Fair Housing/Pre-Purchase Orientation

Agenda

Welcome & Introductions

Are You Ready to Buy?

Home Purchase Financing
  • Government Insured Loans (FHA & VA)
  • Conventional Loans
  • DC Open Doors
  • DHCD assistance programs (HPAP/EAHP/NEAHP)

Finding a Home
  • Working with a Real Estate Agent
  • Affordable Purchase Options (ADU and IZ programs)

Submitting an Offer

Home Inspections

Settlement Process

Consumer Protection
  • Predatory Lending/Subprime Loans
  • Mortgage Rescue Scams/Loan Fraud
  • Reporting Housing Discrimination

Your Next Steps
  • Are you ready to start your HPAP/EAHP/NEAHP application today?
  • Setting up an appointment to meet with an HCS Counselor

Next Steps in the Home Purchase Process—Schedule a counseling appointment at HCS

- **HPAP/EAHP/NEAHP Application Appointment**: If you meet all HPAP, EAHP and/or NEAHP qualifications and are planning to buy in the next 3-4 months, schedule an appointment to complete an application for the program.

- **Credit Workshop**: If you need help understanding how credit works, understanding your credit report, help clearing up credit issues, etc. then you may want to attend one of our Credit Workshops where you will learn how to better understand credit and credit reports and then briefly meet with a counselor to go over your personal credit report.

- **Pre-Purchase Counseling Appointment**: If your credit and savings are in good order, but you are not ready to buy in the next 3-4 months, schedule a Pre-Purchase Counseling Session. A counselor will talk to you about your home buying options.

- **Fair Housing/Predatory Lending**: If you believe you have been the victim of housing discrimination or predatory lending practices schedule an appointment with a counselor to discuss your options.
Are You Ready to Buy?

- **Savings**: Do you have enough in savings?
- **Employment**: Do you have stable employment?
- **Credit**: Do you have acceptable credit?
- **Debt**: What is your debt to income ratio?
- **Responsibility**: Are you ready for the responsibility of owning and maintaining a home?
- **Stability/Commitment**: Is your household ready to commit to homeownership for the long-term?

An HCS Housing Counselor can help!

### Savings

**DO YOU HAVE MONEY IN THE BANK TO PAY FOR…**

- Down Payment (3%-20% of purchase price)
- Closing Costs (3%-4% of purchase price)
- **POCs (Paid Outside of Closing Costs):**
  - Appraisal ($500-$700)
  - Home Inspection(s) ($200-$600)
  - Insurance ($200-$1,200)

- Maintenance Funds: Leaky Roof, Dead Water Heater, Rent/Mortgage
- Emergency Funds: Set aside savings in case of job loss or major unexpected expense.
Credit

**Equifax**
P.O. Box 740241
Atlanta, GA 30374-0241
1-800-685-1111
[www.equifax.com](http://www.equifax.com)

**Experian**
PO Box 2002
Allen, TX 75013-0036
1-888-397-3742
[www.experian.com](http://www.experian.com)

**TransUnion**
PO Box 2000
Chester, PA 19022
1-800-916-8800
1-800-888-4213 (automated)
[www.transunion.com](http://www.transunion.com)

**Annual Credit Report Request Service**
P.O. Box 105281
Atlanta, GA 30348-5281
877-322-8228
[www.annualcreditreport.com](http://www.annualcreditreport.com)

*The Federal Fair Credit Reporting Act (FCRA) requires each of the nationwide consumer credit reporting companies to provide you with a free copy of your credit report, at your request, once every 12 months, from Annual Credit Report Request Service.

**Boosting your Credit Score**

- Pay your bills on time
- OR contact the creditor
- Keep balances low on credit cards
- Pay off debt rather than moving it between credit cards
- Get current on any missed payments
- Apply for and open new credit accounts
  - ONLY when needed (limit credit inquiries)
Financing Options—1\textsuperscript{st} Trust Loans

<table>
<thead>
<tr>
<th>GOVERNMENT-INSURED LOANS</th>
<th>CONVENTIONAL LOANS</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXAMPLES</td>
<td>EXAMPLES</td>
</tr>
<tr>
<td>• FHA (Federal Housing Admin) ($726,525 limit)</td>
<td>• Various ($484,350 limit)</td>
</tr>
<tr>
<td>• VA (Veterans Admin.)</td>
<td></td>
</tr>
</tbody>
</table>

Description
• Gov’t Insured
• 3.5% down payment (FHA)
• No down payment (VA)
• Mortgage insurance premiums

Advantages
• Lower down payment
• Acceptable Credit O.K.!

