NOTIFICATION OF ELIGIBILITY (NOE) FOR THE HOME PURCHASE ASSISTANCE PROGRAM (“HPAP”)

The HPAP Program is funded by the D.C. Department of Housing and Community Development

District of Columbia Housing Finance Agency (“DCHFA”)
Single Family Programs
815 Florida Avenue, NW
Washington, DC 20001
Phone: (202) 777-1600; Email: SingleFamilyPrograms@dchfa.org

Date:

Borrower(s):
Address:

We are pleased to notify you of your eligibility for a second trust loan under the District of Columbia’s Home Purchase Assistance Program.

Please note that the maximum first trust loan amount cannot exceed $453,100 for this program.

1. Your DC Home Purchase Assistance Program Second Trust Loan:

   We have determined your eligibility based upon the following information provided on your application:
   Total Annual Household Income:
   Household Size:

   If there are any changes in income, debts or household size, please contact our office immediately. Failure to communicate changes in your status will affect your eligibility.

   Based upon the guidelines of the program, your second trust loan amount may not exceed $_________________. The maximum loan amount includes $4,000.00 for closing cost assistance.

   The exact amount of your second trust loan will be determined after you have been approved for a first trust mortgage and you have contracted on a property. The HPAP loan will provide financing of the gap between the first trust mortgage you qualify for and the price of the property up to the maximum HPAP assistance indicated above.

   The provision of your second trust loan is contingent upon the availability of funds from the government of the District of Columbia.

2. Selecting Your Home:

   This Notice of Eligibility DOES NOT IMPLY any mortgage loan approval or commitment to lend. Please work with your first trust lender on qualifying for a first trust mortgage loan amount and your home price affordability. The home purchase price you can afford will reflect the combination of the first trust loan and the HPAP second trust loan amounts.

   Remember the HPAP program limits the maximum first trust loan amount to $453,100.

3. Your Contribution to the Down Payment:

   Under the HPAP program guidelines, the minimum you must contribute of your own funds as a down payment (including Earnest Money Deposit) on your home is:
The greater of $500 OR 50% of the amount of liquid (non-retirement) assets greater than $3,000. Any additional amounts required to complete the closing will be your responsibility.

4. **Acknowledgement and Agreement of Terms:**
   Please sign, date and return this form acknowledging your agreement with these terms within 5 days of receipt of this letter.

5. **Expiration of Your Eligibility**
   Your eligibility for the HPAP second trust loan expires on ________________. You will be required to submit a new application if you have not completed the process by this date.

6. **Required Homeownership Training Certification:**
   Immediately upon receipt of this notification you must contact either the Community Based Organization ("CBO") where you applied for HPAP, or any of the other three Homeownership CBOs listed at www.dhec.dc.gov to receive instructions on taking the homeownership training that is required for this program. Upon your successful completion of the homeownership training, you will receive your training certificate. Please email a copy of your certificate to DCHFA.

7. **What You Must Do to Complete the Home Buying Process:**
   Within the first 12 Months or not later than ______________ you must:
   1) Complete pre-purchase homeownership training (see 6 above);
   2) Select your home and execute a sales contract.

   After executing a sales contract you must:
   1) Have the home you are purchasing inspected by a Certified HUD Home Inspector (https://entp.hud.gov/idapp/html/insplook.cfm) and provide a copy of the inspection report to DCHFA for review and acceptance. If required, the seller/buyer must correct any defects identified and the home must be re-inspected;
   2) Obtain a termite inspection report and submit a copy to DCHFA for review and approval (required on all properties with the exception of condominium units located on the 4th floor or above);
   3) Obtain a firm commitment (approval) for a first trust mortgage;
   4) Work with your first trust lender to select a title company to perform settlement, and ensure lender submits complete package of information to DCHFA, including homeowners insurance and title documentation as instructed by DCHFA.

   If you have any questions concerning HPAP loan processing, please contact DCHFA, Single Family Programs, at (202) 777-1600 or SingleFamilyPrograms@dchfa.org. Once your HPAP loan has been approved, please instruct your settlement company to contact the closing department at (202) 777-1600 or SingleFamilyPrograms@dchfa.org.

Sincerely,

Acknowledged By:

____________________  ______________
HPAP Loan Processor  Borrower  Date

____________________  ______________
Borrower  Date
HPAP

NOTICE FOR YOUR LENDER

As a Lender working with an applicant who is also obtaining HPAP secondary financing, it is your responsibility to understand the loan and the borrower qualifications.

The following outlines some of the requirements/specifics concerning the HPAP program:

- The HPAP program is a 0% second trust loan that is deferred and is NOT a grant
  - The deferment period varies based upon the amount of the loan
    - 5 years then amortizing for 40 years OR
    - Deferred until:
      - the property is no longer the borrower’s primary residence;
      - the property is refinanced under certain circumstances; OR
      - the property is sold or title is otherwise transferred
- Minimum Credit Score of 600
  - Refer to HPAP guidelines for use of non-traditional credit
- Maximum RATIOS of 45% (43% on 203K Streamlines) – exceptions may apply
- Minimum Borrower Investment of $500 or ½ of assets exceeding $3,000
- $4,000 Closing Cost Assistance is included in the loan
  - There may be fees that are not permitted to be paid using HPAP funds
- Maximum First Trust Loan Amount of $453,100
- HPAP is based upon need, household size and household income
  - Lender will be required to submit its approved loan package to the District of Columbia Housing Finance Agency for approval
    - Each lender will be provided with a secure portal to upload loan packages
      - If your company has not already received login information, please email SingleFamilyPrograms@dchfa.org or call 202-777-1600 so that we may set this up for you
    - Final approval and assistance amount will be determined by DCHFA
      - Assistance Amount is based upon household size and income at the time of purchase and is subject to change

Refer to HPAP guidelines posted on www.DCHFA.org or contact our office at 202-777-1600 or SingleFamilyPrograms@dchfa.org for assistance with specific questions not addressed in the published guidelines.