



HOME BUYER INFORMATION PACKET

Arlington County Department of Community
Planning, Housing and Development
Housing Division
First Time Homebuyers Program
2100 Clarendon Blvd., Suite 700
Arlington, VA 22201
703-228-3765
Fax 703-228-3834
TTY 703-228-4611



Dear First-time Home Buyer:

We are pleased to send you information regarding home ownership. Attached you will find the following information sheets that will hopefully assist you in becoming a first-time homeowner. If you have any questions please call 703.228.3765 and staff will assist you.

Attachments:

- ◆ Steps to Home Purchase
- ◆ First-Time Home Buyer Assessment Form
- ◆ Notification List Procedures For MIPAP Funds and Affordable Dwelling Units
- ◆ Calendar of Home Ownership Education Workshops
- ◆ What is Moderate Income Purchase Assistance Program? (MIPAP)
- ◆ What is VHDA?
- ◆ Arlington County Referral List
- ◆ The Buyers Bill of Rights
- ◆ Condominiums 101
- ◆ Vacating an Apartment
- ◆ VHDA Program
- ◆ VHDA lender list

STEPS TO HOME PURCHASE

1. **COMPLETE THE ATTACHED FIRST-TIME HOME BUYER ASSESSMENT FORM.
RETURN THE COMPLETED ASSESSMENT FORM FOR EVALUATION. IF YOU HAVE QUESTIONS CALL (703-228-3765).**

2. **ATTEND A FIRST-TIME HOME BUYER SEMINAR**

AHOME holds regular workshops about the home purchase process. For information on the date, time, language and location call either AHOME at 703.527.3854 or Arlington County Housing Information Center at 703.228.3765.

Virginia Housing Development Authority (VHDA) also offers homebuyer education seminars that are required by Moderate Income Purchase Assistance Program (MIPAP) in Arlington. To register phone 1- 888-643-2696.

3. **CHECK YOUR CREDIT RATING**

Each person is entitled to one **FREE** credit report each year. Get your free annual credit report online @ www.annualcreditreport.com. You can also request your report by phone or mail. Call toll free: 1-877-322-8228

Call one of the following numbers:

Experian:	1 888 397-3742
Equifax:	1 800 685 1111
Trans Union	1 800 888 4213

These numbers will give you information on obtaining your credit report. If you find that you have debts on your report that are not yours, etc., you should contact the creditor and address the problem. Ask the creditor to contact the credit company with the corrected status of your credit.

4. **PRE-QUALIFY OR GET PRE-APPROVED FOR A MORTGAGE LOAN**

Make an appointment with a loan officer at a bank or mortgage company. (Take a copy of last year's tax return with you.) A referral list of lenders is in the information package.

NOTE: The Moderate Income Purchase Assistance Program (MIPAP) provides assistance only with down payment and closing costs; it does not lend money for mortgages.

5. **SELECT A REAL ESTATE AGENT**

A referral list of real estate agents is included in the information package or ask family and friends for recommendations. Interview agents before making a selection and signing any working agreement. Learn about Buyer agency and the benefits of using a Buyer agent when purchasing. Verify the real estate agent is licensed to do business in Virginia. Ask for a copy of the Buyer's Bill of Rights.

HOME BUYER ASSESSMENT FORM

APPLICANT

CO-APPLICANT

- | | | | |
|-----|---|--|-------------|
| 1. | Name(Mr./Ms.) | | |
| 2. | Address | | |
| 3. | Home Phone | | |
| 4. | Work Phone | | |
| 5. | E-mail | | |
| 6. | Employer's name | | |
| 7. | Gross annual Income (B4 tax) | | |
| 8. | Available cash for purchase | | |
| 9. | Family size | | |
| 10. | Female head of household | | Yes No |
| 11. | Have you owned a home within the last 3 years | | Yes No |
| 12. | Have you been displaced by redevelopment from an apartment complex in Arlington County? | | Yes No |
| | If yes, name of apartment Complex | | |
| 13. | Would you or a member of your household require handicap accessible housing? | | Yes No |
| 14. | Live in Arlington ? | | Yes No |
| 15. | Work in Arlington ? | | Yes No |