Description
• Private Investors
• Stricter credit requirements

Advantages
• Higher down payment = lower loan amount = less interest
• Depending on loan to value ratio you may not need to pay mortgage insurance

AFFORDABLE MORTGAGES
ONE EXAMPLE IS DC OPEN DOORS…
### DC Open Doors Product Highlights

<table>
<thead>
<tr>
<th>Mortgage Loan Product</th>
<th>FHA w/out Down Payment Assistance</th>
<th>FHA Plus w/ Down Payment Assistance</th>
<th>HFA Preferred HFA Advantage w/out Down Payment Assistance (Fannie Mae / Freddie Mac)</th>
<th>HFA Preferred HFA Advantage w/ Down Payment Assistance (Fannie Mae / Freddie Mac)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product LTV</strong></td>
<td>96.5%</td>
<td>96.5%</td>
<td>97%</td>
<td>97%</td>
</tr>
<tr>
<td><strong>Down Payment Assistance</strong></td>
<td>None</td>
<td>3.50% Subordinate Loan</td>
<td>None</td>
<td>3.00% Subordinate Loan</td>
</tr>
<tr>
<td><strong>Funds Available</strong></td>
<td>Unlimited</td>
<td>Unlimited</td>
<td>Unlimited</td>
<td>Unlimited</td>
</tr>
<tr>
<td><strong>DCHFA Requirements</strong></td>
<td>Maximum borrower income of $131,040</td>
<td>Maximum borrower income of $131,040</td>
<td>Maximum borrower income of $131,040</td>
<td>Maximum borrower income of $131,040</td>
</tr>
<tr>
<td><strong>Minimum Credit Score</strong></td>
<td>640</td>
<td>640</td>
<td>680 ≥ 95%</td>
<td>680 ≥ 95%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>640 ≤ 95%</td>
<td>640 ≤ 95%</td>
</tr>
<tr>
<td><strong>Maximum Debt to Income</strong></td>
<td>45%</td>
<td>45%</td>
<td>45%</td>
<td>45%</td>
</tr>
<tr>
<td><strong>Pre-purchase Homebuyer Education</strong></td>
<td>Not Required</td>
<td>Not Required</td>
<td>Required for 1st time homebuyers</td>
<td>Required for 1st time homebuyers</td>
</tr>
<tr>
<td><strong>Additional Product Requirements</strong></td>
<td>All FHA/Investor underwriting requirements imposed</td>
<td>All FHA/Investor underwriting requirements imposed</td>
<td>DU Approve/Eligible or LP Accept Findings &amp; adhere to all Investor underwriting requirements</td>
<td>DU Approve/Eligible or LP Accept Findings &amp; adhere to all Investor underwriting requirements</td>
</tr>
</tbody>
</table>

*DCCHFA’s down payment assistance is a 0%, non-amortizing, subordinate loan due upon sale, refinance or the borrower no longer occupying the property as a primary residence within the 1st five years.

**For HFA Preferred/Advantage products see Fannie Mae / Freddie Mac Training Presentation for automated underwriting guidance.

For more information visit, [www.dcopendoors.com](http://www.dcopendoors.com)

DC Open Doors is a mortgage program of the District of Columbia Housing Finance Agency.
# HOME PURCHASE ASSISTANCE PROGRAM (HPAP)

## HOMEBUYER ASSISTANCE TABLE

Effective for HPAP Loans Closed After July 1, 2018

Please note that closing cost assistance for all eligible households will be up to $4,000.

The per client gap-financing assistance will cap at $80,000.

The closing cost assistance is distinct from, and in addition to, gap financing assistance, which is shown below.

<table>
<thead>
<tr>
<th>Maximum Assistance</th>
<th>Household Size</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Per household income less than or equal to:</td>
<td></td>
</tr>
<tr>
<td>$80,000</td>
<td>$41,000</td>
</tr>
<tr>
<td>$64,000</td>
<td>$52,600</td>
</tr>
<tr>
<td>$56,000</td>
<td>$56,350</td>
</tr>
<tr>
<td>$40,000</td>
<td>$65,650</td>
</tr>
</tbody>
</table>

### Moderate-Income Households

<table>
<thead>
<tr>
<th>Maximum Assistance</th>
<th>Household Size</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>$32,000</td>
<td>$80,400</td>
</tr>
<tr>
<td>$16,000</td>
<td>$90,250</td>
</tr>
</tbody>
</table>

The amount of financial assistance provided to a very low-, low-, or moderate-income household shall be the combined total of gap financing assistance and closing cost assistance.

