Pre-Purchase Orientation

Housing Counseling Services, Inc.

Housing Counseling Services, Inc.

QUICK ACTION

Fill out the Pre-Self Evaluation for this class.

See the link in the chat.

BEFORE WE BEGIN

What to Know About This Webinar

1 Listen-Only Mode

Participants are in listen-only mode.

2 Attendance Is Tracked

We will receive a report from Zoom after the class. No need to "check in."

3 Stay on This Screen

You must remain on this screen to get credit for participation. Polls will be in pop-up windows.

4 15-Minute Limit

You may not be logged off for more than 15 minutes and still receive a certificate.

5 Speaker Cannot See Questions

The speaker cannot see your questions in real time.

6 Q&A vs. Chat

Use the Q&A function to ask general questions.
Use the Chat function to ask personal questions.

7 Raise Hand Unavailable

The raise hand function is not available.

8 Final Quiz

The final quiz is graded (passing is 4/6).

9 Issues with Polls or Quiz

Email us after the webinar if you had issues answering the poll and/or quiz questions.

10 Certificate Delivery

Certificates will be emailed within 5 business days in the name under which you registered for this class.

TODAY'S ROADMAP

Agenda

1. **Welcome & Webinar Rules**
   How this session works · attendance · polls · final quiz
2. **Meet Housing Counseling Services**
   Who we are · our mission · services we offer
3. **Preparing for Homeownership**
   Credit · savings · budgeting · what it costs to buy
4. **The Homebuying Process**
   Step-by-step path · what lenders look for · loan types
5. **Making a Smart Offer**
   Purchase offers · contingencies · DC Open Doors
6. **Understanding HPAP**
   Eligibility · income tiers · assistance amounts · loan terms
7. **Additional Programs**
   EAHP · First Responder · combining programs
8. **Inspection & Settlement**
   Home inspections · closing costs · title insurance
9. **Affordable Housing Options**
   Inclusionary Zoning · Affordable Dwelling Units
10. **Your Fair Housing Rights**
    Fair Housing Act · DC Human Rights Act · reporting discrimination
11. **Foreclosure Prevention**
    Loss mitigation · free HUD-certified counseling
12. **Next Steps & Contact**
    Certificates · applying · how to reach HCS

ABOUT HCS

Housing Counseling Services, Inc.

Your nonprofit partner for DC housing opportunity.

Founded in 1972, HCS provides comprehensive housing counseling, training, advocacy, and technical assistance to help low- and moderate-income home buyers, home owners, and tenants achieve safe, affordable homes.

Homebuyer Counseling

One-on-one guidance through the purchase process

Homebuyer Education

8-hour courses and workshop registration

Foreclosure Prevention

Resolving and preventing mortgage delinquency

Rental & Tenant Services

Eviction prevention and rental assistance

Condo & Co-op Assistance

Specialized guidance for shared ownership

Advocacy & Training

Building capacity in families and communities

Source: HCS About Us, DHCD Housing Counseling

GET READY

Preparing for Homeownership

Housing Counseling Services, Inc.

Before applying for HPAP or a first-trust mortgage, take these steps to position yourself as a strong, ready buyer.

1 Check Your Credit

Aim for a 630+ score. Review your reports and dispute any errors.

2 Budget & Save

Set aside funds for down payment, closing costs, and reserves.

3 Manage Your Debt

Keep your debt-to-income ratio below 45%.

4 Confirm Eligibility

Be a first-time buyer (no ownership in 3 years) and a DC resident.

5 Complete Homebuyer Education

Finish the 8-hour HUD-approved course — offered by HCS.

6 Gather Documents

ID, income proof, tax returns, bank statements, employment verification.

Source: DHCD HPAP Details, HCS Homebuyer Education

The Three Credit Bureaus

Housing Counseling Services, Inc.

Three nationwide credit reporting agencies maintain the files lenders review. Contact each directly to request a report, dispute an error, or place a freeze.

Equifax

WEBSITE	equifax.com
PHONE	1-800-685-1111
MAIL	P.O. Box 740241
	Atlanta, GA 30374

Experian

WEBSITE	experian.com
PHONE	1-888-397-3742
MAIL	P.O. Box 9701
	Allen, TX 75013

TransUnion

WEBSITE	transunion.com
PHONE	1-800-888-4213
MAIL	P.O. Box 1000
	Chester, PA 19016

Tip: Place a free security freeze with each bureau to block unauthorized new accounts in your name.

Source: FTC Credit Reports, CFPB Credit Freeze

KNOW YOUR CREDIT

Get Your Free Credit Report

Housing Counseling Services, Inc.

Federal law gives you a free report from each bureau. The only federally authorized site is AnnualCreditReport.com.

ONLINE

AnnualCreditReport.com

Request instantly at the official site. You can pull one report from each bureau every week.

BY PHONE

1-877-322-8228

Call the central toll-free line to order reports from all three bureaus by phone.

BY MAIL

Annual Credit Report Request Service

P.O. Box 105281, Atlanta, GA 30348-5281. Download the request form online and mail it in.

