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Dear Future Homeowner:

We are excited that you are making a step toward purchasing a home! HOME recognizes that buying a home is one of the single largest purchases you will make and want you to understand the process to make good choices and decisions. It is our desire to help you with this major investment and we are convinced that comprehensive homebuyer education is an essential first step.

Enclosed is a packet of information that includes steps to homeownership, a description of our financial assistance programs, a credit report authorization form, as well as other valuable information. If you want to receive services, you must complete all items on the Credit Report Authorization Form and return it to HOME (*do not fax*). **Please allow 10 business days to contact you once we receive your authorization form.**

Also, be aware it may be in your best interest not to sign a purchase contract until you have been accepted into the program and have met with a counselor to establish a plan of action for homeownership. It takes at least 45 days following the first meeting with a counselor to complete the program.

If you have any questions please feel free to contact us. We look forward to working with you and providing you high quality service that we know will result in a safe investment for you and your family.

Sincerely,
Homeownership Staff
Center for Housing Education

6 Steps to Homeownership

1. Submit the credit authorization form in the packet.

This will allow us to pull your credit report. We will evaluate your credit history and let you know whether or not you are ready to begin the process of buying a home. If so, you will receive an invitation to attend 2 pre-purchase group education sessions. (If you are not ready, we will invite you to a money management/credit recovery education session to assist you in becoming better prepared for homeownership.)

2. Attend 2 group sessions

In the group sessions, you will learn: how to find the right house; how to work with a real estate agent; how to shop for a mortgage; how to avoid abusive lending practices; how to avoid foreclosure; home maintenance; and many other things that will help you become a successful homeowner. You will also be given the opportunity to schedule an appointment with a certified housing counselor for an individual session.

3. Meet with your counselor

You will be asked to bring specific documents to the appointment with your counselor. At that meeting, you will discuss your financial situation, what you need to do to become fully ready to purchase a home, and how much of a mortgage loan your budget can accommodate. If you need and qualify for down payment & closing cost financial assistance, you will learn how to access that money.

4. Get your affairs in order

Establish and follow a spending plan, save money, and meet with your counselor for additional sessions.

5. Find and buy your home

By this time you will know how to work with a real estate agent, what to look for, how to get a good mortgage, and what to expect when you sign the loan documents and finalize the purchase of your home.

6. Celebrate and enjoy your new home!

Make sure you let us know how you are doing. Remember, we are here to help you past any bumps in the road!

HOME provides down payment and closing cost assistance to low & middle income families who have the cash flow necessary to handle a mortgage payment, but are unable to put together the relatively large amount of money necessary to cover the down payment and closing costs. HOME also makes below-market mortgage loans available to very low income families. Financial assistance terms vary.

Our pre-purchase counseling, homebuyer education, and financial down payment assistance programs have helped thousands of families purchase their first homes in neighborhoods throughout Metro Richmond.

These families are now sharing in the American dream, committed to the upkeep of their homes as well as their neighborhoods and communities, building new lives and creating new opportunities for their children.





Financial Assistance Programs for Home Ownership

MONEY FOR DOWN PAYMENT AND CLOSING COSTS

Must meet guidelines, complete counseling requirements, and be mortgage ready.

| Programs | First time home buyer | Stable income | Income limits (see chart below) | Credit Requirements | Service Area |
|---|---|---------------|--|--|---|
| Keystone | Yes | Yes | Not to exceed 80% AMI (area medium income) | No outstanding judgments/ Reasonably good credit (no collections) | City of Richmond, Chesterfield |
| Henrico Co. | Yes | Yes | Not to exceed 80% AMI (area medium income) | No outstanding judgments/ Reasonably good credit (no collections) | Henrico County (90 day residency required) |
| American Dream | Yes | Yes | Not to exceed 80% AMI | No outstanding judgments/ Reasonably good credit (no collections) | City of Richmond, Chesterfield |
| City of Richmond Neighborhoods in Bloom | No (must not own property at the time of closing) | Yes | Not to exceed 80% AMI | No outstanding judgments/ Reasonably good credit (no collections) | Church Hill Central, Blackwell, Carver/Newtowne West, Swansboro, Bellmeade, Highland Park |
| City of Richmond Neighborhoods in Bloom Plus | No (must not own property at the time of closing) | Yes | No maximum limit | No outstanding judgments/ Reasonably good credit (no collections) | Church Hill Central, Blackwell, Carver/Newtowne West, Swansboro, Bellmeade, Highland Park |
| State HOME funds | Yes | Yes | Not to exceed 60% AMI | No derogatory credit for 12 months | City of Richmond, Henrico, Chesterfield, Hanover, Charles City, Powhatan |

| Maximum Eligible Income | 1 Person | 2 Persons | 3 Persons | 4 Persons | 5 Persons | 6 Persons | 7 Persons | 8 Persons |
|-------------------------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 80% | \$41,000 | \$46,850 | \$52,700 | \$58,550 | \$63,250 | \$67,900 | \$72,600 | \$77,300 |
| 60% | \$30,750 | \$35,160 | \$39,540 | \$43,950 | \$47,460 | \$50,940 | \$54,480 | \$57,960 |

Loans are forgivable if borrower remains in the property (as primary residence) for five years

Housing Opportunities Made Equal of Virginia (HOME), Inc.