The income limits established shall be reviewed and revised as needed by the Department of Housing and Community Development to stay current with the incomes of households in the Washington, DC area. The review and revisions will be done periodically, provided that the current median income established by the Secretary of the U.S. Department of Housing and Urban Development for the Washington, DC Metropolitan Statistical Area is available.
Home Purchase Assistance Program (HPAP)

DHCD’s Home Purchase Assistance Program (HPAP) helps low-to-moderate income residents purchase a home in the District of Columbia (DC). Qualified applicants can receive financial assistance for down payment and closing costs to purchase single-family homes, condominiums or cooperative units.

Am I eligible?

To be eligible for HPAP assistance, you must meet the following criteria:

1. Be the head of the household and a first-time homebuyer.
2. Be a very low-to-moderate income resident, based on the Department’s standards.
3. Cannot have had ownership interest in any residential real estate within the three years prior to application.
4. The purchased home must be the borrower’s primary residence and must be located within the District of Columbia.
5. Possess a good credit rating.

How much assistance is available?

The total amount of financial assistance for down payment provided to very low-, low-, and moderate-income eligible households shall not exceed $80,000 based upon household income, need, and the availability of funds.

How much assistance is available?

Closing cost assistance is provided separately and will be calculated for eligible households to be 4% of the home purchase price or $4,000, whichever is less.
HPAP (continued)

How much will I need to contribute to qualify?
HPAP recipients contribute $500 or 50% of liquid assets greater than $3,000, whichever is greater.

How is the loan repaid?
Payments on loans made to very low and low income-eligible households are deferred while owner-occupied and equity has not been taken out of the home via refinancing.

Payments on loans made to moderate income-eligible households are deferred for the first five years. Monthly principal-only payments begin at the start of the sixth year of the loan, amortized over a 40-year period. The entire amount of any HPAP/EAHP loan is immediately due and payable if the borrower:

- sells or transfers the property
- refinances the property to withdraw equity (‘‘cash out’’)
- primarily resides in another property
Employer Assisted Housing Program (EAHP)

The Employer Assisted Housing Program (EAHP) provides assistance to employees of the District of Columbia Government who are first-time homebuyers in the District. Eligible DC Government employees can receive a matching grant up to $5,000 and a deferred loan of up to $20,000.

DC Government employees must be employed and in good standing for one year to qualify (with the exception of public school and public charter school teachers, police officers, fire fighters, and emergency medical technicians—all of whom are eligible from the date of hire). Applicants can receive funding from both HPAP and EAHP as long as the eligibility requirements for both programs are met.

Maximum Loan: $20,000

- For: Down payment and closing costs

Maximum Grant: $5,000 toward closing costs

- $1,000 grant for every $2,500 contributed by you
- Grant is for down payment and closing costs

Repayment deferred while owner occupied

- WITHIN 1st 5 YEARS it is repayable with interest rate matching that of your 1st trust loan
- If AFTER 5 YEARS home ceases to be primary residence, or loan is refinanced to take “cash out” or property ceases to be primary residence then you pay 60 monthly installments of principal only
First Responders

Provides assistance to first responders (police officers, firefighters, paramedics, emergency medical technicians and corrections officers) of the District of Columbia Government who are first-time homebuyers in the District. Eligible DC Government employees can receive a matching grant up to $15,000 and a deferred loan of up to $10,000.

