for a VHDA Mortgage Credit Certificate (MCC). [See the Mortgage Credit Certificate tab for more details.](#)

Requirements

- 3% minimum down payment.
- 640 minimum credit score.
- Maximum 45% debt-to-income ratio.
- 3% maximum seller concessions (or 6% if making a down payment of 10% or greater).
- Maximum 97% loan-to-value (105% combined loan-to-value).
- Loans up to \$453,100 statewide.
- Maximum income limits apply. See vhda.com/LoanLimits.

[More >](#)

Why Choose a VHDA Loan Product?

Down Payment Assistance Grant

Closing Cost Assistance Grant

VHDA Plus Second Mortgage

Government Loan Programs

Fannie Mae Mortgages

Mortgage Credit Certificate

Loan Combo FREE Homebuyer Class

Income Limits

Contact Us



For First-time &
Repeat Homebuyers

Fannie Mae 97% No Mortgage Insurance

Affordable monthly payments, with no mortgage insurance required.

Benefits

- No mortgage insurance means lower monthly payments.
- Available to first-time and repeat homebuyers.
- May be used for purchase or limited cash-out refinance.
- This is a fixed-rate, 30-year loan.
- This loan has no upfront mortgage insurance premium requirement, which means more equity at closing.
- Less cash required at closing than with an FHA loan.
- Flexible down payment sources are allowed, including gifts, FNMA Community Seconds, VHDA Down Payment Assistance Grant funds and VHDA Plus Second Mortgage.
- Borrowers who qualify for this loan may also be eligible for a VHDA Mortgage Credit Certificate (MCC). [See the Mortgage Credit Certificate tab for more details.](#)

Requirements

- 3% minimum down payment.
- 660 minimum credit score.
- Maximum 45% debt-to-income ratio.
- 3% maximum seller concessions (or 6% if making a down payment of 10% or greater).
- Maximum 97% loan-to-value (105% combined loan-to-value).
- Loan-to-value must be greater than 80%.
- Loans up to \$453,100 statewide.
- Maximum income limits apply. See vhda.com/LoanLimits.

< Back

For First-time & Repeat Homebuyers

Why Choose a VHDA Loan Product?

Down Payment Assistance Grant

Closing Cost Assistance Grant

VHDA Plus Second Mortgage

Government Loan Programs

Fannie Mae Mortgages

Mortgage Credit Certificate

Loan Combo

FREE Homebuyer Class

Income Limits

Contact Us

Mortgage Credit Certificates

A Mortgage Credit Certificate (MCC) from VHDA could save you thousands of dollars by reducing the amount of federal income tax you owe each year.

To see if you qualify for a Mortgage Credit Certificate, contact a VHDA-approved lender. Find one near you at vhda.com/FindALender.

To learn more, visit vhda.com/MCC.

For First-time Homebuyers

Benefits

- This is a dollar-for-dollar credit toward your federal income tax liability.
- The annual credit is equal to 20% of the annual mortgage interest you pay.
- The MCC is effective for the life of the mortgage, as long as you live in the home.
- There may be no charge for an MCC if issued with a VHDA first mortgage loan. Ask your lender if fees will be charged.
- Borrowers may also be eligible for a VHDA Plus Second Mortgage or a Down Payment Assistance Grant.

Requirements

- You must be a first-time homebuyer (not owned a home as a primary residence within the past three years). This requirement may be waived if purchasing a home in a Federal Targeted Area; see vhda.com/FederalTargetedAreas.
- The home must be used as your principal residence.
- Maximum household income limits apply. See vhda.com/LoanLimits.
- Purchase a home that meets the sales price/loan limit requirement. See vhda.com/LoanLimits.

*Not everyone will benefit from an MCC. You must have a tax liability to benefit from an MCC. The credit claimed cannot exceed your annual tax liability after all other credits and deductions. Unused credits may be carried forward for three years. Please consult with your tax advisor to see if an MCC is right for you. VHDA determines whether homebuyers qualify for MCCs under the Internal Revenue Code, but homebuyers must determine for themselves whether an MCC will save them money and how valuable an MCC will be for them over the life of their loan. **VHDA cannot and does not give any tax advice to anyone. Consult with your tax advisor.***

More >

Why Choose a VHDA Loan Product?

