

Q. I want to buy my first house but need help with down payment and closing costs. Do I apply to the State?

A. No, the Down Payment Assistance Program is operated through a network of non-profit providers in various parts of the State. You must contact the provider that serves your area. The list of providers is located [here](#).

Q. What am I supposed to do if there is no agency listed for my county?

A. Providers apply to serve an area for a two-year. At this point in time, not all areas of the state are covered, particularly in Northern Virginia. Some of the larger entitlement counties in the metro area have their own down payment assistance programs that are similar to the state program. Contact your county's housing office listed in the phone book or on the local government's website.

Q. What if there is more than one agency listed for my area?

A. Some agencies serve areas that do overlap, so make your choice based on funds availability and services offered.

Q. The agency I contacted says they have a waiting list, but I have already found my dream home.

A. Unfortunately, funds are limited and some agencies expend their available funding before more is available.

Q. Is there a limit on how much income I can have?

A. Yes. The total household income cannot exceed 80 percent of the Area Median Income (AMI). The income limits vary by the county in which you live and the number in your household.

Q. Is there a limit on the sales price of the house I can buy?

A. Yes. [Click here](#) to see the maximum sales price by locality.

Q. How much money can I get toward my down payment and closing costs?

A. The down payment assistance cannot exceed 10 percent of the sales price unless the home is located within a high-cost or chronically economically-distressed locality. In those areas, the maximum is 20 percent of the sales price. Closing costs assistance cannot exceed \$2,500.

Q. Do I have to contribute any of my own money?

A. Yes. The amount may vary by agency, but the homebuyer must provide 1 percent of the sales price from their personal income or a minimum contribution of \$500.

Q. Is there any prohibition against buying a condo or a manufactured home?

A. No. You may use the assistance for the purchase of a condo or manufactured home. A manufactured home must be connected to permanent utility hook-ups and must be located on land that is owned by the participant or land leased for a period at least equal to the affordability period.

Q. What is homebuyer counseling, and why do I have to have it?

A. Homebuyer counseling helps you to understand the home buying process. Owning a home requires a lot of responsibility, and home buyer counseling will assist you in obtaining the dream of homeownership. It will help you to determine how much you can afford, understand the importance of controlling your monthly expenses and good credit and your rights as a potential home buyer.

Q. Is this a loan that I have to pay back?

A. No. DPA is a conditional grant. You must sign a homebuyer agreement stating that you will maintain the home as your principle residence for a certain period of time, known as the affordability period. The chart below explains the amount of assistance received based on the affordability period:

Total Amount of HOME Assistance or Subsidy from all Sources

Years in the Period of Affordability and Occupancy

\$1,000 – \$14,999

5 Years

\$15,000 - \$40,000

10 Years

Amounts over \$40,000

15 Years

A lien in the amount of the assistance is recorded in the land records.

Q. What happens if I sell the house before the affordability period is over?

A. Any sale or refinance of the property triggers repayment of the DPA assistance in full. Also, if a home equity line of credit is recorded on the property, the entire DPA assistance must be paid in full. There is a lien recorded against the property in the county land records that must be satisfied.

Q. What if I get transferred for my job? Can I rent the house to someone else?

A. No. The home must be your primary residence, or you are in default of the agreement.

Q. The house I want to buy is in pretty bad shape. Can I get down payment assistance to buy it and then fix it up on my own over the next few months before I move in?

A. No. Currently, the house must pass a Housing Quality Standards inspection.

Q. I own a house now but want to buy a bigger one. Can I use your program?

A. No. The program is for first-time homebuyers or buyers who have not owned a principle residence within three years.

Q. My wife and I have signed a contract on a house and had some unexpected medical bills. Now we may not have enough money for our closing in two weeks. My realtor told me to contact you. Can you help us?

A. There are several requirements for participation in the program in addition to income. DPA requires that buyers complete a HUD-certified Homebuyer Education course through a VHDA or Neighborworks® certified course. You may not be able to be approved and complete the process in time.

Q. My credit is not too good. Can I still buy a house?

A. You may want to consider homebuyer counseling to learn how to eliminate debt, build your credit score, budget your finances and prepare yourself for homeownership in the future.

Q. My ex-husband and I sold our house when we divorced. I want to buy another house of my own. Can I qualify for DPA?

A. If it has been three years or more since you held primary ownership in a principle residence, you may possibly qualify if you meet all other program requirements.

Q. We'd like to buy a second house for weekends at the lake. Can we get down payment help?

A. No. DPA is only for principle residences.