



## VHFA Programs, Benefits & Eligibility

This overview is not intended to include all VHFA Program requirements and is not a replacement for the **VHFA Program and Procedural Guide**, **U.S. Bank HFA Lending Guide** or applicable guides for **Fannie Mae**, **Freddie Mac**, **FHA, RD or VA**. All VHFA programs offer benefits for eligible mortgages (Fannie HFA Preferred, Freddie HFA Advantage, FHA, RD, VA) that participating lenders originate and sells servicing-released to U.S. Bank. Lenders are responsible for underwriting and determining compliance with the most restrictive requirements for VHFA, U.S. Bank and the underlying mortgage.

	MOVE	MOVE MCC	ADVANTAGE
VHFA's Lowest Rate ( <a href="https://loc.vhfa.org">see rates at loc.vhfa.org</a> )	✓	--	--
Mortgage Credit Certificate (MCC)	--	✓	--
VHFA's Highest Income and Purchase Price Limits	--	--	✓
VT Property Transfer Tax Savings up to \$1735	✓	✓	✓
May be Paired with First Generation Grant, Shared Equity Assistance Grant	✓	✓	✓
May be paired with ASSIST	✓		

### VHFA ASSIST - Down Payment & Closing Cost Assistance

<h2 style="margin: 0;">Up to \$10,000 Loan</h2>	<ul style="list-style-type: none"> <li>0% deferred loan for down payment and/or <u>eligible</u> closing costs.</li> <li>Not forgivable: repaid when borrower sells, refinances, or pays off first mortgage.</li> <li>Only available with VHFA MOVE.</li> <li>Eligible borrowers may pair with First Generation Grant and/or Shared Equity Grant.</li> <li>Not an acceptable subordinate financing program for a VA Guaranteed loan.</li> <li>See VHFA Procedural Guide for calculating eligible ASSIST loan amount.</li> </ul>
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### VHFA First Generation Homebuyer Grant

<h2 style="margin: 0;">\$15,000 Grant</h2>	<ul style="list-style-type: none"> <li>True grant for down payment and/or <u>eligible</u> closing costs.</li> <li>Only available with VHFA MOVE, MOVE MCC, ADVANTAGE.</li> <li>Eligible borrowers may pair with VHFA ASSIST and/or Shared Equity Assistance Grant.</li> <li>Available on first-come, first-served basis while funds last.</li> <li>See below for First-Generation Homebuyer definition and eligibility.</li> </ul>
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### VHFA Shared Equity Assistance Grant

<h2 style="margin: 0;">\$5,000 Grant</h2>	<p>True grant for down payment and <u>eligible</u> closing costs provided when MOVE, MOVE MCC, or Advantage compliance requirements are met, and purchase is a Shared Equity Property from a Vermont Housing Trust/Community Land Trust. Eligible borrowers may pair with VHFA ASSIST and/or the First-Generation Homebuyer Grant. Available on a first-come, first-served basis while funds last.</p>
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### Mortgage Credit Certificate (MCC)

Annual federal tax credit up to 50% of mortgage interest paid each year capped at \$2,000 per year for as long as borrower lives in the home and holds the original first mortgage. MCC is attached to mortgage using VHFA MOVE MCC or as 'Stand-alone' MCC paired with any loan the lender offers. Not assumable or transferrable. VHFA issues the MCC certificate to borrowers after closing, non-borrowing spouses not eligible. Borrowers keep the MCC certificate with their tax records and provide the MCC certificate to their tax preparer each year to claim the credit. Once the mortgage originated with the MCC is REFINANCED or paid off, the MCC will terminate and not be reissued. May be subject to recapture upon sale or refinance. See VHFA Program and Procedural Guide.

