# Virginia Housing
# Community Heroes Grant
## Program Guidelines

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| **What is Virginia Housing's Community Heroes Grant program?** | Virginia Housing's Community Heroes Grant provides eligible first-time homebuyers (unless purchasing in a targeted area) who are educators, childcare workers, law enforcement officers, firefighters, first-responders, military personnel and healthcare workers with funds to help with the down payment and closing costs. It is a gift provided by Virginia Housing, not a loan. Requirements of this grant program are listed below. |
| **Grant Amount** | **Grant Amount:** $10,000<br><br>The grant is exactly $10,000 and it cannot be less. The borrower may not receive cash back at closing beyond verified Earnest Money Deposit (EMD) and any fees paid outside of closing (POCs). |
| **Eligible Borrowers** | Eligible borrowers for Virginia Housing's Community Heroes Grant include:<br><br>• **Educators:** An employee of a public school, public school system, private school, private school system; or an employee of a post-secondary level public or private educational institution; an employee of a pre-school or childcare center, or a retiree of any of the above. Examples include: a school teacher, a school bus driver, a school janitor, a school cafeteria worker, a school administrator, a school nurse, a pre-school teacher, an employee of an after school care facility.<br><br>• **Law Enforcement Officers, Firefighters, First Responders and Military Personnel:** An employee of a law enforcement agency or fire department administered by a federal, state or local government, or a sworn law enforcement officer responsible for crime prevention and detection, or criminal incarceration; a sworn member of a fire department involved in fire suppression or prevention, emergency medical response, hazardous materials and incident response, or management/response to terrorism; any other first responder, such as an emergency medical technician, an active duty service member or a Veteran, National Guard Member, Coast Guard Member, Reservist; or has retired as one of the above. Examples include: police officers, firefighters, emergency dispatchers / 911 operators and administrative assistants at a law enforcement agency or fire department.<br><br>• **Healthcare Workers:** An employee providing medical or healthcare-related care or support in a variety of settings, including but not limited to medical hospitals, medical facilities licensed or accredited by the Commonwealth of Virginia, or other healthcare environments, or a retiree of any of the above. Examples include: a nurse such as a Certified Nurse Assistant (CNA), a Licensed Practical Nurse (LPN), a Registered Nurse (RN), a personal care assistant employed by a licensed medical agency, a medical lab technician, an ultrasound technician, social workers (including clinical social workers, mental health social workers, and medical social workers), and other healthcare professionals involved in patient care and support.<br><br>If there is more than one borrower, only one borrower is required to be an employee or retiree of one of the occupations above.<br><br>**Documentation required to evidence the borrower meets the definition of a Community Hero:**<br>• The fully executed Community Heroes Grant Certification (see below), and<br>• All employment and income documentation provided to support borrower qualification must also demonstrate that the borrower meets the Community Hero definition. If documentation does not clearly establish this, additional evidence may be required. Even if the income is not used for qualifying purposes, sufficient documentation must still be provided to confirm the borrower meets the Community Hero definition (example: a written verification of employment (WVOE), and/or other acceptable documentation). |
| **Community Heroes Certification** | All borrowers and the Originating Lender must complete and execute the Community Heroes Certification. If only one borrower qualifies as the Community Hero, any additional borrowers must also sign this certification. The executed certification must be provided when the grant is reserved with Virginia Housing. |

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| **Eligible First Mortgages** | • Virginia Housing Conventional Bond • Virginia Housing FHA Bond • Virginia Housing VA Bond • Virginia Housing RHS Bond |
| **Ineligible First Mortgages** | • Virginia Housing Conventional • Virginia Housing FHA • Virginia Housing VA • Virginia Housing RHS • Any refinance • Any Non-Virginia Housing loan |
| **SPARC Eligible** | Yes, the Community Heroes Grant can be used when SPARC is being used for the eligible first mortgage in accordance with SPARC guidelines. |
| **FirstHome Dream Eligible** | Yes the Community Heroes Grant can be used when FirstHome Dream is being used for the eligible first mortgage in accordance with FirstHome Dream guidelines. |
| **Plus Second Mortgage Eligible** | Yes, the Community Heroes Grant can be used in combination with the Plus Second Mortgage when paired with an eligible first mortgage, in accordance with Plus Second Mortgage guidelines. |
| **DPA Grant Eligible** | Yes, the Community Heroes Grant can be used in combination with the DPA Grant when paired with an eligible first mortgage, in accordance with DPA Grant guidelines. |
| **CCA Grant Eligible** | Yes, the Community Heroes Grant can be used in combination with the CCA Grant when paired with an eligible first mortgage, in accordance with CCA Grant guidelines. |
| **Minimum LTV** | Follow first mortgage requirements for the minimum LTV of the first mortgage. Note: The Community Heroes Grant may be used with other acceptable non-Virginia Housing down payment assistance in accordance with the first mortgage requirements. Exhibit LL is not required for the Community Heroes Grant; however it is required for any subordinate lien except FHLB when originated with FHA Bond, VA Bond, or RHS Bond. If the first mortgage is Conventional Bond, the applicable GSE's Community Seconds Checklist or Affordable Seconds Checklist may be used in lieu of Exhibit LL. |
| **Loan Term** | • Loan term is not applicable because the Community Heroes Grant is not a loan but a gift. • No repayment is required. • No separate URLA (but the grant must be listed on the first mortgage URLA) as well as no Note or Deed of Trust for the grant funds. • Community Heroes Grant must meet the requirements in these Program Guidelines as well as requirements of the first mortgage (see above for eligible first mortgage types). It must also meet the requirements of the Plus Second Mortgage, DPA Grant, or CCA Grant, if applicable. |
| **First-time Homebuyer** | Follow first mortgage requirements. |
| **Income Limits** | The Community Heroes Grant uses the standard / bond income limit, unless originated with a DPA or CCA Grant. |

| Income Limit Type: | With or without Plus Second Mortgage | With DPA or CCA Grant |
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| | Standard / bond limits | Lower limits |
| Who to include: | All household members | |
| What income to include: | All household member income | |

Click here to see Virginia Housing's income limits.