Signature: _____

Date: _____

Race/Ethnicity table		
Each program participant will need to identify him or herself both as a certain race and as a Hispanic or Non-Hispanic origin.		
Race	Non -Hispanic	Hispanic
White		
Black / African American		
Asian		
American Indian / Alaskan Native		
Native Hawaiian / Other Pacific Islander		
American Indian / Alaskan Native & White		
Asian & White		
Black / African American & White		
American Indian/ Alaskan Native & Black African American		
Other Multiracial		

Please detach and return to:

DEPARTMENT OF COMMUNITY PLANNING HOUSING & DEVELOPMENT
Housing Division 2100 Clarendon Blvd., Suite 700 Arlington, VA 22201 Fax 703-228 3834

NOTIFICATION LIST PROCEDURES FOR MIPAP FUNDS AND AFFORDABLE DWELLING UNITS

The Notification List for Affordable Properties (Notification List) is Arlington County's lottery system, that is utilized both for the sale of Affordable Dwelling Units (ADU's), which are properties made available to qualified low and moderate income households, as well as the allocation of down payment and closing cost assistance loans via the Moderate Income Purchase Assistance Program (MIPAP).

Placement on Notification List

Mail the following information to Arlington County's Homeownership Program:

- Homebuyer Assessment Form
- A copy of your Virginia Housing and Development Authority (VHDA) Homeownership Education Certificate.
- A copy of a Good Faith Estimate/Pre-Qualification Letter from a mortgage lender, stating that you minimally qualify for VA, VHDA, or conventional mortgage.

Only families earning less than 80% of the median income per family size are eligible for placement onto the Notification List.

Year 2013

<u>Persons:</u>	1	2	3	4	5	6	7	8
<u>Max. Income:</u>	\$60,240	\$68,800	\$77,440	\$86,000	\$92,880	\$99,760	\$106,640	\$113,520

The Notification List for Affordable Properties is administered by AHC, Inc and Arlington's Homeownership Program (HOP). HOP screens all applications for the Notification List before forwarding them to AHC, Inc.

Notification List Selection Process—ADU's

- Potential purchasers of these homes will be chosen by lottery from the pool of eligible applicants.
- If selected applicant decides not to purchase the property, their name will be returned back to the pool of potential applicants for future home ownership opportunities.
- If selected You will remain on the Notification List for 12 months from the date of your documentation submission, and will be contacted annually to update your file for the next 12 month period, if you so choose.
- The County reserves the right to prioritize applicants by such factors as family size, family income, persons with disabilities, first time homebuyers, and persons currently living or working in Arlington.

Re-Sale Restrictions for ADU's

The Notification List for Affordable Properties are **limited equity** homeownership opportunity. For these properties, Arlington County will have a perpetual the right of first refusal, to re-purchase the property at a Set Price, or identify another qualified low/moderate household to purchase the home at the Set Price.

The Set Price is calculated as: original price paid, plus annual appreciation based on increases in the Area Median Income (average 2-3% annual appreciation), plus the cost of capital improvements made to the property.

Contact Information:

Arlington County Homeownership Program
Attention: Doug Myrick or Odalis Barrios
2100 Clarendon Blvd., Suite 700, Arlington, VA 22201
(703)-228-3765 ext. 3786, fax: (703)-228-3834

AHC, Inc . Ms. Messelech Seleshi
Address: 2230 North Fairfax Drive, Suite 100
Arlington, VA 22201
(703) 486-0626 ext.123, fax (703) 486-0653

AHOME (VHDA education): (703) 527-3854

FREE HOME OWNERSHIP EDUCATION WORKSHOPS

Arlington Home Ownership Made Easier (AHOME) offers free home ownership classes for first time homebuyers. Upon completion, participants will receive a Virginia Housing Development Authority (VHDA) certificate.

**All classes are held on Saturdays
from 9AM - 3PM at
Walter Reed Community Center
2909 South 16th St,
Arlington, VA 22204**

You need to attend only one class. VHDA certificates will be issued upon successful completion of the class.

