

*Fredericksburg Area Association of REALTORS®*

2050 Gordon W. Shelton Blvd.  
Fredericksburg, VA 22401



*Fredericksburg Area Association  
of REALTORS®*



## **Members Resource Guide to Government and Community Housing Support Programs**

## Community Non-Profit Programs

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### Central Virginia Housing Coalition

CVHC provides down payment and closing cost assistance to income-eligible buyers. CHVC works with DHCD and VHDA to provide low-cost loans and also provides a comprehensive 16-week homebuyer education class that must be taken before a borrower can be approved for a loan. CVHC also offers assistance to repair existing homes, assistance with rental payments, and provides housing counseling.

For more information about CVHC, visit <http://www.centralvahousing.org/>.

### Quin Rivers

Quin Rivers provides a Homelessness Intervention Program that helps income-eligible households facing foreclosure or loss of permanent housing with financial resources and housing counseling to prevent homelessness.

For more information on Quin Rivers, visit <http://www.quinrivers.org/programs/homelessness-intervention>.

### Habitat for Humanity

Habitat for Humanity builds houses for eligible families that reside in the region. Potential candidates must be unable to qualify for any other financing, currently live in substandard housing, be able to pay back an interest-free mortgage, and be willing to commit time to a homebuyer education class and partner to build the house.

For more information, visit the Fredericksburg Habitat Chapter at <http://www.fredhab.org/index.html> or the Louisa County Chapter at <http://www.lousiacounty.com/habitat/index.html>.

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## Local Government Programs

### City of Fredericksburg Direct Homeowners Assistance Program

The Direct Homeowners Assistance Program offers City residents of low and moderate-income financial support to purchase or refinance a primary residence located within the City's limits. The program provides payment for specific closing costs and/or up to 50% of down payment costs. Qualifying households are also eligible for payment of a portion of an existing loan or closing costs to refinance from a high rate or variable rate loan to a low rate fixed loan.

For more information on this program, visit <http://www.fredericksburgva.gov/Departments/planning/index.aspx?id=497>.

*This resource guide is intended to provide FAAR REALTOR® members with a quick reference piece for financing and down payment issues that they may regularly come across in their practice of real estate. REALTORS® should talk to a trusted lender or the agency providing services directly for any specific questions about individual programs. For a full list of FAAR's affiliate lenders, please visit our website at [www.FAARmembers.com](http://www.FAARmembers.com) and click on the Consumer tab.*

*This guide is not intended to be an exhaustive list of assistance programs; however if you see any glaring omissions, please let us know. Contact Kim McClellan, Government Affairs Director, at 540-373-7711 or [kmcclellan@faarmembers.com](mailto:kmcclellan@faarmembers.com).*



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## State Government Programs, *continued*

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### **NEW! The Virginia Livable Home Tax Credit**

The Virginia Livable Home Tax Credit is designed to improve accessibility in homes throughout the Commonwealth. Buyers or existing owners looking to make their homes more accessible to those with disabilities or the elderly are eligible for a tax credit of up to \$2,000 for employing acceptable universal design elements into the home. Such design elements include a zero-step entrance, wider doors and hallways, and specialty appliances.

For more information, visit [http://www.dhcd.virginia.gov/housingpreservationrehabilitation/tax\\_credit\\_program.htm](http://www.dhcd.virginia.gov/housingpreservationrehabilitation/tax_credit_program.htm).

Violet Peyton, DHCD

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804-371-7124



## State Government Programs

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### VA DHCD HOMEownership Down Payment Assistance Program

The Virginia Department of Housing and Community Development offers down payment assistance for eligible buyers at or below 80% of Area Median Income. The program utilizes federal dollars and works with local agencies and non-profits to administer the program.

For more information, visit [http://www.dhcd.virginia.gov/HomelessnessToHomeownership/HOMEownership\\_Down\\_Payment\\_AssistanceProgram.htm](http://www.dhcd.virginia.gov/HomelessnessToHomeownership/HOMEownership_Down_Payment_AssistanceProgram.htm).

Nancy Palmer, DHCD  
[nancy.palmer@dhcd.virginia.gov](mailto:nancy.palmer@dhcd.virginia.gov)

### Virginia Housing Development Authority

VHDA is a self-sustaining, non-profit agency created by the Commonwealth of Virginia to help primarily first-time homebuyers purchase homes and develop quality rental housing. VHDA provides home-buyer education classes and also a variety of loan programs to meet the needs of low and moderate-income homebuyers. VHDA utilizes many of the government programs already listed in this guide and can provide low or no down payment loans with favorable terms.

For more information visit: <http://www.vhda.com/BUSINESSPARTNERS/REALESTATEAGENTS/Pages/RealEstateAgents.aspx>

Homeownership Program Department  
 1-800-227-8432 / 1-800-783-6725  
[vhdacomm@vhda.com](mailto:vhdacomm@vhda.com)

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## Overview

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With historically low interest rates and home prices, now is a great time to buy a home. REALTORS® often work with clients who need a little extra help, whether they are first time homebuyers, credit-worthy but asset-challenged, or have an existing home to sell, there are often major barriers that prevent otherwise eligible homebuyers from entering the market. Many times, these buyers can find assistance through housing programs offered at the federal, state, local, or non-profit level.

There are programs available to help with down payment assistance, remodeling, and homebuyer education, but where do you find these programs as an agent and how do you direct your clients to this often much-needed assistance? This Resource Guide will help familiarize you with some of the programs available to assist you and your clients.

## REO Financing Options, *continued*

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Homes eligible for this program must be located within a revitalization area.

For more information on HUD Homes in your area, visit <http://www.hudhomestore.com>.