AVOID LOOK-ALIKE SITES

Only AnnualCreditReport.com is federally authorized. Other sites may charge fees or require you to waive legal rights.

Source: AnnualCreditReport.com, FTC Free Reports

KNOW YOUR CREDIT

How to Improve Your Credit

Housing Counseling Services, Inc.

A higher score lowers your rate and your HPAP eligibility. Focus on the factors that matter most.

1 Pay Every Bill on Time

Payment history is the biggest factor (~35%). Set autopay so you never miss a due date.

2 Keep your debt low

Keep balances under 30% of each limit - ideally under 10%. Pay down before the statement closes.

3 Don't Open Unneeded Credit

Each application triggers a hard inquiry. Apply only when you need a new account.

4 Keep Old Accounts Open

A longer history helps (~15%). Don't close your oldest card, even if unused.

5 Dispute Report Errors

Mistakes drag down scores. Dispute inaccuracies with each bureau in writing.

6 Build If You're New

A secured card or credit-builder loan, or becoming an authorized user, establishes history.

Source: CFPB Credit Scores, MyFICO Score Factors

BUDGET & SAVE

What You Need to Save For

Housing Counseling Services, Inc.

Beyond the down payment, expect several upfront and ongoing costs when buying a home in DC.

1 Down Payment

A percentage of the purchase price. HPAP gap financing reduces the amount you must bring.

2 Closing Costs

Typically, 2-5% of the price - title, taxes, lender and attorney fees. HPAP adds up to $4,000.

3 Earnest Money

A good-faith deposit (often 1-3% of price) held in escrow when your offer is accepted.

4 Inspection & Appraisal

Home inspection (~$300-$600) and lender-required appraisal (~$500-$700).

5 Moving & Setup

Movers, storage, and immediate setup - utilities, locks, basic repairs.

6 Reserves

Lenders want 2-6 months of housing payments saved after closing.

Source: CFPB Closing Costs, DHCD HPAP Details

Estimate Your Costs

Housing Counseling Services, Inc.

A sample budget for a $500,000 DC home. Use your own price and lender figures to estimate.

Cost	Typical Amount	Notes
Purchase price	**$500,000**	Example DC purchase
Down payment (3.5%)	**$17,500**	FHA minimum; varies by loan
Other closing costs	**~$10,000**	2% of price (title, taxes, fees)
Earnest money	**$5,000**	1% of price, held in escrow
Inspection + appraisal	**~$1,000**	Paid upfront, before closing
Moving & setup	**~$2,500**	Movers, storage, immediate needs
Reserves target	**~$8,400**	3 months housing payments

HPAP borrower contribution: $500 or 50% of liquid assets above $3,000, whichever is greater. Family gifts count toward it.

Source: DHCD HPAP Details, CFPB Home Costs

Build a Savings Plan

Housing Counseling Services, Inc.

Turn your savings goal into a monthly habit you can stick to.

1. **Set a Target**

   Add up your down payment, closing costs, and reserves minus HPAP help.

2. **Pick a Timeline**

   Divide the goal by the months you have. A 2-year plan needs half the monthly saving of 1 year.

3. **Automate It**

   Set an auto-transfer to a separate savings account right after each payday.

4. **Trim & Redirect**

   Redirect windfalls - tax refunds, bonuses, gifts - straight to the fund.

5. **Track Monthly**

   Review progress and adjust spending. Celebrate milestones.

EXAMPLE GOAL

$36,000

to save over 36 months

Save about

$1,000 / mo

Family gifts can count toward your HPAP minimum contribution.

Source: CFPB Budget, DHCD HPAP

Housing Counseling Services, Inc.

AUDIENCE POLL

?

Poll Question

STEP BY STEP

The Homebuying Process

Housing Counseling Services, Inc.

From education to financing, here is the path to owning a home in DC.

1 Homebuyer Education

Complete the 8-hour course and earn your certificate.

2 Mortgage Pre-Approval

A lender reviews your finances and issues a pre-approval letter.

3 Find a Home

Work with a real estate agent to identify a DC property within budget. We recommend a buyer agent.

4 Make an Offer

Negotiate price and terms with the seller.

5 Home Inspection

Hire an inspector to evaluate the property condition.

6 Apply for HPAP

Submit your HPAP application for gap financing and closing-cost help.

7 Appraisal & Underwriting

The lender appraises the home and underwrites the loan.

8 Obtain Financing

Receive your loan commitment and finalize your mortgage and HPAP loan.

Source: DHCD HPAP Details, HCS Counseling

What Lenders Look For

Housing Counseling Services, Inc.

Lenders judge loan applications on five core factors - the "Five C's of Credit." Strengthening each one improves your odds of approval and a better rate.

C

Character

Credit History

Your credit score and repayment record show whether you reliably pay back what you owe. Lenders review your credit report for late payments, collections, and account history.

C

Capital

Cash on Hand

The savings and assets you bring to the table - your down payment plus reserves - signal financial stability and reduce the lender's risk.

C

Capacity

Income & Debt

Can you repay the loan? Lenders compare your monthly income to your debts using the debt-to-income (DTI) ratio. Most prefer a DTI at or below 43%.

