



Fairfax County

First-Time Homebuyers Program

Overview and Lender Standards

Our Program:

The Fairfax County First-Time Homebuyers (FTHB) Program, which includes the Affordable Dwelling Unit program, has been providing homeownership opportunities to eligible low- and moderate-income households since 1978. The townhouses and condominiums available through the FTHB Program are offered at prices well below fair market value in locations throughout Fairfax County to households with income up to 70% of the Area Median Income (AMI). Fairfax County also administers a Workforce Dwelling Unit (WDU) program for households with income up to 120% AMI.

Our Buyers:

Prospective buyers must complete an application process and be determined eligible to purchase according to FTHB Program rules and applicable Fairfax County Redevelopment and Housing Authority ADU Administrative Regulations. In addition, every prospective buyer must complete a six-hour homeownership education course and obtain a lender pre-approval letter.

Our Buyers:

- ✓ Attended a FTHB Program Orientation session
- ✓ Are 1st time homebuyers
- ✓ Have completed 6 hours of homebuyer education
- ✓ Have been pre-approved by a lender
- ✓ Have a FTHB Program Certificate of Eligibility

Available Properties:

FTHB properties are on our website at www.fairfaxcounty.gov/housing/homeownership/homesforsale. Listings are typically posted for two weeks. Aside from describing the home in detail, the listings page also allows interested buyers to apply for the Drawing to purchase the listed home.

The Drawing and the Buyer List:

Once the listing for a particular unit is closed, the buyer is chosen by a process called a Drawing. This process starts with a screening of all applicants to ensure that their household size and lender pre-approval amount are suitable for the unit offered. The screening is followed by a weighted random selection that ranks all eligible applicants into a list where the buyer at rank #1 is offered the first opportunity to purchase the unit, followed by buyer #2, etc.

Once we have the Buyer List for a unit, we contact everyone on the list to notify them of their rank on the list. Our program regulations require us to re-verify the buyer's income and eligibility before signing a contract to purchase the unit. The buyer will need to obtain an updated lender pre-approval on our form if the existing pre-approval is more than 60 days old.

Fairfax County is committed to nondiscrimination on the basis of disability in all county programs, services and activities. Special accommodations can be provided upon request. Please allow seven working days for preparation of materials. For further information, please call 703-246-5101 or 771 (TTY).

ADU Covenants and Regulations:

The covenants and controls that govern all ADUs are described in detail in the Affordable Dwelling Unit Program, found in the [Fairfax County Zoning Ordinance](#) (scroll to Part 8) and in the

ADU Covenants. Please note in particular, Article II for controls regarding lending, financing, foreclosure and repurchase rights of the Fairfax County Redevelopment and Housing Authority.

If a buyer/borrower has questions regarding the restrictions and controls that you are unable to answer, please refer them to our staff.

The 3% Developer Contribution:

For new ADU developments, a 3% Developer Contribution for closing-costs is figured into the sales price of the ADUs. The allowance is to be used for specific closing and legal costs. The following costs are eligible for payment by these funds:

- 1% for (permanent) loan origination fee;
- County tax certificate, transfer charges, revenue stamps and recordation charges;
- Title examination, settlement and attorney fees;
- Notary fees and fees associated with preparation of a deed of conveyance, a deed of trust or mortgage, and the deed of trust or mortgage note;
- House location survey plat; and
- Appraisal fees and credit report charges.

The 3% allowance must be reflected on the settlement statement and buyer is responsible for any closing-cost amount above the allowance.

Buyer's Rights:

A buyer has the right to use a mortgage lender of their choosing. Buyers also can choose their own settlement company. Lastly, buyers must be given a minimum of 30 days to go to settlement and closing once entering into a sales contract on an FTHB unit.

Lender Standards:

Closing Timeliness – FTHB Program purchasers rely on the timeliness of the closing, as they have typically given a lease termination notice in anticipation of closing. Therefore, any changes in the closing date must be avoided and immediately reported to us and the homebuyer with an explanation for the delay. Unacceptable or repeated closing delays may be grounds for removal of your information from the lender list we provide to potential homebuyers.

Communication Timeliness – Similarly, it is imperative to communicate in a timely manner both to us and the homebuyer the status of the closing, the need for additional information or documentation, and any changes.

Alternate Point of Contact – In addition to lender email, phone and address information, we require the name, phone number and email for another point of contact working with you. This may be a loan processor, supervisor or colleague who backs you up during any absence.

Lender Pre-Approval Letter – The initial lender pre-approval letter is good for one year and allows FTHB applicants to enter a Drawing for which the household size is appropriate and the FTHB sales price is at or below the Maximum Purchase Price specified on the lender pre-approval letter. As mentioned above, drawing winners must get an updated pre-approval letter for the specific FTHB unit they want to buy.

- You must use the FCRHA pre-approval form. Pre-approvals on lender letterhead are not accepted. Your potential FTHB borrower will have our form after they attend a mandatory FTHB Program orientation session.
- It is important that you indicate the Maximum Purchase Price for which the applicant qualifies. **Do not write a Lender Pre-Approval letter based on a particular unit.** HCD cannot process a new pre-approval letter once a listing has been posted on our website.

- For FTHB applicants that also qualify for the County's WDU program, complete that side of the lender pre-approval letter following those criteria.
- After the Drawing, the lender must provide an updated pre-approval letter within ten business days if the selected applicant's letter is over 60 days old. Failure to do so results in the applicant being skipped over for the next household on the Drawing list.

Lender Document Submittal Timeline – Lender must provide HCD staff within five business days after FTHB Program homebuyer provides lender with a ratified unit sales contract:

- Completed **Uniform Residential Loan Application** (form 1003) and
- Estimated closing date from underwriters Automated Underwriting System response with conditions

Additional documentation due to HCD as noted:

- **Loan Commitment Letter** due from lender 15-30 days prior to closing date.
- Lender must provide the title company necessary information to complete a **Preliminary or Initial Closing Disclosure (ICD)** at least seven business days before closing date.
- Completed Final **Closing Disclosure form** due three business days prior to closing date.
- Automated Underwriting System response (i.e. proof the loan is approved) due three business days prior to closing date.