Down Payment Assistance Grant

Closing Cost Assistance Grant

VHDA Plus Second Mortgage

Government Loan Programs

Fannie Mae Mortgages

Mortgage Credit Certificate

Loan Combo

FREE Homebuyer Class

Income Limits

Contact Us

For First-time Homebuyers



How much could an MCC save you in taxes?

It's important to consult with a tax advisor, but the scenario below shows an example of potential savings. The example assumes a \$150,000 loan with an interest rate of 5%.

\$150,000 x 5% =	\$7,450 (Interest for first full year)
x Tax Credit Rate:	20%

Maximum Credit: **\$1,490 tax savings for the year**

The savings continue each year you live in the home.

How do you apply for an MCC?

- Apply for an MCC with an approved MCC lender.
- Sign and provide the MCC Homebuyer Application and Fact Sheet to your lender. This form can be found at vhda.com/MCC.
- Receive an MCC commitment from VHDA prior to closing.
- During loan application, be sure to confirm that you've requested an MCC. You will initial in the MCC section of the Single Family Loan and MCC Disclosure form.

What if you sell your home?

If you sell your home within nine years of closing and have also experienced a significant increase in your income during that time, you may be subject to an IRS rule known as the federal recapture tax. The additional amount you would owe at that time would depend on the year you sold your home, how much gain you received from the sale and what your income was that year. Ask your lender for information and discuss the potential impact of the federal recapture tax with your tax advisor. Learn more at vhda.com/RecaptureTax.

< Back

Why Choose a VHDA Loan Product?

Down Payment Assistance Grant

Closing Cost Assistance Grant

VHDA Plus Second Mortgage

Government Loan Programs

Fannie Mae Mortgages

Mortgage Credit Certificate

Loan Combo

FREE Homebuyer Class

Income Limits

Contact Us



VHDA Mortgage

- + Free Homebuyer Class
- + Down Payment Money
- + MCC Homebuyer Tax Credit

\$\$\$ Big Savings

The VHDA Loan Combo

What could be better than getting an affordable home loan? How about having the option to combine it with a down payment grant, homebuyer tax credit and a free homebuyer class?

That's the VHDA Loan Combo, a package of money-saving benefits we've put together especially for first-time homebuyers. No one else in Virginia has anything like it.

So, don't settle for just a loan. Ask your lender if you qualify for a VHDA Loan Combo! Learn more at vhda.com/LoanCombo.

Why Choose a VHDA Loan Product?

Down Payment Assistance Grant

Closing Cost Assistance Grant

VHDA Plus Second Mortgage

Government Loan Programs

Fannie Mae Mortgages

Mortgage Credit Certificate

Loan Combo

FREE Homebuyer Class

Income Limits

Contact Us

FREE Class for Homebuyers

This class is free to anyone wanting to learn the ins and outs of homebuying, and it's required for anyone applying for a VHDA home loan.



Topics covered include personal finances and credit, setting up a spending plan, working with a lender and real estate agent, the home inspection, the closing process, and preparing for the responsibilities of being a homeowner.

The class is offered in English and Spanish, and can be taken online or in classrooms around the state. To learn more or find a class near you, visit vhda.com/FreeClass.

More >

Why Choose a VHDA Loan Product?