C

Collateral

The Property

The home itself secures the loan. Lenders require a professional appraisal to confirm the property's value and that it meets condition standards.

C

Conditions

Loan & Market

Lenders weigh the loan's purpose, amount, term, and prevailing interest rates, plus your employment stability and the broader economic climate.

Source: CFPB Owning a Home, CFPB Credit Scores

Types of Home Loans

Housing Counseling Services, Inc.

Three common mortgage options, each with different down payments, credit requirements, and borrower benefits.

CONVENTIONAL

Conventional Loan

Not backed by a government agency. Offered by private lenders and follow Fannie Mae / Freddie Mac guidelines.

DOWN PAYMENT

As low as 3%, up to 5%

CREDIT SCORE

Typically 700+

MORTGAGE INSURANCE

PMI - Cancellable once equity reaches 22%

BEST FOR

Buyers with strong credit and savings

FHA

FHA Loan

Insured by the Federal Housing Administration. Designed to help buyers with smaller down payments or lower credit.

DOWN PAYMENT

As low as 3.5%

CREDIT SCORE

580+ for 3.5% down

MORTGAGE INSURANCE

MIP - Required for the life of the loan

BEST FOR

First-time buyers with limited savings

VA

VA Loan

Guaranteed by the U.S. Department of Veterans Affairs for eligible service members, veterans, and surviving spouses.

DOWN PAYMENT

Often 0%

CREDIT SCORE

Lender-set; often ~620

MORTGAGE INSURANCE

None - a funding fee applies

BEST FOR

Eligible veterans and active service

Source: CFPB Loan Options, HUD FHA Loans, VA Home Loans

DCHFA HOMEOWNERSHIP PROGRAM

DC Open Doors

Housing Counseling Services, Inc.

The DC Housing Finance Agency (DCHFA) offers below-market first-mortgage rates plus a deferred down payment assistance loan for buyers purchasing a home in the District.

Who Can Apply

Open to first-time AND repeat homebuyers, and to both DC residents and non-residents - the home just has to be in the District.

Income Limit

Maximum borrower income may not exceed 170% of Area Median Income (AMI). Income is based on the borrower only.

Credit Score

Minimum credit score of 640.

Debt-to-Income

Maximum DTI of 50% (45% for FHA loans, or up to 50% with a 680+ score).

Property

Single-family, townhouse/row house, condominium, and 2-4 unit properties. Co-ops are not allowed. No maximum sales price limit.

DOWN PAYMENT ASSISTANCE LOAN (DPAL)

3% / 3.5%

of the purchase price - 3% for conventional, 3.5% for FHA, 3% of loan amount for VA. Can cover up to 100% of your cash to close.

0% INTEREST

Deferred, non-amortizing - no monthly payments. Repaid only on sale, transfer, refinance, when it stops being your primary residence, or at 30-year maturity.

Learn more & apply:

dchfa.org

Source: DCHFA DC Open Doors, DCHFA Do I Qualify

Anatomy of a Purchase Offer

Housing Counseling Services, Inc.

A written offer is a legal contract. These are the key terms you and your agent will specify.

1. **Purchase Price**
   The amount you offer to pay. Base it on comparable sales, not the listing price alone.

2. **Earnest Money Deposit**
   A good-faith funds deposit (often 1-3% of price) held in escrow until closing.

3. **Financing Terms**
   Loan type, down payment amount, interest rate, and the lender you will use.

4. **Contingencies**
   Conditions that must be met for the deal to proceed - inspection, appraisal, financing.

5. **Closing & Possession**
   The target closing date and when you receive the keys and take occupancy.

6. **Included Items / Items that “Convey”**
   Appliances, fixtures, or personal property that stay with the home.

7. **Offer Expiration**
   The deadline for the seller to respond, creating urgency and clarity.

8. **Addenda & Disclosures**
   Lead-paint disclosure (pre-1978), HOA docs, and any required riders.

Source: CFPB Offer Process, DC Realtors

Understanding Contingencies

Contingencies protect you - they let you walk away (and reclaim your deposit) if a condition is not met.

1 Inspection Contingency

Lets you inspect the home and negotiate repairs - or cancel - based on findings.

2 Appraisal Contingency

If the home appraises below the price, you can renegotiate or exit without penalty.

3 Financing Contingency

Protects your deposit if your loan is denied despite a good-faith effort to secure it.

4 Home Sale Contingency

Makes your offer depend on selling your current home - weaker in competitive markets.

5 Title Contingency

Ensures clear ownership; you can back out if title defects surface.

6 HOA / Condo Docs

A window of time to review association rules and fees before committing.

Source: CFPB Contingencies, NAR Buyer Guide

Making a Smart Offer

Housing Counseling Services, Inc.

Strategy matters as much as price. Work with your agent to craft an offer that is competitive and protective.

1. **Study the Comps**
   Review recent sales of similar nearby homes to anchor a fair, defensible price.

2. **Mind the Market**
   In a seller's market, you may offer at or above asking; in a buyer's market, you have room to negotiate.