### Fannie Mae HomePath Program

The Fannie Mae HomePath Program allows buyers to purchase foreclosed homes now owned by Fannie Mae with special financing incentives. The program is very flexible with varying loan rates and terms, a low down payment requirement of just 3%, no lender requested appraisal, and no mortgage insurance.

For more information about Fannie Mae's HomePath program, please visit <http://www.homepath.com>.

### Fannie Mae HomePath Renovation Mortgage

This Fannie Mae financing option helps buyers to purchase a property that requires light to moderate renovation. The borrower has one loan amount that includes the price of the house and the cost of the renovations up to 35% of the as completed value of the house, but not to exceed \$35,000. The same favorable terms that apply to the regular HomePath mortgage apply to the combination renovation loan as well.

For more information about Fannie Mae's HomePath program, please visit <http://www.homepath.com>.

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## REO Financing Options

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### Veterans Affairs' (VA) Vendee Financing Program

The VA vendee financing option is a loan product offered to individuals to help finance the purchase of VA REO properties. The program is available to both veterans and non-veterans. The program allows up to 6% Seller Contributions to closing costs, it is not driven by credit scores, and it has loan terms of 15 and 30 years. An owner occupied purchase can be financed with 0% down and a non-owner occupied purchase can be financed with as little as 5% down. An appraisal is not required for underwriting and the borrower must pay a 2.25% VA Funding Fee that is not allowed to be rolled into the loan.

For more information on the VA Vendee Program, visit <http://www.va.reotrans.com>.

### HUD Homes

The U.S. Department of Housing and Urban Development (HUD) sells homes the government has acquired through foreclosure at deeply discounted prices. In order to purchase a HUD home, prospective buyers must use a HUD-authorized broker. HUD provides listings for each property including detailed information, pictures, a map, and seller agent information.

### HUD Good Neighbor Next Door Program

HUD offers special incentives on HUD Homes to teachers, police, firefighters, and emergency medical technicians through the this program. Eligible buyers can receive a discount of up to 50% off the listed price of a home. In return, buyers must commit to living in the property for 36 months as their primary residence.

## Federal Government Programs

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### Federal Housing Authority (FHA) 203(b) Mortgage Insurance

This FHA program with a 3.5% down payment requirement is one of the most popular of the mortgage financing industry. A lending institution such as a bank, mortgage company, or savings and loan association makes the loan to purchase or refinance a principal residence and the U.S. Department of Housing and Urban Development guarantees that loan. Borrowers must pay Mortgage Insurance Premium (MIP) for a portion of the life of the loan. FHA also allows borrowers to refinance their mortgage when the borrower gains 20% equity in the property based on an appraisal.

### FHA 203(k) Program

FHA has two home repair programs, the Streamline 203(k) mortgage and the 203(k). The streamline mortgage allows homebuyers to finance an extra \$35,000 into their mortgage to improve or upgrade their home before moving in. The standard 203(k) program provides a loan to repair and improve a single family residence.

For more information on the FHA programs, visit the FHA Resource Center at <http://www.hud.gov/offices/hsg/sfh/fharesourcectr.cfm>. To find an FHA lender, search the vendor list at <http://www.hud.gov/ll/code/llslcrit.cfm>.

### U.S. Department of Agriculture Rural Development 502 Direct and Guaranteed Loan Programs

USDA has both a direct loan program and a guaranteed loan program aimed at low and very low-income homebuyers. The direct loan program provides federal dollars directly to a homebuyer in a fixed rate, low-interest loan for a period of up to 38 years. There is no down payment required and some borrowers are eligible for assistance with monthly mortgage payments.

## Federal Government Programs, *continued*

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The 502 guaranteed loan program allows eligible homebuyers to borrow money through a qualified lending institution and have that loan backed by USDA Rural Development. There is no limit on seller concessions, borrowers may finance up to 102% of the appraised value and Private Mortgage Insurance is not required.

For more information on USDA Rural Development programs, visit <http://www.rurdev.usda.gov/va/programs/sfh.htm>.

### USDA Rural Development

Area 3 Northern Area Office, Harrisonburg

1934 Deyerle Avenue, Suite D, Harrisonburg, VA 22801

<http://www.rurdev.usda.gov/va/offices/area3-Harrison.htm>

### Veterans Affairs' Guaranteed Home Loans Program

The VA provides home loan guarantees for eligible service members at very favorable rates with very few restrictions. These loans are often made with no down payment requirements, no limits on Seller Contributions to closing costs, and at very low interest rates. The loans made under the program have limitations on closing costs and protections in the event of financial difficulty.

For more information about the VA loan program, visit <http://www.benefits.va.gov/homeloans/>.

### VA Regional Loan Center, Roanoke

Department of Veterans Affairs, VA Regional Loan Center

210 Franklin Road, SW, Roanoke, VA 24011

1-800-933-5499

<http://www.vba.va.gov/ro/roanoke/rlc>

## Federal Government Programs, *continued*

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### U.S. Department of Defense Homeowners Assistance Program (HAP)

DOD's Homeowners Assistance Program (HAP) helps eligible service members and DOD civilian employees cover losses from a short sale when they must sell a home due to a move mandated by official orders. The Program also assists service members wounded during deployment and surviving spouses of those service members killed in action. HAP can help homeowners in four main ways:

1. Reimburse you for part of your loss from selling your home.
2. Assist you, if you don't have funds from the sale of your home to pay off your mortgage.
3. Purchase your home by paying off the mortgage. Help if you default on your mortgage.

For more information on HAP, visit <http://hap.usace.army.mil/>.

HAP Field Office, Savannah

U.S. Army Engineer District, Savannah

Attn: RE-HM

P.O. Box 31402

Savannah, GA 31402

1-800-861-8144