



PRHA

Petersburg Redevelopment & Housing Authority

HOMEownership Down Payment & Closing Cost Assistance Program Information

Thank you for inquiring about the HOMEownership Down Payment Assistance Program administered by the Petersburg Redevelopment and Housing Authority (PRHA) on behalf of the Virginia Department of Housing and Community Development (DHCD). The PRHA HOMEownership Down Payment and Closing Cost Assistance Program can provide eligible homebuyers with up to 10% of the sales price of the property for down payment and \$2,500 for closing cost assistance. The maximum amount of all secondary financing and other subsidies (including PRHA DPA funds) is restricted to the lesser of 20% of the purchase price or appraised value. Funds are available on a first come first serve basis.

PRHA administers the HOMEownership Down Payment Assistance Program for properties located in the following Virginia localities: Chesterfield, Colonial Heights, Dinwiddie, Emporia, Greensville, Hopewell, Petersburg, Prince George, Surry, and Sussex.

Once you are approved for our DPA program, all applicants are required to attend Homeownership counseling with Commonwealth Catholic Charities (CCC) prior to receiving Down Payment & Closing Cost funds.

Please complete the enclosed application and provide the information listed below under "Required Documentation" with the completed application.

Program Eligibility:

1. Total family household income cannot exceed 80% of the Area Median Income based on family size as determined by the U.S. Department of Housing and Urban Development (see table below).

Income Guidelines (Effective April 1, 2024)
80% of Area Median Income based on Family Size

One	Two	Three	Four	Five	Six	Seven	Eight
\$61,800	\$70,600	\$79,450	\$88,250	\$95,350	\$102,400	\$109,450	\$116,500

Note: The above 80% AMI rates do not apply for Surry, Greensville, and Emporia. AMI limits for these 3 areas are significantly lower. Please call the Program Administrator for AMI relative to these three localities.

2. The homebuyer must qualify as a first-time Homebuyer as defined by one of the following:
 - a. Have never owned a home: or
 - b. Have not held primary ownership in a principal residence within the most recent three-year period.
3. Must possess a signed purchase offer for a property (turnkey at the time of settlement). Two-Unit and For Sale by Owner properties are not eligible for DPA assistance. Eligible

properties must meet programmatic requirements of Mortgage Lenders and include the following:

- a. Single-family property (one unit)
 - b. Townhouse homes
 - c. Condominiums
 - d. Manufactured homes - The housing unit must be connected to permanent utility hook-ups and must be located on land that is owned by the manufactured housing unit owner, or on land for which the housing unit owner has a lease for a period at least equal to the applicable period of affordability.
4. All households are required to contribute 1% of the sales price if the household income is between 50%-80% of the AMI, and households earning less than 50% of the AMI can contribute \$500 into the transaction. Also, the buyer must provide receipts as proof of the 1% contribution. If the homebuyer puts down more than the required amount of cash to purchase a home, the additional cash will go towards the purchase of the home. If it is determined the purchaser will receive funds back at closing, then the HOME funds **MUST** be reduced by that amount. No FUNDS will be RETURNED or REIMBURSED (regardless of the source) to the purchaser at closing/settlement when HOME funds are awarded for down payment and/or closing cost assistance.
 5. HUD has mandated in the HOME Final Rule, that all must receive homeownership counseling from a HUD-certified agency and HUD-certified Housing Counselor. The homebuyer education must be through a HUD-certified Homebuyer Education Course through Virginia Housing or Neighbor works® which can be **monitored and audited**. The course can also be online, but a completion certificate must be generated with the completion date and expiration date.
 6. Must be licensed in Virginia as a mortgage lender – No 3rd party brokers. (See vhda.com for list of approved lenders.)
 7. Loan packages submitted for funding consideration cannot exceed 95 percent of the loan to value (LTV) OR a cumulative LTV of 108 percent including any other sources of subsidies. The total loan origination charges cannot exceed 2.5% of the loan amount. Administrators should be aware of the comparable sales prices in their targeted areas.
 8. A complete FHA appraisal must be conducted on all HOME-assisted properties.
 9. The sales price of the home must not exceed the HOME purchase price limits established by HUD (95% of the area median home sales price). There will be exceptions in high cost/economically distressed localities deemed eligible by DHCD. The 2024 HOME purchase price limits for the ten PRHA covered localities are as follows: (*Effective September 1, 2024*)

Locality	Existing Home	New Home
Chesterfield	\$309,000	\$361,000
Colonial Heights	\$299,000	\$358,000
Dinwiddie	\$299,000	\$358,000
Emporia	\$233,000	\$302,000
Greensville	\$233,000	\$302,000
Hopewell	\$299,000	\$358,000
Petersburg	\$299,000	\$358,000
Prince George	\$299,000	\$358,000
Surry	\$233,000	\$302,000
Sussex	\$299,000	\$358,000