3. **Get Pre-Approved**
   A lender's pre-approval letter signals you are serious and can close.

4. **Move Quickly but Carefully**
   Set a reasonable offer expiration (24-72 hours) so the seller responds while terms are fresh.

5. **Decide on Contingencies**
   Keep the ones that protect you; consider waiving only those you can afford to lose.

6. **Personalize, Briefly**
   A short letter to the seller can help in close cases - but price and terms decide.

7. **Stay Within Budget**
   Don't stretch past what you can afford for monthly payment, taxes, and upkeep.

8. **Be Ready to Counter**
   Expect a counteroffer; decide your walk-away number and terms in advance.

Source: CFPB Make an Offer, DC HPAP

Housing Counseling Services, Inc.

AUDIENCE POLL

?

Poll Question

OVERVIEW

What HPAP Is

The Home Purchase Assistance Program (HPAP) provides interest-free gap-financing loans and separate closing-cost assistance to help first-time homebuyers purchase homes in the District.

$202K	$4,000	0%
Max gap-financing loan	Closing-cost assistance	Interest-free loans

Administered by DHCD · Property types: single-family houses, condos, or co-ops in DC · Use: down payment, rate buydown, closing costs

Single-family, condo, or co-op homes in DC

Source: D.C. Code § 42-2601, DHCD HPAP

WHO QUALIFIES

Eligibility Requirements

1 Head of household

Must be the head of the household and a first-time homebuyer.

2 First-time buyer

No ownership interest in residential real estate within the 3 years before applying.

3 Income-qualified

Very-low to moderate income, per DHCD standards tied to area median family income (MFI).

4 Primary residence in DC

Purchased home must be the borrower's primary residence in the District. Good credit required.

First-time homebuyers receive the keys

Source: DHCD HPAP Details, D.C. Code § 42-2604

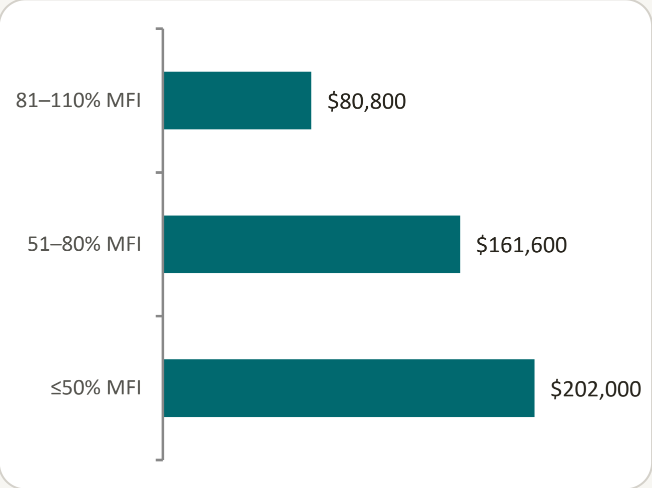
AMOUNTS BY INCOME

Income Categories & Loan Limits

Housing Counseling Services, Inc.

Assistance is set by household income as a share of area median family income (MFI), per the official HPAP Assistance Table (loans closed after June 1, 2025).

Income category (% of MFI)	Max gap loan	Closing costs
Very low income — up to 50% MFI	**$202,000**	Up to $4,000
Low income — 51% to 80% MFI	**Up to $161,600**	Up to $4,000
Moderate income — 81% to 110% MFI	**Up to $80,800**	Up to $4,000



Maximum gap-financing loan by income tier

Note: No qualifying applicant may be approved for less than $70,000; per-client cap is $202,000. Closing-cost assistance is separate from, and in addition to, the loan. Income limits vary by household size (1–8 persons).

Source: D.C. Code § 42-2602.01, HPAP Assistance Table (June 2025)

FULL ELIGIBILITY TABLE

Assistance Amounts by Income & Household Size

Household size (persons)

Max assistance	1	2	3	4	5	6	7	8
≤ 50% MFI — Very low income								
$202,000	$57,350	$65,550	$73,750	$81,950	$88,500	$95,050	$101,600	$108,150
51%–80% MFI — Low income								
$161,600	$73,550	$84,050	$94,550	$105,050	$111,600	$118,200	$124,750	$131,300
$141,400	$78,800	$90,050	$101,300	$112,550	$119,600	$126,600	$133,650	$140,700
$101,000	$91,800	$104,900	$118,000	$131,100	$139,300	$147,500	$155,700	$163,900
81%–110% MFI — Moderate income								
$80,800	$112,400	$128,500	$144,550	$160,600	$170,650	$170,650	$170,650	$170,650
$70,000	$126,200	$144,250	$162,250	$180,300	$191,550	$191,550	$191,550	$191,550

How to read: Each cell is the maximum household income (≤) that qualifies for the assistance amount in that row, for the household size in that column. Closing-cost assistance of up to $4,000 is available to all eligible households in addition to the loan. Effective for HPAP loans closed after June 1, 2025.

Source: D.C. Code § 42-2602.01, HPAP Assistance Table (June 2025)

TERMS & REPAYMENT

How the Loans Are Repaid

Housing Counseling Services, Inc.

