

## SPARC (Sponsoring Partnerships And Revitalizing Communities)

SPARC is a low interest mortgage program available to first-time homebuyers using a Virginia Housing Development Authority (VHDA) loan product for their first trust mortgage. The interest rate on a SPARC loan is a ½% below the interest rate of the VHDA loan product used. (For certain income eligible buyers, the SPARC interest rate is 1% below the VHDA loan product used. See below.)

### How does SPARC work?

The VHDA has provided the Fairfax County Department of Housing and Community Development (DHCD) \$10 million of funding to be used to help eligible first-time homebuyers purchase homes in Fairfax County. Although these funds are awarded to Fairfax County DHCD, the County cannot directly loan this money to homebuyers. Instead, the VHDA loans are reserved through private mortgage lenders. Fairfax County DHCD is responsible for insuring these funds are being loaned to eligible buyers for eligible home purchases. These funds are available until July 31, 2007 or until all of this money is loaned to home buyers.

### How do I use SPARC to purchase a home?

The first step in borrowing SPARC funds to buy your home is to find your home. Once you have found a home and signed a sales contract, you will need to apply for your mortgage. When you meet with your lender for your mortgage application, you should notify him or her that you intend to use Fairfax County's SPARC program to finance your mortgage.

Your lender will need to fax Fairfax County DHCD a form requesting that some of the County's SPARC funds be used to finance your home purchase. In addition to the reservation form, he or she will need to submit copies of the following documentation:

- Your sales contract for the property you are purchasing
- Your loan application (called a Uniform Residential Loan Application)
- Your valid VHDA Homeownership Education certificate

All reservations are reviewed within 2 business days of receipt.

### How do I apply for SPARC?

The SPARC application process is actually part of your mortgage application process. All reservation forms must be submitted by a mortgage lender and funds are only reserved for pending sales on properties with a ratified sales contract. SPARC funds cannot be reserved in anticipation of a purchase at some indeterminate future date.

Because of these restrictions, the only application step for eligible buyers interested in using SPARC is informing their mortgage lender. If your lender has questions or needs a copy of the reservation form, have them visit our website and click on the 'LENDER INFORMATION' link in the Quick Links tool bar.

### SPARC Eligibility

SPARC funds are available if you and the home you are purchasing meet the following eligibility requirements:

- You must be using a VHDA loan product for your first trust mortgage.
- You must live and/or work in Fairfax County (Fairfax and Falls Church Cities excluded).
- You cannot have owned a home for the past three years.
- You must have a valid VHDA Homeownership Education certificate.
- The home you are buying must be located within Fairfax County (Fairfax and Falls Church Cities excluded).
- The home you are buying must cost \$408,100 or less.
- The home you purchase must be your primary residence (you cannot buy vacation, second, or investment properties).
- You must have a gross annual household income of:
  - \$86,900 or less if there are 1 or 2 persons in your family; OR
  - \$100,000 or less if there are 3 or more persons in your family.

By meeting these eligibility requirements, the interest rate on your SPARC loan will be ½% below the interest rate of the VHDA loan you are using. However, you may be eligible for an interest rate that is 1% below the interest rate on your VHDA loan if your gross annual household income is at or below the income maximum for your family size as listed on the table to the right.

#### VHDA Eligible Loans

The VHDA offers a variety of loans programs which are eligible for use with the SPARC program. However, please note that the VHDA's interest only loan - the 1st Choice Interest Only Loan - cannot be used with the SPARC program. To learn more about the VHDA loan programs visit the VHDA website at [www.vhda.com](http://www.vhda.com).

1% SPARC	
Family Size	Maximum Income
1	\$37,500
2	\$42,840
3	\$48,240
4	\$53,580
5	\$57,840
6	\$62,160
7	\$66,420
8	\$70,740