Down Payment Assistance Grant

Closing Cost Assistance Grant

VHDA Plus Second Mortgage

Government Loan Programs

Fannie Mae Mortgages

Mortgage Credit Certificate

Loan Combo

FREE Homebuyer Class

Income Limits

Contact Us

5 Steps to Homeownership

- 1. Learn the process! Take VHDA's free First-time Homebuyer class.**
The class covers the entire homebuying process, and is available online or in person.
- 2. Find a VHDA-approved lender and get pre-approved.**
Before you start shopping, you'll need to know what you can afford. A VHDA-approved lender can tell you in advance the maximum home price they can finance for you. All VHDA-approved lenders offer the same interest rates and can provide information on all of our loans. To find a VHDA-approved lender, visit vhda.com/FindALender. *Pre-approval is based on information you provide and is subject to review at the time of the mortgage application.*
- 3. Choose a real estate agent to help with your home search.**
When you meet with your real estate agent for the first time, tell them your price range and the kind of home you're looking for. They will find homes on the market that meet your criteria, and take you to see them. When you find the right home, your agent will help you prepare an offer to buy it. The seller will accept your offer, reject it or make a counteroffer.
- 4. Finalize your mortgage application with your pre-selected lender.**
Your VHDA-approved lender will ask you for additional information and documentation needed to approve your loan. The approval of the loan is contingent on this information, as well as the results of the property appraisal. During this phase, you'll shop for homeowners insurance, choose an attorney or closing agent and schedule utilities to be connected. All inspections will be completed and you will do a final walk-through inspection of the property before closing.
- 5. Attend the loan closing with your attorney or closing agent.**
This is the official signing of the papers that finalizes the deal. Each page will be explained to you before you sign. You'll provide your down payment (if applicable), and receive the keys to your new home!

< Back

Why Choose a VHDA Loan Product?

Down Payment Assistance Grant

Closing Cost Assistance Grant

VHDA Plus Second Mortgage

Government Loan Programs

Fannie Mae Mortgages

Mortgage Credit Certificate

Loan Combo

FREE Homebuyer Class

Income Limits

Contact Us

Income and Sales Price / Loan Limits

Maximum Gross Household Income					
Area	2 or Fewer People		3 or More People		Sales Price / Loan Limit
	Standard	With VHDA DPA or CCA Grant*	Standard	With VHDA DPA or CCA Grant*	
Washington-Arlington-Alexandria	\$125,700	\$100,500	\$146,700	\$117,300	\$500,000
Charlottesville	\$90,000	\$72,000	\$105,000	\$84,000	\$375,000
Richmond	\$88,200	\$70,500	\$102,900	\$82,300	
Norfolk-VA Beach-Newport News	\$83,200	\$66,500	\$97,000	\$77,600	
Culpeper	\$87,500	\$70,000	\$102,100	\$81,600	\$425,000
Rappahannock	\$85,200	\$68,100	\$99,400	\$79,500	
Warren	\$84,200	\$67,300	\$98,200	\$78,500	
King George	\$92,600	\$74,000	\$106,900	\$85,500	\$322,900
All Other Areas of Virginia	\$76,700	\$61,300	\$88,200	\$70,500	\$251,900

Washington-Arlington-Alexandria: 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: Albemarle County Charlottesville Fluvanna County Greene County Nelson County	Richmond: 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: 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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* DPA (Down Payment Assistance Grant) or CCA (Closing Cost Assistance Grant) Effective 9-1-2017

- Loan Combo
- FREE Homebuyer Class
- Mortgage Credit Certificate
- Fannie Mae Mortgages
- Government Loan Programs
- VHDA Plus Second Mortgage
- Closing Cost Assistance Grant
- Down Payment Assistance Grant
- Why Choose a VHDA Loan Product?

- These limits apply to all VHDA loans. If you're getting a VHDA Plus Second Mortgage, the first and second mortgages combined cannot exceed the maximum sales price limit.
- Loan amounts that include financed guarantee fees or mortgage insurance premiums cannot exceed VHDA's sales price limits.
- Please check with your VHDA-approved lender to verify income, sales price and loan limits for your purchase.
- Conventional loans have a maximum \$453,100 loan amount.
- Income limits for VHDA Down Payment Assistance and Closing Cost Assistance grants include income of all household members.

Please visit vhda.com/HomebuyerPrograms for the most up-to-date information on our loan products and income limits.

Contact Us

VHDA Headquarters
601 South Belvidere Street, Richmond, VA 23220

Virginia Housing Center
4224 Cox Road, Glen Allen, VA 23060

Southwest Virginia Housing Center
105 East Main Street, Wytheville, VA 24382

VHDA Main Number 877-VHDA-123

Southwest Virginia Housing Center 800-447-5145

Español 877-843-2123



711 (inVirginia)

800-828-1140

VHDA Website vhda.com

Links referenced in this document

vhda.com/HomebuyerPrograms

vhda.com/LoanLimits

vhda.com/FindALender

vhda.com/DownPayment

vhda.com/MCC

vhda.com/LoanInfo

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.