To register for all workshops and dates, call AHOME at 703-527-3854 or ahome@erols.com or www.ahomeinc.org

MODERATE INCOME PURCHASE ASSISTANCE PROGRAM MIPAP

What is MIPAP

MIPAP provides a second trust mortgage up to 25% of the purchase price.

The maximum purchase price is \$362,790; maximum loan amount: \$90,700.

No payments and no interest through the 30 year loan period.

MIPAP applicants must contribute a minimum of 1 % of the purchase price of the home from their own funds towards the purchase of an eligible property.

These funds will be allocated via lottery for qualified homebuyers.

Who is eligible for MIPAP?

First-time homebuyers with total household income that does not exceed the HUD Metropolitan area moderate income limits according to family size.

YEAR 2013

<u>Persons:</u>	1	2	3	4	5	6	7	8
<u>Max. Income:</u>	\$60,240	\$68,800	\$77,440	\$86,000	\$92,880	\$99,760	\$106,640	\$113,520

Where is MIPAP offered?

Arlington County, Virginia

The property being purchased can be a single family detached house, townhouse, condominium or cooperative that meets local zoning and housing standards.

What is my minimum cash contribution?

In order to participate in MIPAP you must contribute from your savings a minimum of 1% of the purchase price of your home as a down payment.

Are there any restrictions placed on a MIPAP?

MIPAP program is a shared appreciation model. At the time of sale or refinance of the property, the homeowner must repay the original MIPAP loan, plus a proportionate share of the net appreciation of the property.

How does MIPAP provide assistance?

MIPAP assistance comes in the form of a 30 years deferred payment. The MIPAP loan can cover all closing costs not paid by the seller (including pre-pays) up to a maximum of three discount points to reduce the interest rate on the first trust mortgage and a portion of the down payment.

FOR MORE INFORMATION CALL THE ARLINGTON COUNTY HOUSING INFORMATION CENTER (703) 228-3765

FREQUENTLY ASKED QUESTIONS

What is VHDA?

The Virginia Housing Development Authority is a \$6.6 billion housing finance organization, that holds one of the highest ratings in the nation. VHDA is completely self-supporting and relies on neither federal nor state funds for its operations.

How does VHDA help potential homeowners?

VHDA has several mortgage loan programs developed to meet the needs of low- to moderate-income first-time homebuyers. These loans are originated primarily by private lenders. Included as part of the Single Family services are VHDA's Homeownership Education Classes, which are provided at no cost to the public, on an ongoing, statewide basis.

How does VHDA help developers and landlords?

VHDA's Multifamily Division provides mortgage loans to private sector developers, primarily for multifamily rental projects for low- and moderate-income tenants. VHDA also administers the federal low-income housing tax credit program.

How is VHDA funded?

All of the funds that support VHDA programs are provided by the private sector through the purchase of VHDA bonds. The bonds do not constitute a debt or obligation of the commonwealth.

Who comprises the Board of Commissioners?

The VHDA Board of Commissioners is comprised of 10 members, all of whom are appointed by the governor. Seven are direct appointees. The treasurer of Virginia and a representative of the state Board of Housing and Community Development serve ex-officio. The Director of the Department of Housing and Community Development also serves ex-officio and as a non-voting member.

The Virginia Housing Development Authority does not discriminate on the basis of race, color, religion, sex, age, national origin, family status or disability.

Equal Housing Opportunity

2013 ARLINGTON COUNTY REFERRAL LIST

ORGANIZATION	CONTACT PERSON	TELEPHONE
AHOME Arlington Home Ownership Made Easier, Inc	Karen Serfis, Rita Gutierrez	(703) 527-3854
Arlington Home Ownership Program	Douglas Myrick, Odalis Barrios	(703) 228-3765
AHC, Inc.	Carlton Miller	(703) 486-0626
Arlington Human Rights Commission	Raul Torres	(703) 228-3929
Fidelity Bank Mortgage	Richard Donohoe Roger Reyes	(703) 609-0391 (703) 928-8749
George Mason Mortgage	Michael Devlin Adam Elkassar	(703) 802-5371 (703) 890-2538
Habitat For Humanity of Northern Virginia	Myrtle Washington	(703)521-9890
National Foundation for Credit Counseling NFCC		1-866 557-2227
Potomac Mortgage	Sarah Pichardo	571-266-6490
Prosperity Realty	Miguel Calvo	571-243-6596 (703) 385-8600 X158
Remax Allegiance	Angie Curry	(703) 629-8449
Remax Executives	Patricia Butler	(703) 401-9111
Virginia Cooperative Extension	Jennifer Abel	(703) 228-6417
Virginia Housing Development Authority	Terry Beltz Jose F. Paiz	(800) 227-8432 (804)343-5915

