

## Terms of Downpayment and Closing Cost Assistance Program

- A promissory note, deed of trust and homebuyers agreement must be signed for the grant amount.
- Grant funds are in the form of an amortized, "forgivable loan." Twenty percent of the total amount of the loan is forgiven annually. After the fifth year, no balance remains.
- If the homebuyer does not remain in the home for the five-year affordability period, the amount remaining will be recaptured at the closing of the sale or transfer of the property.
- The homeowner may repay without penalty.
- If the homeowner sells, transfers leases, deeds or conveys all or part of the property or any interest within five years of the date of closing, the note is in default. Upon sale or transfer of the property, title transfer, or death of the qualifying person, repayment of the existing benefit amount remaining will be required in accordance with the security instrument.



### A Message about our Partners

For many years, the Suffolk Redevelopment and Housing Authority has collaborated with the Virginia Housing and Development Authority (VHDA) to assist families and individuals with homeownership education. VHDA has allowed the Authority to provide extraordinary, affordable housing services.



Suffolk Redevelopment and Housing Authority  
530 East Pinner Street  
Suffolk, VA 23434  
Phone: 757-539-2100  
Fax: 757-539-5184

Contact Teresa Deal  
Direct 757-925-6413  
E-mail: [tdeal@suffolkrha.org](mailto:tdeal@suffolkrha.org)



## SRHA/HOME DOWNPAYMENT & CLOSING COST ASSISTANCE PROGRAM



First-time Homebuyers can receive up to \$14,500.00 to help with:

- Downpayment
- Points
- Pre-pays
- Closing costs

## **Buyer Eligibility Guidelines**

- ◆ **Must not have owned a home in the last three years**
- ◆ **Income cannot exceed 80% of Area Median Income**
- ◆ **Buyer must complete VHDA First Time Homebuyers Class in person and provide a copy of signed certificate and spending plan.**
- ◆ **Attend at least 2 one-on-one sessions with a HUD Certified Housing Counselor.**
- ◆ **Buyer must contribute at least 1% of the sales price from their own funds**
- ◆ **Must not have entered into a ratified sales contract prior to receiving eligibility notice from SRHA.**



## **INCOME LIMITS FOR PROGRAM**

**2020**

<b>\$46,200.00</b>	<b>1 person</b>
<b>\$52,800.00</b>	<b>2 people</b>
<b>\$59,400.00</b>	<b>3 people</b>
<b>\$66,000.00</b>	<b>4 people</b>
<b>\$71,300.00</b>	<b>5 people</b>
<b>\$76,600.00</b>	<b>6 people</b>
<b>\$81,850.00</b>	<b>7 people</b>



## **Property Eligibility Guidelines**

- ◆ **Must be buyer's primary residence**
- ◆ **Single family detached, attached or manufactured homes qualify**
- ◆ **Must pass a Housing Quality Standards Inspection**
- ◆ **Must be free of lead-based paint hazards (Buyer pays for all lead-based paint hazard inspections for homes built prior to 1978.)**
- ◆ **Must be located in Suffolk**



## **DOCUMENTS REQUIRED TO APPLY**

- ◆ Copy of a pre-approval letter from a lender
- ◆ Copy of VHDA First Time Homebuyers Education Class Certificate and spending plan
- ◆ Copy of Federal Tax returns for the last three years
- ◆ Copy of W-2's for the last three years
- ◆ Copies of most recent six months of bank or credit union checking statements and most recent month of savings account (showing that the client has the minimum 1% of the purchase price to contribute to the purchase)
- ◆ Copy of recent pay stubs for all employed household members covering a 60-day period
- ◆ Copy of benefit statement for Social Security, SSI, annuities, or pension income statements
- ◆ Copy of Department of Child Support Enforcement statement of monthly payments for last 12 months or copy of divorce decree stating such payments
- ◆ Copy of alimony payments or divorce decree stating such payments
- ◆ Copy of statements of interest, dividends, and other net income of any kind from real or personal property
- ◆ Copy of statements of payments from insurance policies, retirements funds, pensions, disability or death benefits and other similar types of periodic receipts, including a lump sum amount of prospective monthly amounts for the delayed start of a periodic payment
- ◆ Copy of documentation of unemployment and disability compensation, Worker's Compensation and severance pay
- ◆ Copy of statement from Social Services for government assistance, other than SNAP benefits
- ◆ Copy of Government issued ID card