### Eligible 30-Year Underlying Mortgages

INVESTOR	PRODUCT & AUS	MI	CLTV
Fannie Mae	HFA Preferred/MH Advantage (DU)	Coverage per AUS (LLPA to reduce coverage not allowed)	105% Maximum
Freddie Mac	HFA Advantage (LPA)		
FHA	DU or LPA	Standard Coverage or Guarantee	
RD	GUS		
VA	DU or LPA		

Borrower Eligibility	
<p><b>VHFA Compliance Income (Federal Act Income)</b></p>	<p>VHFA Compliance (Federal Act) income is calculated differently than qualifying income. The combined gross annual income for <b>all borrowers and non-borrowing spouses</b> must NOT exceed the applicable program limit in effect at time of loan reservation through closing.</p> <p>Lenders must account for and disclose <u>all sources</u> of income for all borrowers and non-borrowing spouses.</p> <p>Calculate using <b>VHFA Federal Act Income &amp; Acquisition Cost Worksheet (VHFA Form #S-601)</b>. Upload completed worksheet to VHFA with initial compliance package.</p>
<p><b>CREDIT &amp; DTI</b></p>	<p>Fannie Mae/Freddie Mac: <a href="#">U.S. Bank VHFA Conventional Product Guide</a>.            FHA, RD, VA: <a href="#">U.S. Bank VHFA Government Product Guide</a>.</p>
<p><b>Asset Limit</b> (Assist and First-Generation Only)</p>	<p style="text-align: center;"><b>Asset limit only applies for ASSIST or FIRST-GENERATION</b></p> <p><b>MUST NOT EXCEED \$20,000</b> Lenders must disclose to VHFA all borrowers and non-borrowing spouse's combined <b>liquid assets</b>, and borrower(s) and non-borrowing spouse's combined <b>liquid assets</b> cannot exceed \$20,000 at any time through the loan closing date.</p> <p><b>LIQUID ASSETS INCLUDE, BUT ARE NOT LIMITED TO:</b> Earnest money deposit, checking, savings, money market, gift funds, certificate of deposit (CD), stocks, bonds, digital currencies, digital "wallets", foreign-based assets, pension, gross proceeds from retirement account withdrawal, and debt payoff made during the loan process. For more general information about calculating liquid assets, see <b>VHFA Asset Worksheet (VHFA Form AW-23)</b>.</p>
<p><b>First-Time Homebuyer Eligibility</b></p>	<p><b>ASSIST &amp; FIRST-GENERATION PROGRAM:</b> All borrowers and non-borrowing spouses must have <u>never</u> held an ownership interest in, or received a spousal benefit from, a principal residence. Spousal Benefit includes ownership with ex-spouse even if ownership was quit claimed or otherwise transferred. See the <b>VHFA Program and Procedure Guide</b> for a definition of Ownership interest and Spousal Benefit.</p> <p><b>MOVE, MOVE MCC &amp; Standalone MCC (without ASSIST or FIRST-GENERATION PROGRAM):</b> If purchasing in the following counties: <i>Addison, Bennington, Chittenden, Grand Isle and Windsor</i>, all borrowers and non-borrowing spouses must not have held an ownership interest, or received a spousal benefit from, in a principal residence at any time during the <b>36 months</b> preceding the loan application date.</p> <p><b>ADVANTAGE:</b> No Requirement unless using ASSIST and/or FIRST-GENERATION programs</p> <p>For information on <i>Ownership Interest, Spousal Benefit</i>, and exceptions see <b>VHFA Program and Procedural Guide</b>.</p>
<p><b>First Generation Homebuyer Eligibility</b></p>	<p>All borrowers and non-borrowing spouses must have <u>never</u> held an ownership interest in, or received a spousal benefit from, a principal residence AND at least one person taking title must: (1) have parents or legal guardians who never held an ownership interest in a residential property in any state or country, OR (2) have parents or legal guardians who lost their home to foreclosure, short sale, or deed-in-lieu, and have not owned again, OR (3) be an individual who has at any time been in foster care.</p>
<p><b>Other Real Estate Owned</b></p>	<p><b>All VHFA PROGRAMS:</b> Borrowers and non-borrowing spouses may NOT have an ownership interest in any other real estate at closing. See limited exceptions in the <b>VHFA Program and Procedural Guide</b>.</p>
<p><b>Homebuyer &amp; Landlord Education</b></p>	<p>One borrower must complete education through an approved provider within 18 months of closing and lender must provide the completion certificate to VHFA prior to closing. See acceptable providers at <a href="http://vhfa.org/homebuyers/education">vhfa.org/homebuyers/education</a>. Borrowers combining VHFA with an eligible Housing Trust Shared-Equity Program, FHLBB community second, or other subordinate financing programs acceptable to U.S. Bank and the underlying mortgage provider (Fannie Mae, Freddie Mac, FHA, RD, VA) must complete education pursuant to requirements provided by those programs.</p> <p><b>2-Unit Purchase:</b> Landlord education required when using Freddie Mac HFA Advantage. See the Freddie Mac guide.</p>