THE BUYERS BILL OF RIGHTS

It is important that buyers of real estate understand some fundamental points before they begin the process of buying a home. Listed below are a few points you should consider before you start. If you work with a real estate agent who is a member of the Northern Virginia Association of Realtors (“Realtor®”) they are held to a higher standard of conduct than someone who has a real estate license *but is not a Realtor®*. If you work with a Realtor®, it is possible to go to the Northern Virginia Association of Realtors if you have a problem with an agent or company.

You have a right to:

1. Have a Realtor® represent you in the transaction.
2. Consult with a lender prior to making an offer to purchase.
3. Receive a sample contract prior to making an offer.
4. Receive an estimate of the mortgage payment and cost to close.
5. Select your own settlement company, lender and other professionals.
6. Choose the house you want to see from the entire list of homes for sale in your price range.

Additionally, a prudent Buyer can be better informed with answers to the topics listed below, do not be afraid to ask for answers to these important questions:

the **Agent**:

- a) Will this agent be representing the Buyer (me) or the Seller in my transaction?
- b) Does this agent have a valid Real Estate Sales or Brokers License?
- c) Is this agent a member of NVAR (a Realtor®) in good standing?

the **Process**:

- d) Will my offer be in writing and presented in a timely manner?
- e) What will happen if my offer is accepted or rejected?
- f) Will all deposits for this transaction be held in an escrow account?
- g) What type of financing is proposed?

The Fair Housing and Equal Housing Opportunity Committee of the Northern Virginia Association of Realtors (NVAR) provide this information as resource. In addition the Virginia Real Estate Board governs the licensed activities of the real estate industry with regard to the buying and selling of residential real estate. For more information on real estate transactions in Northern Virginia please contact:

Northern Virginia Association of Realtors (NVAR)	703-207-3200
Virginia Real Estate Board (VREB) Fair Housing Office	804-367-8530
Arlington Human Rights Commission and EEO Office	703-228-3929
Arlington Home Ownership	703-228-3786
Alexandria City Fair Housing – Homeownership	703-838-4622
Fairfax County Home Ownership Program	703-246-5087

Affordable Housing Task Force

<http://www.NVAR.com/affordable>

The trade associations and agencies listed above are dedicated to assisting consumers with information and solutions to problems or difficulties arising from the purchase of a home. If you are encountering difficulty in purchasing a home, feel you are being treated unfairly or just have a question to ask please call any of the agencies or associations listed above.

CONDOMINIUMS 101—THE BASICS

1. What is a Condominium?

Under a condominium plan, residents hold legal title to their units, as if they were freestanding houses. In addition, they own a proportional share of “common elements”, like lobbies, yards, roofs, parking lots, and recreation facilities. Condominiums come in a wide range of sizes and styles, including town houses, garden apartments, high-rise towers, and even freestanding houses sharing private streets or courtyards.

2. How does “fee-simple” ownership differ from condominium ownership?

With fee simple ownership, you normally have all of the rights and responsibilities of home ownership. These include control over maintenance, property alterations, renting your property, etc. With a condominium, control over the property is derived from participation in the homeowner’s association. The management team hired by the condominium homeowner’s association has responsibility for the day to day operation of the property. There will be more restrictions on a condominium unit than on a fee simple property.

3. How does a Condominium (Condo) differ from a Cooperative (Co-op)?

As stated above, with a condominium you own your own unit as well as a proportionate share of the common area amenities. With a cooperative, you do not “own” the unit. Instead you own proportionate shares in the cooperative as a whole that give you the right to occupy your unit and enjoy the common areas and amenities (like owning stock in a company). Cooperatives can generally borrow money directly (unlike condominiums), and may place additional restrictions on occupants (relative to a condominium).