10. All DPA assisted properties require a whole house inspection done by a certified home inspector with separation of duties. Any “required” repairs notated on the inspection report that will affect the habitability, and safety of the home will have to be repaired prior to closing, and a re-inspection must be done to determine that all repairs were completed prior to closing.
11. HUD lead-safe provisions apply to all assisted home properties purchased. This includes a notice of lead hazard, visual inspections, remedy of any lead problems, and re-inspection if applicable. Properties must adhere to the DPA Program’s **Visual Paint Assessment Policy**, the purpose of which is to address lead-based paint hazards in a residential property that was built pre-1978, and that receives federal assistance under certain HUD programs for acquisition, leasing, support services, or operation. A visual assessment is a visual examination of all painted surfaces to identify deteriorated paint. The examination must include all living space of the interior of the unit, as well as the common areas such as hallways, laundry rooms or garages, and exterior surfaces of the building in which the dwelling unit is located. The assessment must be conducted by a **HUD Certified, VA Lead Inspector, and/or VA Risk Assessor** with separation of duties. If the unit “fails” the visual paint assessment, then the seller and/or buyer must hire a VA state licensed lead contractor or someone who has been trained in HUD approved safe work practices course to repair/stabilize the deteriorated paint. They must have also been trained in OSHA’s Hazard Communication Standards. The repairs and a clearance report must be obtained prior to closing. The client must be provided with the Lead Hazard information pamphlet by the EPA “Protect Your Family from Lead in Your Home”.
12. Homebuyers must occupy the property as their primary residence.
13. Homebuyers with cash assets of 10 percent or more of the sales price will not be eligible for down payment and closing cost assistance (excluded assets which cannot be liquidated without the applicant incurring a penalty. Written verification of the penalty will be required).
14. Debt to income ratio cannot exceed 45% and Housing ratio cannot exceed 33%. A credit score of at least 620 is required. Some exceptions will be made if the debt-to-income ratio exceeds 45% and the monthly payment indicates less than 9 months left to pay off. This exception applies only to the following debts: auto loans, student loans, personal loans, charge cards, child support, alimony, and federal tax lien repayments if there are less than 9 months left to pay off.
 - Applicant must show a good credit history with at least 3 trade lines open and current and must have a median credit score of 620 or higher.
 - Collection accounts totaling \$1,000 or more must be paid in full prior to closing, and evidence must be provided as proof of payment.
 - All judgments must be paid in full regardless of the amount prior to closing, and evidence must be provided as proof of payment. Any delinquent federal debt such as student loan, tax liens, etc. will not be eligible for down payment assistance.
 - If child support and/or alimony income is being used to qualify the applicant for the program, then we will need to have documentation showing proof that the applicant has been receiving this income for 6-12 months. If the child support and/or alimony income has been received for less than 6 months, then it cannot be counted in the qualifying ratios. **No Exceptions!**

15. Student Loan Requirements:

- a. **Fannie Mae** Monthly student loan payment as listed on credit report or student loan statement; if deferred or in forbearance, either 1% of the balance or one monthly payment.
- b. **Freddie Mac** Monthly student loan payment as listed on credit report or student loan statement; if deferred or in forbearance, 0.5% of the balance.
- c. **FHA** Monthly student loan payment as listed on credit report or student loan statement; if deferred or in forbearance, either 0.5% of the balance or one monthly payment. If on an IBRP (Income Based Repayment Plan) and actively making payments, the program can use the income-based payment. If not actively making payments, the program can use 0.5% of the balance.
- d. **VA** Monthly student loan payment as listed on credit report or student loan statement or 0.5% of the balance divided by 12 months, whichever is higher; if deferred, not included in underwriting.
- e. **USDA** Monthly student loan payment as listed on credit report or student loan statement, if deferred, in forbearance or on IBRP (Income Based Repayment Plan), either 0.5% of balance or one monthly payment.

16. Other Income Criteria Guidelines:

- a. Bankruptcy must be discharged for 3 years from the discharge date, **NO Exceptions**
- b. Foreclosure and/or Deed-in Lieu of foreclosure must not have been within the last 3 years, and the applicant must have established a good credit history since the foreclosure and/or bankruptcy.

17. Participants must sign a homebuyer agreement, execute a restricted deed of covenant, and a promissory note in the amount of the DPA assistance for the affordability period, generally 5 years from closing or in accordance with the chart below. Participants must understand that there will be a lien on the property for the required affordability period. No monthly repayment is required on the forgivable HOME loan issued by DHCD. The applied subsidy will be forgiven at the end of the period of affordability.

Recapture: Homebuyers are subject to recapture restrictions to ensure that the home remains affordable consistent with the applicable period of affordability.

<i>Amount of Assistance or Subsidy</i>	<i>Affordability Period by Years</i>
\$1,000 – \$14,999	5
\$15,000 - \$40,000	10

18. Homebuyers must meet the usual and customary mortgage underwriting criteria that demonstrate creditworthiness sufficient to obtain a mortgage loan commitment and **must possess a 90-day work history before application of grant funds.**

19. Eligible loan products – Conventional, FHA, VA, USDA, or Habitat

20. Ineligible loan products – ARM, Interest Only, Balloons & FHA 203K

Required Documentation:

Applications **will not** be accepted without all Required Documentation listed below.