VERY-LOW & LOW INCOME · ≤ 80% MFI

Deferred — no monthly payments

- Loan is deferred; repayment is not required until a triggering event occurs.

MODERATE INCOME · 80%–110% MFI

5-year deferral, then 40-year term

- Payments deferred for the first 5 years.
- Monthly principal-only payments begin in year 6, amortized over 40 years.

WHEN THE FULL LOAN BECOMES IMMEDIATELY DUE

The borrower transfers the property · the property is refinanced (unless it meets stated conditions) · the home ceases to be the borrower's primary residence

Source: DHCD HPAP Details, D.C. Code § 42-2604

USE OF FUNDS

What the Assistance Can Cover

$202K

Gap financing

Down payment or mortgage-rate buydown for the home being purchased.

$4,000

Closing costs

Separate from the loan — covers eligible settlement costs.

Flexible use: Assistance may be used for a mortgage-rate buydown even when no down payment is required. If there are no closing costs, funds set aside for them may instead go toward the down payment or buydown.

Source: D.C. Code § 42-2602.01, HPAP Assistance Table

HOW TO APPLY

Application Process & Priority

Housing Counseling Services, Inc.

1 **Contact a Community-Based Organization (CBO)**

The CBO helps complete the application.

2 **CBO forwards to the HPAP administrator**

The administrator processes applications on the District's behalf.

3 **Eligibility review & determination**

The administrator reviews and decides eligibility.

4 **Notice to Proceed (NTP) issued**

States the maximum assistance available and the next steps.

APPLICATION PRIORITY

District residents are always prioritized. When no resident applications are pending, non-residents may be processed.

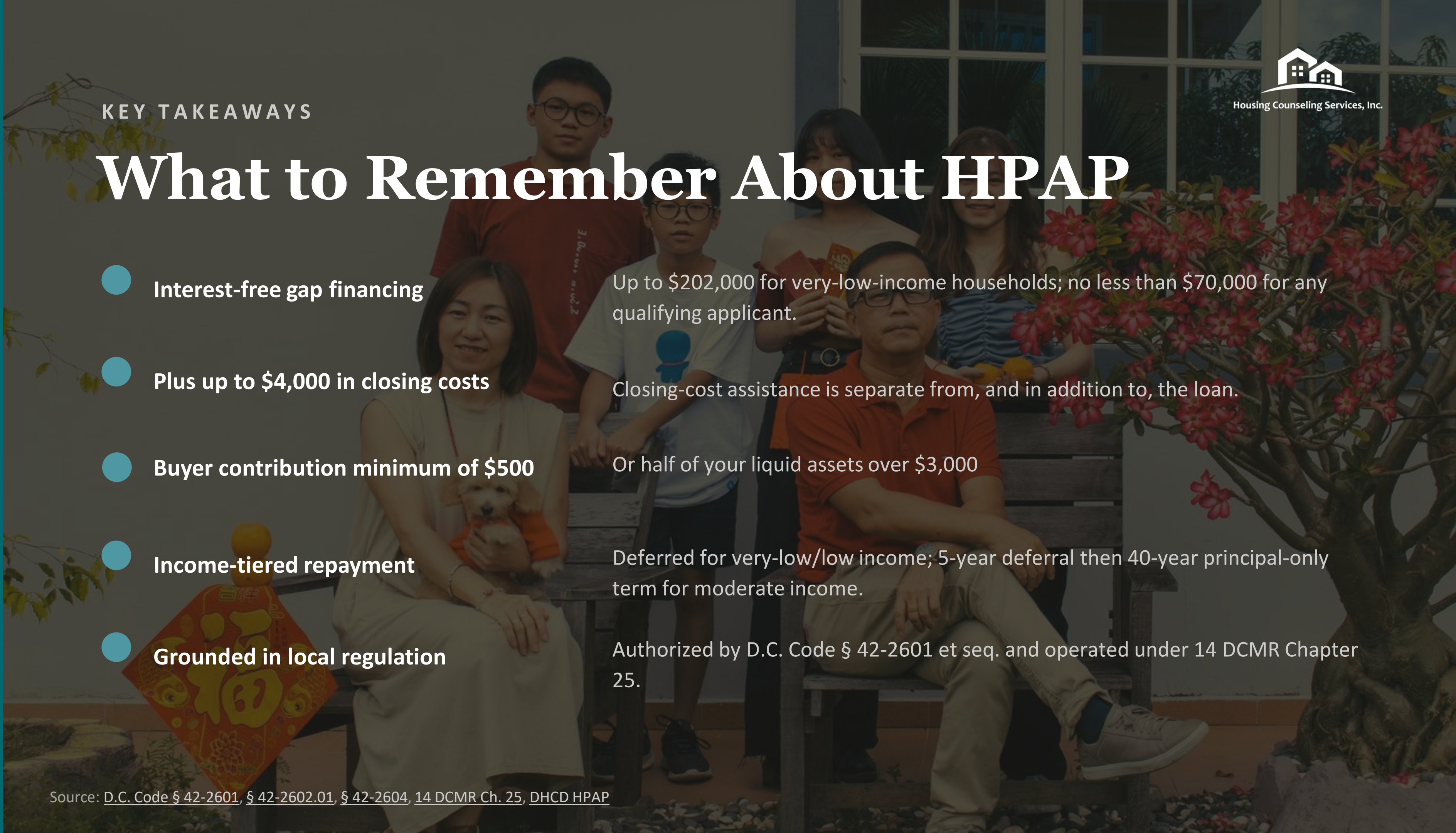
– Low-income, elderly, handicapped, disabled, or displaced District residents