Note: Arlington County’s Moderate Income Purchase Assistance Program (MIPAP) can be utilized with fee simple, condominium and cooperative purchases.

4. What are the advantages of Condominium ownership?

- Little to no maintenance responsibilities
- Can buy, sell, or refinance with few if any restrictions
- Housing cost typically lower than fee simple home
- Housing expense can be lower than renting comparable unit
- Relatively stable housing expense (versus rental)
- Often, close-in desirable location

5. What are some potential disadvantages of Condominium ownership?

- Sometimes difficult to create sense of community (especially if large percentage of units owned by investors)
- Communal living—not for everyone
- Your rights and responsibilities restricted by condominium documents (can be advantage and/or disadvantage)

- If condominium has not planned adequately for its expenses:
 1. The monthly condominium fee can increase annually, or
 2. A one-time “special assessment” fee can be collected from the owners of the condominium units

6. How is Condominium housing expense calculated?

For condominiums, mortgage lenders calculate your housing expense as follows:

Housing Expense equals:

Principal + Interest + Taxes + Insurance + Monthly Condominium Fee
(excluding utilities)

Note: Utility costs are normally excluded from the Housing Expense. You may need to remind your mortgage lender of this fact, so that you are not penalized for purchasing a condominium that has some or all of the utilities included in your monthly condominium fee.

7. What to look for: Desirable Condominium attributes

- High owner-occupancy rate (minimum of 51%)
- FHA Approval of the condominium
- Stable monthly condominium fee
- Sufficient capital reserves (as evidenced in 5 year capital improvement plan)
- Strong, professional condominium management team (both on-site and parent company)
- Active, involved condominium Board of Directors
- Well maintained common areas
- Association rules regarding occupancy, parking, pets, etc.
- Independent utility meters? Pros and Cons:
 1. Pro—you only pay for the utilities you actually use
 2. Con—utilities not included in monthly condominium fee. Larger condominium complexes may be able to buy energy at lower costs.

8. Additional Research Resources—Try your local library

- The Condo/Co-op Owner’s Survival Manual, by Harry M. Matthews, Jr.
- The Co-op Bible—Everything You Need to Know About Co-ops and Condos, by Sylvia Shapiro
- The Complete Guide to Co-ops and Condominiums, David T. Goldstick and Carolyn Janik.
- The Complete Condominium Guide, by Bruce Cassiday
- Condominiums and Cooperatives, by David Cluran and Edna L. Hebard
- The Complete Idiot’s Guide to Online Buying and Selling a Home, by Matthew O’Brien

VACATING AN APARTMENT

Give your landlord written notice 30 days before you plan to leave. This notice must be given 30 days before the next rent due date (usually the first day of the month). Keep a copy for yourself.

If you are on a year's lease and need to break the lease, contact the Tenant-Landlord Office (228-3765) for information.

Tell your landlord in writing you want to be present when your rental property is inspected (for damage) after you vacate. (The landlord has the right to set the date and time of inspections).

When the landlord inspects for damage and cleanliness, ask if there are problems. To prevent deductions from your security deposit, you may want to correct the problems yourself. If so, you should tell the landlord exactly when the problem(s) will be corrected.

Clean your apartment, particularly the kitchen and its appliances and the bathroom. Remove all trash and personal belongings; sweep all bare floors, and vacuum carpets.

Return all keys to the apartment, mail box, storage and parking areas.

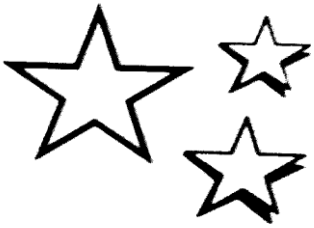
Within 30 days after you leave, your landlord must return your security deposit, plus any interest due under law, or send you an itemized statement indicating why part or all of the money was withheld.

