

HB854 Statewide Housing Study

Program Fact Sheet

DHCD Down Payment Assistance

Department of Housing and Community Development

Note: This fact sheet was created in October 2021. Program details can change regularly. For the most up-to-date information on this program and a program contact, please visit the link below:

[Link to program website](#)

01 Program goals

The HOMEownership Down Payment & Closing Cost Assistance Program is a flexible gap financing program that provides opportunities for first-time homebuyers to obtain homes that are safe, decent, and accessible. The long term goal is sustainable housing and growth in personal wealth and equity for low-income Virginians.

02 Funding sources

This program is funded by federal HOME dollars.

03 Governance

The HOMEownership Down Payment & Closing Cost Assistance Program operates through local partnerships with governmental entities, non-profit housing service providers, and mortgage lenders across the Commonwealth through a competitive application process.

04 Population served

The program serves first-time homebuyers who are at or below 80 percent of the area median income (AMI) as defined by HUD.

05 How program works

Participation in the program is limited to credit-eligible homebuyers at or below 80 percent of the area median income (AMI) as defined by HUD based on household size and geographic location of the assisted property.

Homebuyers must:

- 1) receive homeownership counseling;
- 2) complete a HUD-certified Homebuyer Education Course through a Virginia Housing or Neighborworks® certified course; and
- 3) contribute one percent of the sales price of the home from their personal funds into the transaction as good faith.

The home must pass a home inspection based on the applicable Uniform Physical Condition Standards as established by HUD pursuant to 24 CFR 5.703 prior to final settlement or closing.

06 Program history

This program began in 1999.

07 Program highlights

- Between 2019 and 2021 program years, the majority of households served by DHCD DPA have been Black households.
- From 2011 to 2021, DHCD has disbursed over \$16 million in down payment assistance and helped 1,021 households.
- The majority of households in any given year had an income between 50 and 80% AMI.