– Other eligible District residents

– Non-residents employed in DC for 1 year prior

– Non-residents who lived in DC for 3 consecutive years as an adult

Source: DHCD HPAP Details



Housing Counseling Services, Inc.

KEY TAKEAWAYS

What to Remember About HPAP

- **Interest-free gap financing** — Up to $202,000 for very-low-income households; no less than $70,000 for any qualifying applicant.
- **Plus up to $4,000 in closing costs** — Closing-cost assistance is separate from, and in addition to, the loan.
- **Buyer contribution minimum of $500** — Or half of your liquid assets over $3,000
- **Income-tiered repayment** — Deferred for very-low/low income; 5-year deferral then 40-year principal-only term for moderate income.
- **Grounded in local regulation** — Authorized by D.C. Code § 42-2601 et seq. and operated under 14 DCMR Chapter 25.

Source: D.C. Code § 42-2601, § 42-2602.01, § 42-2604, 14 DCMR Ch. 25, DHCD HPAP

KEY TAKEAWAYS

Housing Counseling Services, Inc.

What to Remember About DC Residency:

- Primarily residing in DC.
- Paying taxes to the DC Government (i.e. paystubs show DC taxes being withheld).
- Paystubs also reflect a DC home address.
- Real ID is mandatory. DC driver's license or picture ID with DC address must have a star on top right-hand side.
- Bills and bank statements reflect a home address in DC.

Source: D.C. Code § 42-2601, § 42-2602.01, § 42-2604, 14 DCMR Ch. 25, DHCD HPAP

Employer-Assisted Housing Program (EAHP)

Housing Counseling Services, Inc.

A second down-payment and closing-cost resource for District government employees who are first-time homebuyers in DC.

Who Qualifies

Full-time DC government employees and WMATA employees in good standing with at least one year of service who are homebuyers in DC.

Good Standing

No adverse action by the DC government employer in the past three years.

Service Waiver

The one-year requirement is waived for police officers, corrections officers, firefighters, EMTs, paramedics, and school teachers - eligible at hire.

First-Time Buyer

You must be a first-time homebuyer in the District: no ownership of a principal residence in DC in the past three years. You may own property in another jurisdiction.

Property Rule

The purchased home must become your principal residence.

STANDARD EAHP LOAN

Up to $20,000

0% interest deferred loan for down payment and closing costs on your first home in DC.

MATCHING FUNDS GRANT

Up to $5,000

District-matched for every $2,500 you contribute, you receive $1,000..

WHEN THE LOAN IS REPAID

No payments due until the home is sold, no longer your primary residence, or refinanced with cash out. The grant is not repaid.

Source: DHCD EAHP Details, DHCD Homeownership

ENHANCED BENEFITS

First Responder Home Purchase Assistance

Housing Counseling Services, Inc.

DC police, firefighters, paramedics, EMTs, corrections officers and teachers qualify for enhanced EAHP benefits on top of the standard loan.

ELIGIBLE ROLES

- Police Officer
- Firefighter
- Paramedic
- EMT
- Corrections Officer
- Teacher

Up to $10,000

First Responder Recoverable Grant

Toward your first DC home purchase, on top of the standard EAHP loan.

Up to $20,000

EAHP Deferred Loan

The standard 0% interest deferred loan, available to all eligible first responders.

Up to $15,000

Matched Savings

District-matched funds for every $2,500 you contribute, you receive $1,500.

FIVE-YEAR SERVICE AGREEMENT

Provide employment verification and sign a five-year service agreement before settlement to receive the grant.

WHEN THE $10,000 GRANT IS REPAID

Forgiven after five years if the home stays your principal residence and you meet the service commitment; otherwise a 0% interest loan repaid on sale, move-out, or cash-out refinance.

Source: DHCD EAHP Details, Mayor Bowser EAHP Enhancement

STACKING ASSISTANCE

Combining Programs & How to Apply

Programs can be combined as long as you meet each program's eligibility requirements. Use FHA or conventional first-trust financing, including the FHA 203(k) Streamline Rehab loan.

HOW TO APPLY

1. **Contact a CBO**
   Reach out to a DHCD-funded Community-Based Organization, such as Housing Counseling Services, to start.
2. **Attend Orientation**
   Complete an orientation session and schedule an application appointment.
3. **Complete the 8-Hour Class**
   Attend the eight-hour homebuyer training on buying and homeownership.
4. **Application Review**
   The CBO forwards your file to the HPAP Administrator (GWUL or DCHFA), which determines eligibility and issues a Notice to Proceed (NTP).
5. **Reserve Funds at Contract**
   The NTP outlines your maximum assistance. Funds are reserved once a ratified sales contract is delivered.