Notes:
• See Origination Guide for more information on how to calculate household income, what income types must be included, and what may be excluded. See below for details on where income must be stated on the Programs Disclosure and Borrower Affidavit.
• Higher income limits may apply if the property is located in a targeted area, however these higher income limits do not apply when originated with a DPA or CCA Grant.

**<span style="color:red; text-decoration:underline">Program Suspended Effective February 13, 2026 at 6:00 pm</span>**

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| **Sales Price / Acquisition Cost Limits** | Follow first mortgage requirements. |
| **Eligible Purpose** | Follow first mortgage requirements. |
| **Programs Disclosure and Borrower Affidavit (Exhibit E)** | Follow first mortgage requirements. |
| **Seller Affidavit (Exhibit F)** | Follow first mortgage requirements. |
| **Originating Lender's Loan Submission Cover Letter (Exhibit O)** | Follow first mortgage requirements. |
| **Homebuyer Education** | Follow first mortgage requirements. |
| **Tax Transcripts** | Follow first mortgage requirements. |
| **Business Use of Home** | Follow first mortgage requirements. |
| **Maximum Net Worth** | Follow first mortgage requirements. |
| **Automated Underwriting System (AUS) / Manual Underwrites** | • Follow first mortgage requirements, and<br>• Grant must be entered in AUS as a grant. It cannot be entered as "Other" in Minimum Required Funds section or as a lien in "Subordinate Financing." |
| **Minimum Credit Score** | Follow first mortgage requirements and Plus Second Mortgage requirements, if applicable. |
| **Maximum DTI** | Follow first mortgage requirements. |
| **Minimum Borrower Contribution** | None. |
| **Other Down Payment Assistance** | The Community Heroes Grant may be used with other acceptable non-Virginia Housing down payment assistance in accordance with the first mortgage.<br><br>Exhibit LL is not required for the Community Heroes Grant; however it is required for any subordinate lien except FHLB when originated with FHA Bond, VA Bond, or RHS Bond. If the first mortgage is Conventional Bond, the applicable GSE's Community Seconds Checklist or Affordable Seconds Checklist may be used in lieu of Exhibit LL. |
| **Reserves / Acceptable Funds to Close** | • Follow first mortgage requirements for reserves / acceptable funds to close, unless using with the Plus Second.<br>• No cash back at closing except verified funds (EMD and POC) - if the Closing Disclosure indicates the borrower will receive funds back at closing in excess of their EMD and POC then the first mortgage must be reduced. |
| **Property** | Follow first mortgage requirements. |
| **Unfinished Area** | Follow first mortgage requirements. |
| **Post-Closing Repairs** | Follow first mortgage requirements. |

## Virginia Housing
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### Procedures

Virginia Housing

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| **Reserving a Community Heroes Grant** | Follow steps outlined in the Mortgage Cadence User Guide for Reserving a Community Heroes Grant. The Originating Lender must upload the fully executed Community Heroes Certification to Attachments in Mortgage Cadence to reserve this grant.<br><br>The Community Heroes Grant funds follow the first mortgage rate lock along with any allowed extension, up to a maximum 60-day extension (extension fees apply only to the first mortgage.<br><br>The Community Heroes Grant expires on the same day as the first mortgage loan lock expiration. |
| **Origination** | Loan originated in accordance with first mortgage program guidelines, Community Heroes Grant program guidelines, and DPA, CCA, or Plus Second Mortgage program guidelines, if applicable.<br><br>A separate URLA and Loan Estimate are not required for the Community Heroes Grant because it is not a loan / mortgage. |
| **Underwriting** | Loans underwritten in accordance with first mortgage, Community Heroes Grant program guidelines, and DPA, CCA, or Plus Second Mortgage program guidelines.<br><br>Underwriters must confirm Community Heroes Grant funds are reserved in Mortgage Cadence.<br><br>Ensure a copy of the signed Community Heroes Grant Award Letter is included in the submission to Virginia Housing Underwriting for Non-Delegated loans. |
| **Special Documentation** | • Community Heroes Grant Award Letter (Conventional Bond, FHA Bond, VA Bond, RHS Bond first mortgage).<br>• Community Heroes Grant Obligation Letter (FHA Bond first mortgage only).<br><br>The document(s) are generated upon Community Heroes Grant reservation in Mortgage Cadence and are available in Attachments.<br><br>The Award Letter must be signed by the borrower(s) and included in the closing package submitted to Virginia Housing. |
| **Closing** | Loans closed in accordance with first mortgage guidelines and the Closing Disclosure must reflect "Virginia Housing Community Heroes Grant." |
| **Documents** | Follow first mortgage requirements and ensure the Community Heroes Grant is shown separately from any other grant on all appropriate documentation (URLA, Transmittal, AUS, Closing Disclosure, etc.)<br><br>*The Community Heroes Grant must be listed in the Gift section of the Transmittal (92900-LT). FHA requires an Employee Identification Number (EIN) for the Community Heroes Grant. Virginia Housing's EIN is 0540921892. |
| **Funding** | Originating lender will fund the Community Heroes Grant at closing and Virginia Housing will reimburse the lender upon purchase of the first mortgage. |
| **Delivery** | Follow first mortgage requirements and ensure a copy of the signed Community Heroes Grant Award Letter is included in the package submitted to Virginia Housing. |

**Important:** Refer to the Origination Guide for more information about Virginia Housing eligibility requirements.

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.