Virginia Housing

Home Loan Options

Let's Get Started!

Home Helps Everyone.

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Helping Virginians Attain Quality, Affordable Housing

When homes are affordable and accessible to jobs, good schools and transportation, everyone benefits. Individual lives are improved and communities as a whole grow stronger. Virginia Housing was created in 1972 by the General Assembly to help Virginians attain quality, affordable housing. We carry out this mission by working in public-private partnerships with local governments, community service organizations, lenders, real estate agents, developers and many others.

Virginia Housing is self-supporting and receives no state taxpayer dollars to fund our programs. Instead, we raise money in the capital markets, and we contribute a significant portion of our net revenues each year to help meet Virginia's most difficult housing needs.

For the most up-to-date information on our home loan options, please visit *VirginiaHousing.com/HomebuyerPrograms.*

Virginia Housing Offerings

- Mortgages for first-time and repeat homebuyers.
- Financing for apartment communities and neighborhood revitalization efforts.
- Free homebuyer classes.
- Support for housing counseling.
- Home accessibility grants for people with disabilities and the elderly.
- Administration of the federal Housing Choice Voucher and Housing Credit programs in Virginia.

> "I remember when I was a loan officer, there were times I didn't have any loan options for families who needed special financing. Virginia Housing has been a wonderful resource in helping to provide options to make the dream of homeownership a reality for so many Virginians."
>
> Gigi Houchins
> *Virginia Housing*

Down Payment Assistance Grant

Virginia Housing's Down Payment Assistance Grant provides qualified first-time homebuyers with funds to help make the dream of homeownership a reality.

BENEFITS

- The maximum grant is 2% – 2.5% of the purchase price, depending on which type of Virginia Housing mortgage loan you receive.
- Because this is a grant, you never have to pay it back.

REQUIREMENTS

- You must be a first-time homebuyer.
- Grant funds must be used with an eligible Virginia Housing bond loan.
- Income of all household members cannot exceed Virginia Housing loan limits; see *VirginiaHousing.com/LoanLimits*.
- The eligible Virginia Housing mortgage must be locked prior to reserving grant funds.
- For the complete list of requirements, please visit *VirginiaHousing.com/HomebuyerPrograms.*

To see if you qualify for a Down Payment Assistance Grant, please contact a Virginia Housing-approved lender; see *VirginiaHousing.com/FindALender.*

To learn more about Virginia Housing's Down Payment Assistance Grant, visit *VirginiaHousing.com/DownPayment.*

Closing Cost Assistance Grant

The Closing Cost Assistance Grant reduces the out-of-pocket expenses for borrowers applying for either an eligible Rural Development (RD) or Veterans Affairs (VA) bond loan. This grant makes these 100% financing programs even more affordable.

BENEFITS

- The maximum grant is 2% of the purchase price.
- Because this is a grant, you never have to pay it back.
- Grant funds can be applied to your closing costs, RD guarantee or VA funding fee.
- It may strengthen your negotiation of RD and VA contracts.

REQUIREMENTS

- You must be a first-time homebuyer.
- This grant must be used with an RD or VA bond loan from Virginia Housing.
- Income of all household members cannot exceed Virginia Housing loan limits; see *VirginiaHousing.com/LoanLimits.*
- The eligible Virginia Housing mortgage must be locked prior to reserving grant funds.
- For the complete list of requirements, please visit *VirginiaHousing.com/HomebuyerPrograms.*

To see if you qualify for a Closing Cost Assistance Grant, contact a Virginia Housing-approved lender to discuss eligibility requirements. Find one near you at *VirginiaHousing.com/FindALender.*

Government Loan Programs

Virginia Housing offers several types of federal government loans for first-time and repeat homebuyers.

FHA – FEDERAL HOUSING AUTHORITY

- FHA-insured
- Available to first-time and repeat homebuyers
- Eligible for our Down Payment Assistance Grant (bond only) or Plus Second Mortgage
- 3.5% down payment (or as low as 1% down with our Down Payment Assistance Grant, or 0% down with our Plus Second Mortgage)
- Liberal credit qualifying; credit scores may be as low as 620

USDA – RURAL DEVELOPMENT

- USDA-guaranteed
- Available to first-time and repeat homebuyers
- Eligible for Virginia Housing's Closing Cost Assistance Grant (bond only)
- 100% financing for eligible rural properties
- Affordable monthly payments
- Low mortgage insurance
- Liberal credit qualifying; credit scores may be as low as 620

VA – VETERANS ADMINISTRATION

- VA-guaranteed
- Available to first-time and repeat homebuyers
- Eligible for Virginia Housing's Closing Cost Assistance Grant (bond only)
- 100% financing for eligible veterans
- Liberal credit qualifying; credit scores may be as low as 620

Virginia Housing Conventional

This loan provides affordable financing for first-time and repeat homebuyers.

BENEFITS

- Less cash required at closing than with an FHA loan.
- Available to first-time and repeat homebuyers.
- May be used for purchase or limited cash-out refinance.
- This is a 30-year, fixed-rate loan.
- This loan has the lowest conventional mortgage insurance payments available.
- Flexible down payment sources are allowed including gifts, our Down Payment Assistance Grant (bond only), Plus Second Mortgage and other eligible second mortgages.

