

Application and Purchase Process

Phase IV: Ratified Contract through Settlement (continued)

Purchaser makes formal loan application with Lender. Upon final loan approval and issuance of Lender Loan Commitment OHCD will be notified and provided required documentation to include the Purchaser Under Contract Lender Form necessary to determine final FTHB Program eligibility. If the first trust loan terms are acceptable to the FTHB Program a final Approval letter will be issued.

OHCD issues Closing Instructions to the Lender and Settlement Agency. OHCD must review a final HUD 1 Settlement Statement 7-10 days prior to closing so FTHB funds can be requisitioned .

Settlement

An Attorney or Settlement Agency prepares all of the necessary legal documents for the 1st Trust Loan and OHCD will prepare all of the necessary legal documents for the 2nd Trust Lien. These documents are signed at the settlement and complete the transfer of the property from the seller to the purchaser.



After settlement you are the official owner of the property and can move into your own home!

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First-Time Homebuyer Program

First-Time Homebuyer Program



First-Time Homebuyer (FTHB) Program provides homeownership opportunities for low and moderate-income persons living or working in the Prince William Area (Prince William County, City of Manassas or City of Manassas Park) with incomes at or below 80% of Area Median Income through the use of federal funding. The Program provides assistance to eligible households for downpayment and closing cost assistance, with assistance between 23% -33% of the approved sales price as determined by OHCD and Lender, assistance cannot exceed \$75,000, subject to income limits. Escalation Clauses are not permitted under the FTHB Program. All financial assistance is made available to eligible households on a non-discrimination basis subject to the availability of funds.

Open Application Period

During the Open Application Period the First-Time Homebuyer Application Packet will be available on the Prince William County website www.pwccgov.org/housing or call 703-492-2301. Only completed FTHB Program Application Packets will be processed. No FAX or electronic submissions will be accepted.

To begin the process review the **Readiness Self Check** to determine if you and your household meet the basic eligibility criteria. The application will be screened for preliminary eligibility requirements. If all requirements are met you and all adults in your household along with your Lender and Realtor [Team] will be required to attend a mandatory FTHB Program Informational Session.

Sales Contracts written prior to FTHB Approval are not eligible for funding.

Loan Qualification

FTHB Program Applicants are free to work with the lender of their choice provided the lending institution meets Virginia Housing Development Authority (VHDA) lender requirements, and are actively on VHDA's Approved Lender List, with office located in Virginia.

Purchaser will make formal loan application with Lender to obtain the maximum First Trust Loan for which they can qualify with income/debt ratios not to exceed 32/40. The First Trust Loan must be a VHDA, FHA, Conventional or VA product with No Adjustable Rate Mortgages (ARMs), Balloons or Interest Only.

Sufficient income and good credit are essential in order to qualify for the First-Time Homebuyer Program and a First Trust Mortgage Loan.



Before You Apply

First: Complete the FTHB Application Readiness Self Check.

Second: Applicant, spouse or other household member(s) who will legally share the financial responsibility for the 1st trust financing must have a Certificate of Completion of Financial Education and Housing Counseling issued by Prince William Virginia Cooperative Extension. Go to www.pwccgov.org/vce/fined for class schedules and Financial Assessment appointment process.

Third: Make formal loan application with a VHDA Approved Lender to obtain the maximum First Trust Loan for which you can qualify. Lender must complete the Pre-Qualification Lender Information Form and a Good Faith Estimate.

Fourth: Submit complete FTHB Application along with copies of all required documentation.

Application and Purchase Process

Phase I: Application Process

Applicant must complete the FTHB Program Application and submit all required documentation, including Certificate of Completion for the Financial Education and Housing Counseling and Pre-Qualification Lender Information Form along with a Good Faith Estimate. Only completed applications with all required documentation will be reviewed. Applications will be screened for income and program eligibility by OHCD Staff and provide evidence of 1% borrower contribution.

Phase II: Information Session

If all requirements are met you and all adults in your household along with your Lender and Realtor [Team] will be required to attend a mandatory FTHB Program Informational Session. A Certificate of Readiness Agreement will be issued and signed to outline program terms, conditions and authorize search for the home of your choice.



Phase III: Property Selection

Based on the Pre-Qualification Lender Information Form you will be advised of the maximum 1st Trust Loan amount based upon your households income and ability to repay. With the assistance of a Realtor you can now locate and write a Sales Contract for a property located in Prince William County or the City of Manassas. Sales Contracts must be in compliance with FTHB Program requirements.

Phase IV: Ratified Contract through Settlement

The Ratified Sales Contract, Good Faith Estimate (including 2nd Trust Cost), Purchaser Under Contract Lender Form, Professional Home Inspection and HUD Housing Quality Inspection (HQS) and Amendments pertaining to failed inspection items is submitted to OHCD for review of compliance. Based upon these items OHCD will make a Reservation of FTHB Program funds based upon availability of funds.