



NEW HOMEOWNERSHIP PROGRAM REQUIREMENTS NOW IN EFFECT

The Alexandria City Council recently approved a number of important changes to two of the City of Alexandria's housing programs - the Homeownership Assistance Program (HAP) and the Moderate Income Homeownership Program (MIHP). These changes took effect on July 1, 2009.

First, some of what's not changing about HAP and MIHP:

- Loans will continue to be no-interest, deferred payment loans
- Loan funds may be used to purchase any for-sale property in the City of Alexandria within eligible sales price limits
- The maximum amount of assistance under the HAP Program will remain at up to \$50,000 and the maximum MIHP assistance will be up to \$30,000.

And now, the changes:

- The City will begin using an **equity sharing** policy. This means that if the City's loan represents 20% of your purchase price, then you will be asked to provide 20% of your appreciation as a price discount to the next income-eligible buyer when you decide to re-sell the property. As an example, if you purchase a home for \$250,000 and receive \$50,000 in downpayment assistance, then the City holds a 20% equity share in your home. If you sell your home five years later and find that your home has appreciated to a value of \$300,000, then you would share 20% of the \$50,000 in appreciation, in this case \$10,000, as a price discount to the next buyer (in addition to repaying your original City loan). Therefore, the resale price would be \$290,000.
- **Tiered loan assistance**, based on the household's size and income, has also been approved. The maximum assistance amounts are available to the lowest income households in each program. The proposal includes two tiers under the HAP Program - \$50,000 for households below the adjusted 80% of Area Median Income (AMI) level and \$40,000 for households between the adjusted 80% and mathematical 80% of AMI. For the MIHP Program, the tiers are up to \$30,000 for households below 90% of AMI and up to \$20,000 in assistance for higher income households. See the reverse side of this page for the proposed Income limits and tiers.
- Homebuyers assisted through these programs must comply with **new marketing requirements** when the assisted home is being re-sold. For a period of six months, owners must attempt to locate an income-eligible, first-time buyer who is participating in the City's HAP or MIHP Program. The City will assist the homeowner in marketing the unit to potential purchasers. Participants should contact the Office of Housing when selling their home for more detailed guidance on the resale and marketing process.

- The new program restrictions will be enforced through a **deed of covenants, conditions and restrictions** that each buyer will sign at the time purchasing the home. These restrictions describe the resale and discount process and other requirements of the programs. Buyers should read this document carefully and should contact their program coordinator with any questions.

These changes have been made to preserve the important homeownership benefits provided through HAP and MIHP, to help preserve affordable homeownership opportunities for future homebuyers, and to maximize limited financial resources. These benefits include overcoming big downpayment requirements, reducing housing costs through 0% interest financing, and, in many cases, eliminating the cost of monthly mortgage insurance.

As in the past, the amount of assistance is limited and is provided on a first-come, first-served basis. Contact the Office of Housing at 703.746.4990 for more information.

New Tiered Assistance	
<p>HAP Tier 1 – Up to \$50,000 to households below HUD 80% of AMI.</p> <p>1 person - \$44,800 2 person - \$51,200 3 person - \$57,600 4 person - \$64,000 5 person - \$69,100 6 person - \$74,250</p>	<p>HAP Tier 2 – Up to \$40,000 to households between HUD 80% and mathematical 80%.</p> <p>1 person - \$44,801 – \$57,520 2 person - \$51,201 - \$65,760 3 person - \$57,601 - \$73,920 4 person - \$64,001 - \$82,160 5 person - \$69,101 – \$88,720 6 person - \$74,251 - \$95,200</p>
<p>MIHP Tier 1 – Loan of up to \$30,000 to households between mathematical 80% and 90% for households of 1-3 persons:</p> <p>1 person - \$57,521 - \$64,710 2 person - \$65,761 - \$73,980 3 person - \$73,921 - \$83,160 4 person - \$82,161 - \$92,430 5 person - \$88,721 - \$99,810 6 person - \$95,201 - \$102,700</p>	<p>MIHP Tier 2 – Loan of up to \$20,000 to households between 90% and 100% of AMI:</p> <p>1 person - \$64,711 - \$71,900 2 person - \$73,981 - \$82,200 3 person - \$83,161 - \$92,400 4 + person - \$92,431 - \$102,700</p>

To get the latest information on the City's affordable housing programs, sign up for eNews at enews.alexandriava.gov. You will also receive updates on affordable rental and home purchase opportunities with your subscription.