- Completed DPA application (***must be signed & dated***)
- Copy of your two most current pay stubs
- 2 years Federal Tax returns with all schedules and W2s (***must be signed & dated***)
- Copy of Purchase Contract - price must be within the HOME purchase price limits.
- 1003 application from your lender
- Pre-Approval letter from your lender (***must contain the following***)
 - *Borrower's Name & Co-Borrower's Name (if applicable)*
 - *Property Address*
 - *Sales Price*
 - *Loan Amount*
 - *Lender's signature*
- Loan Estimate (formerly GFE) from lender
- Copies of 3 months of most current bank statements **for all bank accounts**
- Flood Hazard Determination Form from your lender
- Credit report and proof of 620 credit score or higher no older than 90 days
- Monthly Household Spending Plan (***must be signed & dated***)

Contact:

Program Administrator – LaTysha Carpenter, CPA
Ph: (804) 733-2200 x136
Fax: (804) 733-2229
Email: latysha.carpenter@petersburgrha.org

Program Coordinator – Sarita Remouns
Ph: (804) 733-2200 x115
Fax: (804) 733-2229
Email: sarita.remouns@petersburgrha.org

Mailing Address: P.O. Box 311, Petersburg, VA 23804

Physical Address: 128 S. Sycamore St., Annex Bldg., Petersburg, VA 23803

Applications can be picked up/dropped off between 8:30 a.m. and 5:00 p.m. M-F.
Office is closed for lunch daily from 12 noon to 1:00 p.m.

Initial application packets must be mailed, or hand delivered. No emailed or faxed application packets will be accepted.



HOMEownership DOWN PAYMENT & CLOSING COST ASSISTANCE Application (DPA)

Applicant: _____ **SSN:** _____ **Race:** _____

Co-Applicant: _____ **SSN:** _____ **Race:** _____

Current Address: _____

City: _____ **State:** _____ **Zip Code:** _____

Phone:
Applicant: Home: _____ Work: _____ Cell: _____

Co-Applicant: Work: _____ Cell: _____

Email: _____

HOUSEHOLD MEMBERS:

(List the name(s) and relationship of each household member including children and nonrelatives).

	Full Name (First M.I. Last)	Relationship
1		
2		
3		
4		
5		
6		

ASSETS:

	Applicant	Co-Applicant
Bank Name:	\$	\$
Bank Name:	\$	\$
Earnest Money on Deposit	\$	\$
Retirement Plan (401k, 457b etc.)	\$	\$
Stocks/Bonds	\$	\$
Cash Value of Life Insurance	\$	\$
TOTAL ASSETS	\$	\$

Has the applicant or co-applicant ever owned a home before? **Yes** **No**
If yes, how long ago? _____ . Property Address: _____

Is the applicant or co-applicant coming from subsidized housing? **Yes** **No**
If yes, what type of assistance is being received? _____

Do you currently reside at the property that you wish to purchase? **Yes** **No**
If yes, how long have you lived at this residence? _____

Has the applicant or co-applicant filed bankruptcy, foreclosure, or Deed-in-Lieu of foreclosure within the past 3 years? **Yes** **No**

Does the applicant or co-applicant receive alimony or child support? **Yes** **No**

Is the applicant receiving additional grant funds? **Yes** **No**

Required Documentation:

Applications **will not** be accepted without all required documentation listed below. Initial application packets must be mailed, or hand delivered.

No emailed or faxed application packets will be accepted.

Please check the documents below that you have attached to this application.

- Completed DPA application (***must be signed & dated***)
- Copy of your two most current pay stubs
- 2 years Federal Tax returns with **all schedules** and **W2s** (***must be signed & dated***)
- Copy of Purchase Contract - price must be within the HOME purchase price limits
- 1003 application from your lender
- Approval documentation of additional grant funds (***if applicable***)
- Pre-Approval letter from your lender (***must contain the following***)
 - *Borrower's Name & Co-Borrower's Name (if applicable)*
 - *Property Address*
 - *Sales Price*
 - *Loan Amount*
 - *Lender's signature*
- Loan Estimate from lender
- Copies of 3 months of most current bank statements **for all bank accounts** (including 401K)
- Flood Hazard Determination Form from your lender
- Credit report and proof of 620 credit score or higher no older than 90 days
- Monthly Household Spending Plan (***must be signed & dated***)

Certification and Authorization:

I/We certify that the information provided in this application is true and correct. I/We have provided all required documentation with this application. I/We hereby authorize the Petersburg Redevelopment and Housing Authority to receive, review and discuss any information on my/our behalf regarding my/our loan and income with my/our lender for purposes of loan processing and program documentation.

Applicant Signature

Co-Applicant Signature

Date

Date