REQUIREMENTS

- 3% down payment or as low as 1% down with our Down Payment Assistance Grant (bond only), or 0% down with our Plus Second Mortgage.
- 640 minimum credit score.
- Maximum 50% debt-to-income ratio.
- 3% maximum seller contributions (or 6% if making a down payment of 10% or greater).
- Maximum 97% loan-to-value (105% combined loan-to-value).
- Loans up to conforming limits.
- Maximum income limits apply; see *VirginiaHousing.com/LoanLimits.*

Virginia Housing Plus Second Mortgage

The Virginia Housing Plus Second Mortgage eliminates the down payment requirement for qualified first-time and repeat homebuyers by pairing an eligible Virginia Housing first mortgage with a Virginia Housing second mortgage to cover the down payment.

BENEFITS

- Available to first-time and repeat homebuyers.
- The maximum second mortgage is 3% – 5% of the purchase price, depending on your credit score and type of Virginia Housing first mortgage you receive.
- This is a 30-year, fixed-rate loan with no prepayment penalty.
- This loan covers your entire down payment.
- Qualified buyers with credit scores of 680 or higher can also finance part of their closing costs into the second mortgage.

REQUIREMENTS

- Income cannot exceed Virginia Housing loan limits; see *VirginiaHousing.com/LoanLimits*.
- This loan is for purchase transactions only.
- For the complete list of requirements, please visit *VirginiaHousing.com/HomebuyerPrograms.*

To see if you qualify for a Virginia Housing Plus Second Mortgage, contact a Virginia Housing-approved lender. Find one near you at *VirginiaHousing.com/FindALender*.

Free Class for Homebuyers

This class is free to anyone who wants to learn the ins and outs of homebuying, and it's required for anyone applying for a Virginia Housing home loan.

Topics covered include personal finances and credit, setting up a spending plan, working with a lender and real estate agent, the home inspection, the closing process and preparing for the responsibilities of being a homeowner.

The class is offered in English and Spanish and can be taken online or in classrooms around the state. To learn more or find a class near you, visit *VirginiaHousing.com/FreeClass.*

Five Steps to Homeownership

Buying a home is an exciting milestone and Virginia Housing is here to guide you every step of the way. Whether you're exploring your options or you're ready to begin the homebuying process, our Five Steps to Homeownership helps you move forward with confidence.

1. **Attend Virginia Housing's free homeownership class.**

   Classes are led by industry experts and cover the entire homebuying process. You can choose from a variety of locations, times and languages or take our online course at *VirginiaHousing.com*.

   Anyone can take Virginia Housing's free class, but it's required if you're applying for a Virginia Housing home loan. If you're buying a house with your spouse or another person who will legally share the financial responsibility for making mortgage payments, each of you must take the class and provide copies of your completion certificates prior to the loan closing.

2. **Find a Virginia Housing-approved lender and get pre-qualified for your mortgage.**

   Before you start shopping, you will need to know what you can afford. A Virginia Housing-approved lender can help you determine your price range. To find a Virginia Housing-approved lender, just visit *VirginiaHousing.com/FindALender* or call 877-843-2123.

   Pre-qualification is based on information you provide and is subject to review at the time of the mortgage application.

Five Steps to Homeownership

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3. **Choose a real estate professional to help with your home search.**

   When you meet with your real estate agent for the first time, tell them your sales price range and the kind of home you're looking for. They'll locate homes that meet your criteria and take you on home tours. When you find the right home, your agent will help you prepare an offer. The seller will either accept your offer, reject it or make a counteroffer. If your offer is accepted your agent will help you schedule a home inspection of the property.

   To find a member of Virginia Housing's Real Estate Agent Connection, just visit *VirginiaHousing.com/FindARealEstateAgent*.

   All agents have completed a Virginia Housing Real Estate Professional Training program, receive regular updates about programs that could benefit you, and are familiar with the needs and concerns of first-time homebuyers.

4. **Finalize your mortgage application with your pre-selected lender.**

   Your Virginia Housing-approved lender will ask you for additional information and documentation needed to approve your loan. Loan approval is based on this information and results of the property appraisal. During this phase, you will shop for homeowners insurance and choose an attorney or closing agent. Before closing on your home, you'll perform a final walk-through inspection of the property with your agent.

5. **Attend the loan closing with your attorney or closing agent.**

   This is the official review and signing of the documents that finalizes your mortgage loan. Each page will be explained to you before signing. You'll bring any closing costs and/or down payment in the form of a cashier's check or wire from your bank (if applicable), and receive the keys to your new home!

Contact Us

Virginia Housing Headquarters
877-843-2123

601 South Belvidere Street
Richmond, VA 23220

Southwest Virginia Housing Center
800-447-5145

105 East Main Street
Wytheville, VA 24382

Virginia Relay Partner
711 (in Virginia)
800-828-1140

Links

VirginiaHousing.com
VirginiaHousing.com/DownPayment
VirginiaHousing.com/FederalTargetedAreas
VirginiaHousing.com/FindALender
VirginiaHousing.com/FindARealEstateAgent
VirginiaHousing.com/FreeClass
VirginiaHousing.com/HomebuyerPrograms
VirginiaHousing.com/LoanLimits

EQUAL HOUSING OPPORTUNITY

The information contained herein (including but not limited to any description of Virginia Housing and its lending programs and products, eligibility criteria, interest rates, fees and all other loan terms) is subject to change without notice.