700 East Franklin St., Suite 3A, Richmond, VA 23219 • 804-354-0641 • Fax 354-0690 • www.phoneHOME.org

“Ensuring equal access to housing for all people”



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Phone: 804-354-0641
PLEASE DO NOT FAX

Authorization to Obtain Credit Report

I hereby authorize Housing Opportunities Made Equal to obtain and discuss with me a copy of my credit report. All information will be kept confidential. There is no charge for this service.

Household size: _____

Applicant #1 Name: _____ **Date of Birth:** _____

Social Security #: _____ **Email Address:** _____

Address: _____

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

Richmond Chesterfield Henrico Petersburg Other : _____

Telephone (home): _____ **(other/cell):** _____

Present Employer: _____ **Occupation:** _____

Address: _____

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

Telephone: _____

Do you work for the City of Richmond ? yes no

Signature: _____ **Date:** _____

Not Applicable

Applicant #2 Name: _____ **Date of Birth:** _____

Social Security #: _____ **Email Address:** _____

Address: _____

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

Richmond Chesterfield Henrico Petersburg Other : _____

Telephone (home): _____ **(other/cell):** _____

Present Employer: _____ **Occupation:** _____

Address: _____

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

Telephone: _____

Do you work for the City of Richmond ? yes no

Signature: _____ **Date:** _____

*******For office use Only*******

rev. 3-23-07

Date Completed: _____ **Staff:** _____



**HOMEOWNERSHIP
DOWNPAYMENT AND CLOSING COST
FINANCIAL ASSISTANCE PROGRAM**

Frequently Asked Questions

March 2009

How do I apply for the program?

Provide HOME with your name and address and you will be sent a packet of information that includes an application you must complete and return to HOME.

What will I have to do once my application is accepted?

You must attend 2 group sessions, then meet individually with a Housing Education Specialist for an intake session and attend additional counseling sessions as needed.

If I receive financial assistance, where can I purchase a home?

Currently, we have program funds that can be used to purchase in the City of Richmond, Chesterfield, Henrico, Hanover, Charles City and Powhatan.

How long does the process take to get money to purchase a home?

It takes at least 60 days from intake to purchasing the home.

Must I currently live in the county or city I want to purchase in?

You do not have to currently live in the county or city you want to purchase in except in one of our programs. In order to use Henrico County Program funds you must be a resident of Henrico 90 days prior to applying for the program. However, we do have a program that is funded by the state for which you can purchase in Henrico County without being a current resident.

How much money can I receive to purchase a home?

Each program has a maximum amount that is determined annually by the funder which can range from \$7,500 - \$10,000. However, the amount each client receives is based on individual circumstances, program guidelines, and availability of funds.

How much money must I invest in the purchase of the home?

Most funders want the purchaser to put in at least \$1000 of their money towards the purchase of the home.

Is there a maximum amount of money I can make to get financial assistance to buy a home?

Most programs have an income limit of 80% of the average median income. There is one program with a limit of 60% of the average median income. The maximum income is shown on the table below which is based on the number of people in the household.

Maximum eligible income by household size

| AMI | 1 Person | 2 Persons | 3 Persons | 4 Persons | 5 Persons | 6 Persons | 7 Persons | 8 Persons |
|------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| 80% | \$41,000 | \$46,850 | \$52,700 | \$58,550 | \$63,250 | \$67,900 | \$72,600 | \$77,300 |
| 60% | \$30,750 | \$35,160 | \$39,540 | \$43,950 | \$47,460 | \$50,940 | \$54,480 | \$57,960 |

There also is one City of Richmond Program which does not have an income limit, but you must purchase in one of the targeted Neighborhood in Bloom areas of the city.

Frequently Asked Questions

Where are the Neighborhoods in Bloom areas located?

The City of Richmond annually determines the Neighborhoods in Bloom. Currently they are: Church Hill Central, Blackwell, Carver-Newtowne West, Swansboro, Bellmeade and Highland Park areas.

Are there other agencies offering financial assistance to purchase a home?

Some of the community development corporations such as: Southside CDC, Highland Park CDC, Neighborhood Housing Services (NHS) and Better Housing Coalition.

If I have taken homeownership classes at another agency can I still apply for financial assistance with HOME?

Yes, however you will be required to take our classes.

Can I get down payment and closing cost assistance to purchase a trailer?

Yes, if the trailer is on a permanent foundation in one of the areas we serve. However, the land for which the trailer is placed must be purchased at the same time, since an individual cannot own any real estate to receive financial assistance.

What are SPARC funds?

SPARC funds are a VHDA mortgage loan that is offered at an interest rate lower than the prime market rate.

I owned a home with my husband but now we are divorced, can I get financial assistance to buy a home?

If you were a homemaker during your marriage, you can be considered a first time homebuyer immediately. If you were not a homemaker you must wait 3 years from the time you were taken off the deed for most programs. However, you can apply for one of the City of Richmond Neighborhood in Bloom Programs which only requires that you not own property at the time of closing on the new property.

If I filed Bankruptcy when can I apply for financial assistance to purchase a home?

You must wait 2 years after the bankruptcy is discharged for a Chapter 7 Bankruptcy. If you filed a Chapter 13 Bankruptcy you must have at least half the balance paid and no derogatory credit prior to applying for assistance.



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