Source: DHCD EAHP Details, D.C. Code § 42-2501, 14 DCMR Ch. 36

BEFORE YOU CLOSE

The Home Inspection

Housing Counseling Services, Inc.

A professional, independent inspection helps you spot problems before you commit — and negotiate repairs or walk away.

WHAT THE INSPECTOR CHECKS

Foundation & Structure

Cracks, settling, framing, and the overall bones of the home.

Roof & Exterior

Roof age and leaks, siding, gutters, flashing, and drainage.

Plumbing

Pipes, water pressure, water heater, fixtures, and leaks.

Electrical

Panel, wiring, outlets, grounding, and safety devices.

HVAC

Furnace, AC, ductwork, ventilation, and expected lifespan.

Appliances & Interior

Built-in appliances, doors, windows, insulation, and finishes.

INSPECTION VS. APPRAISAL

An inspector evaluates condition for you. An appraiser estimates market value for the lender. You usually need both.

USE AN INSPECTION CONTINGENCY

Make your offer contingent on a satisfactory inspection so you can negotiate repairs or cancel without penalty.

ATTEND & ADD SPECIAL TESTS

Go to the inspection. For older DC homes, add radon, pest, and lead-paint tests — sellers of homes built before 1978 must disclose lead-based paint.

Source: CFPB Schedule a Home Inspection, CFPB Find the Right Home

CLOSING THE DEAL

Settlement & Closing Day

Housing Counseling Services, Inc.

Settlement is when ownership transfers — you sign final documents, pay closing costs, record the deed, and receive the keys.

THE CLOSING PROCESS – INVOLVES THE SETTLEMENT AGENT

1. **Final Walk-Through**
   Visit the home just before closing to confirm agreed repairs are done and the home is in the expected condition.

2. **Review the Closing Disclosure**
   A 5-page form with your final loan terms and costs. Your lender must send it at least 3 business days before closing — compare it to your Loan Estimate.

3. **Sign & Fund**
   At the settlement agent (title company, escrow officer, or attorney), sign the deed, promissory note, and mortgage documents, and pay your closing costs.

4. **Record the Deed & Get Keys**
   The deed is recorded with the DC Recorder of Deeds, ownership transfers, and you receive the keys. HPAP funds are disbursed at settlement.

DC CLOSING COSTS AT A GLANCE

Typically 3%–5% of the purchase price.

DEED RECORDATION TAX

0.725% for qualified first-time DC buyers; 1.1% under $400k, 1.45% at $400k and above.

DEED TRANSFER TAX

1.1% under $400k, 1.45% at $400k and above — typically split between buyer and seller.

TITLE INSURANCE

Required lender policy protects the lender; optional owner policy protects your equity. One-time premium paid at settlement.

Source: CFPB Close the Deal, CFPB Closing Disclosure, CFPB Title Service Fees, DC OTR Recorder of Deeds

Affordable Housing Options

Housing Counseling Services, Inc.

Two DC programs create below-market homes for income-eligible buyers: Inclusionary Zoning (IZ) units inside new buildings, and Affordable Dwelling Units (ADUs) produced through zoning relief or public land.

IZ PROGRAM

Inclusionary Zoning

Administered by DHCD

Mandate

New or expanded developments of 10+ units must set aside affordable homes; in exchange, the builder gets a larger building.

Who Qualifies

Buyers up to 80% of MFI (about $121,700 for a 4-person household). You cannot own other housing at the time.

How to Apply

Take an IZ Orientation class, register online, and enter unit lotteries. DC residents get priority.

When You Buy

Pay a set below-market price, live in it as your primary residence, and earn equity. Resale price stays affordable.

ADU PROGRAM

Affordable Dwelling Units

Monitored & enforced by DHCD

What It Is

Below-market for-sale and for-rent homes restricted to households within a set income range.

How Created

Produced in exchange for zoning relief, tax incentives, public financing, or District-owned land.

Rules Vary

Income limits, affordability periods, and resale restrictions are set per project in deeds and covenants.

Standardizing

Provisions once varied by project; restrictions are becoming more standardized under DHCD enforcement.

dchousingsearch.org

Source: DHCD Inclusionary Zoning, DHCD Affordable Dwelling Units

The Fair Housing Act

Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.), as amended in 1974 and 1988, prohibits discrimination in the sale, rental, and financing of housing based on seven protected classes.

Race
Ancestry or ethnicity

Color
Skin pigmentation

National Origin
Country or area of ancestry

Religion
Belief system, or none

Sex
Includes sexual harassment

Familial Status
Children under 18, pregnancy

Disability
Physical or mental impairment

Reasonable Accommodations
Required for disabilities - policy changes and structural modifications.

Enforced by the U.S. Department of Housing and Urban Development (HUD).

Source: HUD Fair Housing, 42 U.S.C. § 3601 et seq.

LOCAL FAIR HOUSING

The DC Human Rights Act

Housing Counseling Services, Inc.