- **Police Officers, Firefighters, Paramedics, EMTs & Corrections Officers**
- $10,000 deferred loan
- Forgivable after 5 years under two condition
  - Completion of 5 years if service commitment with same agency
  - Occupancy as primary residence for first 5 years
- If not forgiven (if conditions unmet):
  - Remains a deferred loan repayable under same conditions as EAHP
- Always combines w/ EAHP; may be combined w/ HPAP
- Matching grant of up to $15,000
  - $1,500 for every $2,500 contributed
<table>
<thead>
<tr>
<th>FACILITY NAME</th>
<th>ADDRESS</th>
<th>Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing Counseling Services, Inc.</td>
<td>2410 – 17th Street, NW Washington, DC 20009</td>
<td>(202) 667-7006 Housingetc.org</td>
</tr>
<tr>
<td>Latino Economic Development Center</td>
<td>641 S Street, NW Washington, DC 20001</td>
<td>(202) 588-5102 Ledc.dc.org</td>
</tr>
<tr>
<td>Lydia’s House, Inc.</td>
<td>4101 Martin Luther King Jr. Ave., SW Washington, DC 20032</td>
<td>(202) 373-1050 lydiashousendc.org</td>
</tr>
<tr>
<td>University Legal Services, Inc.</td>
<td>1800 Martin Luther King Jr. Ave., SE Washington, DC 20020</td>
<td>(202) 889-2196 Uls-dc.org</td>
</tr>
<tr>
<td>University Legal Services, Inc.</td>
<td>3939 Benning Road, NE Washington, DC 20019</td>
<td>(202) 650-5631</td>
</tr>
<tr>
<td>University Legal Services, Inc.</td>
<td>220 “I” Street, NE # 130 Washington, DC 20002</td>
<td>(202) 547-474</td>
</tr>
</tbody>
</table>
NEOTIATED EMPLOYEE ASSISTANCE
HOME PURCHASE PROGRAM (NEAHP)

Government of the District of Columbia
A collaborative initiative between the D.C. Department of Housing and Community Development (DHCD), the Office of Labor Relations and Collective Bargaining (OLRCB), and Various Labor Organizations representing District of Columbia Government Employees

NEAHP Fact Sheet

The purpose of the District of Columbia Government’s Negotiated Employee Assistance Home Purchase Program (NEAHP) is to provide down payment and closing costs assistance to certain District of Columbia employees whose position is covered by collective bargaining. The program, a joint labor management effort, is administered by the District of Columbia Department of Housing and Community Development (DHCD) and the Office of Labor Relations and Collective Bargaining (OLRCB) with the assistance of the Greater Washington Urban League (GWUL).

The NEAHP Program provides eligible union employees with financial assistance through a grant, to be used toward the purchase of a primary residence in the District of Columbia. Assistance provided through the NEAHP will be in addition to any assistance provided by the DHCD or any other housing program(s) for which the employee qualifies.

Who is Eligible for NEAHP?

District of Columbia Government employees who are in good standing and whose position is covered by the following collective bargaining agreements are eligible for NEAHP:

- District of Columbia Compensation Units 1 & 2;
- Employees represented by the American Federation of State, County and Municipal Employees; Local 2095 and the American Federation of Government Employees Local 383;
- Service Employees International Union 1199; and
- The District of Columbia Nurses Association.

Eligible bargaining unit employees must also meet the following requirements:

- Be a current employee of the District of Columbia Government in good standing;
- Employee cannot have primary ownership interest in any residential property within the District of Columbia for three years prior to making application to NEAHP; and
- Employee must possess a good credit rating.

A Joint Labor-Management Initiative
### Grant Limits

<table>
<thead>
<tr>
<th>NEAHP Amount of Assistance</th>
<th>Individual</th>
<th>Married and Common Law (Partner Spouse must also be eligible)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Primary</td>
<td>Secondary</td>
</tr>
<tr>
<td>2–4 years of service</td>
<td>$3,000</td>
<td>$3,000</td>
</tr>
<tr>
<td>5–10 years of service</td>
<td>$5,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>11–14 years of service</td>
<td>$8,000</td>
<td>$8,000</td>
</tr>
<tr>
<td>15–19 years of service</td>
<td>$10,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>20 + years of service</td>
<td>$20,000</td>
<td>$20,000</td>
</tr>
</tbody>
</table>

NEAHP is subject to the availability of funds and the amount is determined by the number of years of service.

### How to Apply and Program Process

Eligible District of Columbia Government employees may contact one of the following Community-Based Organizations (CBO) to begin the process. Employees will be provided a brief overview of the NEAHP Program and will complete a short application form. The CBO will forward the application to the GWUL, who administers the NEAHP on behalf of the District of Columbia. GWUL will submit the application to the OLRCB. Upon receipt of the application, OLRCB verifies eligibility of the applicant and returns the eligibility statement to GWUL. Grant funds are issued by the GWUL at the time of settlement to be applied towards the employee's downpayment and closing costs. Please contact one of the six (6) CBOs listed to get started.