The landlord may deduct for:

- ◇ Physical damage you did to the property
- ◇ Cleaning if the unit was left dirty
- ◇ A second coat of paint, if you painted the walls a dark color or left them scarred or dirty
- ◇ Unpaid rent
- ◇ Other costs provided for in the lease

Make sure the landlord has your new address.

Below Market Rate Mortgages Available to Arlington First-Time Homebuyers



The Virginia Housing and Development Authority's (VHDA) fixed rate mortgage program has special programs to eligible low and moderate income first-time homebuyers in Arlington.



To be eligible for VHDA Fixed Rate Mortgage, applicants must:

- Purchase in Arlington County
- Be a first time homebuyer or not have owned a home the past 3 years
- Fall below these income limits: \$120,900 (2 or fewer persons); \$140,000 (3 or more persons)
- Property price limit \$ 450,000



As a first step in the process, applicants must complete a First-Time Homebuyer Assessment Form to determine program eligibility.



For more information, contact:

The Housing Information Center at 703.228.3765 or
housingdivision@arlingtonva.us



Homeownership Program and VHDA CommuHomeownership Revitalization Program



Arlington County Housing Division has **\$2.4 million in funds reserved for potential qualified homebuyers.**

Benefits

- Low-interest mortgages for **first-time homebuyers**
- Homes in the **22203, 22204 and 22206 zip codes**
- As little as **1% down**
- A **0.5% rate reduction** from the standard VHDA mortgage interest rate

Qualified applicants should apply now!

Program

The low interest residential mortgage program is a resource provided through the **Virginia Housing and Development Authority (VHDA)** Community Homeownership Revitalization Program. Since 2005, the Virginia Housing and Development Authority (VHDA) has provided more than **\$76 million in low interest mortgages** to help up to 280 Arlington low- and moderate- income families to purchase their first home.

Homebuyers utilizing the low interest residential mortgage funds have various mortgage financing options. In addition, a six-hour VHDA homeownership education course, foreclosure prevention counseling and mortgage lender and Realtor referrals are made available through the County's non-profit partner Arlington Home Ownership Made Easier (AHOME). The program offers a credit and credit score workshop for those who want a better understanding of their credit as it relates to home purchase and other financial goals.

Arlington Government and Public Schools employees who purchase a home in Arlington may also qualify for a **forgivable loan of up to \$5,200** through the County's "**Live Near Your Work**" Program.

Other Homeownership Opportunities

Arlington County Government sponsors Informational and Homeownership programs, special events and classes for first time buyers. The County also assists low- and moderate- income buyers through low interest mortgages, down payment assistance and the purchase of properties at affordable prices.

Moderate Income Purchase Assistance Program (MIPAP)

MIPAP can provide first time buyers with up to 25 percent of the purchase price to assist with the down payment and closing costs.

VHDA-FHA Plus Mortgage Program

In this VHDA program, eligible applicants will receive a first trust mortgage, plus a second trust mortgage to assist in a down payment and closing costs associated with a home purchase. Also, eligible applicants only have to put up 1% of the purchase price from their own funds.

For more Information regarding **Arlington County's Homeownership Program**, please contact:

Doug Myrick

Homeownership Program Coordinator
703-228-3786
dmyrick@arlingtonva.us

Odalis Barrios

Housing Assistant (*English and Spanish*)
703-228-3793
obarrios@arlingtonva.us

Department of Community Planning, Housing and Development (DCPHD)

2100 Clarendon Blvd., Arlington, VA 22201
703-228-3525
www.arlingtonva.us

Arlington County Government provides accommodations for qualified individuals with disabilities as described in the Americans with Disabilities Act. To arrange for an accommodation, please call 703-228-3765 or email HousingDivision@arlingtonva.us. (Updated: 05/30/12)



VHDA LENDERS

MORTGAGE COMPANY	NAME	TELEPHONE
Acacia Federal Bank	Phillip Gockenbach	703-506-8173
Fidelity Bank Mortgage	Richard Donohoe Roger Reyes	703-609-0391 703-928-8749
George Mason Mortgage	Adam Elkassar	703-890-2538
George Mason Mortgage	Michael Devlin	703-802-5371
Potomac Mortgage	Sarah Pichardo	571-266-6490