The D.C. Human Rights Act of 1977 (D.C. Code § 2-1401 et seq.) is the local counterpart to the federal Fair Housing Act - but it protects far more classes. Enforced by the DC Office of Human Rights (OHR).

PROTECTED UNDER FEDERAL LAW

Race	Color	National Origin	Religion	Sex	Familial Status	Disability

ADDITIONAL PROTECTIONS UNDER DC LAW

Age	**Marital Status**	**Personal Appearance**	**Sexual Orientation**	**Gender Identity / Expression**
Family Responsibilities	**Matriculation**	**Political Affiliation**	**Source of Income**	**Place of Residence / Business**
Victim of Intrafamily Offense	**Sealed Eviction Record**	**Homeless Status**		

DC protects 20+ traits in housing - among the broadest fair housing protections in the nation.

Source: DC OHR Fair Housing, D.C. Code § 2-1401 et seq.

FAIR HOUSING ENFORCEMENT

Report Housing Discrimination

Housing Counseling Services, Inc.

The HUD Office of Fair Housing and Equal Opportunity (FHEO) investigates complaints of housing discrimination under the Fair Housing Act.

CONTACT HUD FHEO

HOUSING DISCRIMINATION HOTLINE

1-800-669-9777
TTY: 1-800-927-9275

FILE A COMPLAINT ONLINE

hud.gov/fairhousing
Submit in English or Spanish

MAIL / HEADQUARTERS

Office of Fair Housing & Equal Opportunity
451 7th Street SW, Washington, DC 20410

REGION III OFFICE (SERVES DC)

Philadelphia Regional Office of FHEO
801 Market Street, 12th Floor, Philadelphia, PA 19107 · (215) 861-7646

NEED HELP?

Housing Counseling Services can guide you through fair housing concerns and the complaint process.

OR CONTACT HCS AT

(202) 667-7715

Housing Counseling Services, Inc.

housingetc.org

Source: HUD FHEO Contact, HUD Report Discrimination

KEEPING YOUR HOME

Foreclosure Prevention

Housing Counseling Services, Inc.

If you are struggling to make mortgage payments, act early. HUD-approved housing counselors provide FREE help reviewing your finances, contacting your servicer, and pursuing loss mitigation options that can help you keep your home.

COMMON LOSS MITIGATION OPTIONS

CONTACT YOUR SERVICER EARLY

Reach out as soon as you miss a payment. The earlier you act, the more options are available.

FORBEARANCE & REPAYMENT PLAN

A temporary pause or reduction in payments, followed by a structured plan to catch up.

LOAN MODIFICATION

A permanent change to one or more loan terms to lower your monthly payment.

PRE-FORECLOSURE SALE / DEED-IN-LIEU

Sell the home for less than owed, or transfer the deed to the lender to avoid foreclosure.

FREE, CONFIDENTIAL HELP

HCS HUD-certified housing counselors will review your situation and advocate with your lender — at no cost to you.

CONTACT HUD-CERTIFIED COUNSELORS AT HCS

(202) 265-2255

Housing Counseling Services, Inc.

housingetc.org

Source: HUD Avoiding Foreclosure, CFPB Mortgage Help, HUD Housing Counseling

Housing Counseling Services, Inc.

FINAL QUIZ

Final Quiz

Post-Self Evaluation and Course Evaluation

WHAT COMES NEXT

Next Steps

1 Receive Your PPO Certificate

If eligible, you will receive an email within 5 business days with your Pre-Purchase Orientation (PPO) certificate.

2 Complete the 8-Hour Training

Complete the 8-hour Homeownership Training class. You can register on our website, www.housingetc.org, for the next session.

3 Ready to Apply?

You will eventually need both your PPO certificate for this class and the 8-hour Homeownership Training certificate. You also will need to schedule a Pre-Purchase 1-on-1 counseling session.

4 Not Ready to Apply?

Set up a 1-on-1 Credit Counseling session.

CERTIFICATE REQUIREMENT

If you were logged off for more than 15 minutes total, or failed or did not take the quiz, you will not qualify for a certificate. Zoom provides an electronic report with your exact logged-in time and quiz results; we go by this evidence. If that is the case, we will let you know and you can retake this webinar.

Alternate Final Quiz

Email us for an alternate final quiz only if you were not able to answer the final quiz in the pop-up window.

training@housingetc.org

Intake Department

Phone: 202-667-7706

Email:

bethaniaking@housingetc.org

ericortega@housingetc.org

Source: Housing Counseling Services

CONTACT

Get in Touch with HCS

Schedule an appointment or attend a homebuyer education workshop to begin your HPAP application.

MAIN OFFICE	**2410 17th Street NW, Suite 100** Washington, DC 20009 · Adams Morgan
PHONE	**(202) 667-7706**
EMAIL	**info@housingetc.org**
WEBSITE	**housingetc.org**

HOURS

Mon, Tue, Thu, Fri: 9 AM – 5 PM · Wed: 9 AM – 7 PM

Source: Housing Counseling Services, DHCD Housing Counseling