### Where to Apply

<table>
<thead>
<tr>
<th>Housing Counseling Services</th>
<th>Latino Economic Development Corporation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2410 17th St., NW</td>
<td>2316 18th Street, NW</td>
</tr>
<tr>
<td>Washington, DC 20009</td>
<td>Washington, DC 20009</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>University Legal Services</th>
<th>University Legal Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>1800 Martin Luther King, Jr., Ave., SE</td>
<td>2201 street, NE</td>
</tr>
<tr>
<td>Washington, DC 20002</td>
<td>Washington, DC 20002</td>
</tr>
<tr>
<td>202-869-2196</td>
<td>202-547-4747</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lydia's House</th>
<th>University Legal Services, Inc., Far NE</th>
</tr>
</thead>
<tbody>
<tr>
<td>3039 South Capitol Street, SW</td>
<td>Lloyd E. Smith Center</td>
</tr>
<tr>
<td>Washington, DC 20032</td>
<td>3039 Benning Rd., NE</td>
</tr>
<tr>
<td>202-373-1050</td>
<td>Washington, D.C. 20019</td>
</tr>
<tr>
<td><a href="http://www.lydiashousendc.org">www.lydiashousendc.org</a></td>
<td>Phone 202-386-1201</td>
</tr>
<tr>
<td></td>
<td><a href="http://www.uls-dc.org">www.uls-dc.org</a></td>
</tr>
</tbody>
</table>

In accordance with the D.C. Human Rights Act of 1977, as amended, D.C. Official Code, Section 2-1401.01 et seq., District of Columbia does not discriminate on the basis of actual or perceived: race, color, religion, national origin, sex, age, marital status, personal appearance, sexual orientation, familial status, family responsibilities, matriculation, political affiliation, disability, source of income, or place of residence or business.
Submitting an Offer

- Prices are negotiable!
- What “conveys” with the property?
- Earnest Money Deposit
- Pre-Approval Letter
- Proposed Settlement Date
- Contingencies
  - Financing
  - Appraisal
  - Inspection

Home Inspections

- No licensing for home inspectors in DC!
  - State licensing in MD and voluntary certification in VA
- Professional Certifying Organizations
  - American Society of Home Inspectors (ASHI)
  - National Association of Home Inspectors (NAHI)
  - National Association of Certified Home Inspectors (NACHI)

Settlement Process

**What does a Settlement Agent do?**
- Title Search
- Land Survey
- Sell title insurance
- Administer the settlement as a neutral party

**What is your roll in the settlement process?**
- Choose your Settlement Agent
- Document Review
- Final Walkthrough
- Buy owners’ title insurance
- Apply for tax benefits

Protect Yourself from Predatory Lending

- Learn to compare loans and shop around
- Understand and improve your own financial and credit status before applying for a loan
Fair Housing

In the District of Columbia, it is illegal to discriminate in the housing market on the basis of:

- Race
- Color
- Sex (Gender or sexual harassment)
- National Origin
- Religion
- Age
- Marital Status
- Personal Appearance
- Sexual orientation
- Gender Identity or Expression
- Familial Status
- Familial Responsibilities
- Matriculation
- Political Affiliation
- Disability
- Source of Income
- Place of Residence or Business
- Victim of Intra-family Offense
- (Domestic violence)

Other jurisdictions may also have locally protected classes.

If you believe you have experienced housing discrimination on any of these bases, please contact:

- Housing Counseling Services (202) 667-7006
- Equal Rights Center (202) 234-3062
- D.C. Office of Human Rights (202) 727-4559

- For discrimination on the basis of race, color, national origin, religion, sex, disability or familial status only, you should also contact:

  U.S. Department of Housing and Urban Development (HUD)
  (800) 669-9777 or on the web at: www.hud.gov/complaints/housediscrim.cfm

To apply for HPAP/EAHP without a counselor you must meet all of the following criteria:
• Be a D.C. resident and/or D.C. government employee
• Have a middle credit score of at least 600
• Have at least 3 credit accounts
• Have a high credit of at least $1,500
• Have at least 24 months of credit or 12 months of alternative credit
• Have no open judgments, liens, or collections
• Are able to break your lease
• Have at least $500 in checking/savings
• Have received income for the at least the past two years
• Have a LENDER’S credit report less than 30 days old or be ready to have credit checked today
• Will be able to submit an application within the next 10 business days

If you are not ready, are not 100% sure, have any questions at all or just prefer to do this with a counselor then please make an appointment to do so.

Thank you.