## VHFA Programs, Benefits & Eligibility

Property Eligibility	
<b>Purchase (Acquisition) Limits</b>	Total acquisition cost must NOT exceed the applicable limits in effect at the time of loan reservation through closing. To calculate acquisition cost, complete the <b>VHFA Federal Act Income &amp; Acquisition Cost Worksheet (VHFA Form #S-601)</b> . The completed worksheet must be submitted with the compliance documents.
<b>Eligible Property Type</b>	<p><b>FANNIE MAE:</b> Single-Family, Condominium (see below), Multi-Width Manufactured (see below), 2-Unit (Duplex or Single-Family w/ADU), Shared-Equity Property, Resale Restricted</p> <p><b>FREDDIE MAC:</b> Single-Family, Condominium (see below), Shared-Equity Property, 2-Unit (Duplex or Single-Family w/ADU)</p> <p><b>RD:</b> Single-Family, Condominium (see below), <u>New</u> Multi-Width Manufactured</p> <p><b>FHA, VA:</b> Single-Family, Condominium (see below), 2-Unit (Duplex or Single-Family w/ADU), Multi-width Manufactured Housing.</p>
<b>2-Unit (Duplex &amp; ADUs)</b>	For 2-unit properties, Duplex or Single-Family with Accessory Dwelling Unit (ADU), follow requirements per the applicable underlying loan seller guide, VHFA Program and Procedural Guide, and U.S. Bank HFA Lending Guide. All 2-Unit ( <b>Duplex or Single-Family with ADU</b> ) must be existing and both units must have been occupied as a residence for at least five (5) years prior to closing unless using VHFA ADVANTAGE.
<b>Acreage &amp; Use</b>	<ul style="list-style-type: none"> <li>Maximum property size is <b>5 acres</b>.</li> <li>Separately deeded lots are not eligible for financing.</li> <li>Must occupy as primary residence within 60 days of closing and for life of the loan.</li> <li>No more than <b>15%</b> of the total area of the property may be used for commercial use.</li> </ul>
<b>Condominium Approval</b>	The project and unit must meet the requirements for U.S. Bank and the underlying mortgage. Follow the requirements and procedures for condominium review and approval listed in the applicable underlying mortgage guide and the U.S. Bank HFA Lending Guide.
<b>Manufactured Home</b>	Multi-width (double-wide or larger) on owned-land (no park setting), model year less than 20-years prior to application or brand new if using RD. Manufactured housing unit must meet U.S. Bank and underlying mortgage requirements. Foundation and other requirements apply, follow the U.S. Bank HFA Lending Guide and the applicable underlying mortgage guide.
<b>New Construction</b>	VHFA does not provide construction loans. However, VHFA may be used to replace an existing short-term construction mortgage with an <b>original</b> term not exceeding 24 months.
<b>Repairs</b>	<p><b>NON-WEATHER-RELATED:</b> When repairs are necessary or requested by the borrower, the repairs must be completed prior to loan delivery. The total cost of financed repairs must not exceed \$15,000 and may be included in the loan only if the final acquisition cost is supported by the appraised value and does not exceed the CLTV limit. Verification of final cost is required to determine the final acquisition cost. See the VHFA Program and Procedural Guide.</p> <p><b>WEATHER-RELATED:</b> U.S Bank determines if Loans with weather-related repairs are eligible for funding prior to the completion of the repairs. Lenders must follow the repair escrow guidelines as outlined in the U.S. Bank HFA Lending Guide. <b>NOTE:</b> VHFA will require evidence of the final cost (acquisition cost) and how the cost of repairs were covered.</p>

### Questions?

<b>VHFA Homeownership</b>	<b>U.S Bank HFA Customer Care</b>
General Questions: <a href="mailto:vhfahomeownership@vhfa.org">vhfahomeownership@vhfa.org</a> Specific Loan/Compliance: <a href="mailto:homeownershipdept@vhfa.org">homeownershipdept@vhfa.org</a>	<a href="mailto:hfacustomer@usbank.com">hfacustomer@usbank.com</a> (800) 562-5165