



Homebuyer's Assistance Program *frequently asked questions*

Q. What is the Homebuyer Assistance Program (HAP)?

A. The City of Alexandria's Homebuyer Assistance Program (HAP) provides financial assistance to eligible first-time homebuyers to help purchase a home within the Alexandria city limits.

Q. Who is considered a first-time homebuyer?

A. Generally, someone who has not had ownership interest in a home during the past three years. Also, certain single parents, recently divorced, and/or displaced homemakers may also qualify under HUD regulations.

Q. How much assistance is available?

A. Qualified applicants may receive up to \$50,000 in assistance. Homes purchased within one of the City's designated Target Neighborhoods may qualify for an additional \$5,000, for a maximum potential assistance of up to \$55,000.

Q. What can the assistance be used for?

A. HAP funds may be used for mortgage principal reduction, eligible closing costs, and up to 50% of the required down payment.

Q. Is the assistance a grant?

A. No. The assistance is provided as a 0% interest forgivable subordinate mortgage that is forgiven if you occupy the home as your principal residence throughout the affordability period.

Q. How long do I have to live in the home?

A. The affordability period is 5 years for assistance under \$15,000, 10 years for assistance from \$15,000 to \$40,000, and 15 years for assistance over \$40,000.

Q. What happens if I sell my home early?

A. If you sell the home, move out, rent the property, or stop using it as your primary residence before the affordability period expires, you may be required to repay the City of Alexandria the remaining prorated balance of the assistance provided.

Q. Who qualifies?

A. Applicants must meet HUD income limits, qualify as a first-time homebuyer (or qualify under a HUD exception), purchase a home within the Alexandria city limits, occupy the home as their primary residence, and qualify for a mortgage from a participating Certified Lender.

Q. Do I have to purchase in a Target Neighborhood?

A. No. Homes may be purchased anywhere within the Alexandria city limits. However, homes located in a designated Target Neighborhood may qualify for additional assistance.

Q. Can I choose any lender?

A. You may work with any certified lender that agrees to participate in the program and executes a Memorandum of Understanding (MOU) with the City.

Q. Do I need perfect credit?

A. No. Applicants must meet the credit requirements of the participating lender and the mortgage program being used.

Q. Do I have to contribute my own money?

A. You must meet any borrower contribution requirements established by your lender and loan program. The City does not require an additional minimum investment.

Q. Can I combine HAP with other assistance programs?

A. Yes. Eligible homebuyer assistance programs may be layered / stacked provided all program requirements are met for each funding source.

Q. What homes are eligible?

A. Eligible homes generally include existing single-family homes and newly constructed homes. This includes pre-fab modular housing that is built to the International Residential Code.

Q. What homes are not eligible?

A. Manufactured homes, mobile homes, trailers, duplexes, triplexes, lease-purchase properties, homes on private roads, short-sale properties, and certain foreclosed properties are generally not eligible.

Q. Does the City inspect the home?

A. Yes. Before closing, the City inspects the home for compliance with HUD property standards and applicable building codes. Homes built before 1978 are also evaluated for potential lead-based paint hazards.

Q. Do I still need a private home inspection?

A. Yes. The City's inspection is not a substitute for a professional home inspection. Buyers are strongly encouraged to hire an independent licensed home inspector since the two inspections are looking at different things.

Q. What is an Environmental Review?

A. Federal regulations require the City to complete an Environmental Review before committing federal funds to a property.

Q. Can I sign a purchase agreement before the Environmental Review?

A. No. Contact the City before entering into a binding purchase agreement so the required Environmental Review can be completed in accordance with HUD regulations.

Q. How long does the process take?

A. The timeline varies depending on the property and loan processing. Existing homes generally move through the process faster than new construction.

Q. Is Homebuyer Education required?

A. Yes. Applicants must complete an 8-hour HUD-approved Homebuyer Education Course before closing. The City pays the cost of the course.

Q. Can I take the class online?

A. Yes, provided the course is offered by a HUD-approved Housing Counseling Agency.

Q. What if the house is in a flood zone?

A. Homes located in a Special Flood Hazard Area are eligible; however, flood insurance is required as long as required by the program.

Q. Will the City attend my closing?

A. Yes. A City representative will attend the closing and provide the approved HAP assistance check to the closing agent.

Q. How are applications approved?

A. Applications are processed on a first-come, first-served basis based on the date the City receives a complete application package from the participating lender and funding availability.

Q. Who do I contact if I have questions?

A. The City's Community Development Department at 318-449-5074 to speak with Program Manager, Vanity Givens.