



# VHFA Programs, Benefits & Eligibility

This job aid is intended as a summary of the **VHFA Program and Procedural Guide** available at the VHFA Loan Origination Center (LOC) at [loc.vhfa.org](http://loc.vhfa.org). All VHFA programs are paired with eligible underlying mortgages (Fannie HFA Preferred, Freddie HFA Advantage, FHA, RD, VA) and sold 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. Follow the requirements for underlying mortgage seller guide as applicable, the VHFA Program and Procedural Guide, and the U.S. Bank HFA Lending Guide available at [loc.vhfa.org](http://loc.vhfa.org).

	MOVE	MOVE MCC	ADVANTAGE
VHFA’s Lowest Rate ( <a href="http://loc.vhfa.org">see rates at loc.vhfa.org</a> )	✓	--	--
VHFA Assist & First Generation Grant Eligible	✓	✓	✓
VHFA Shared Equity Assistance Grant Eligible	✓	✓	✓
VT Property Transfer Tax Savings up to \$825	✓	✓	✓
Mortgage Credit Certificate (MCC)	--	✓	--

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

Below 80% Area Median Income (AMI) <b>Up to \$15,000</b> Income Limits at <a href="http://loc.vhfa.org">loc.vhfa.org</a>	Above 80% Area Median Income (AMI) <b>Up to \$10,000</b> Income Limits at <a href="http://loc.vhfa.org">loc.vhfa.org</a>
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- 0% deferred loan for down payment and/or eligible closing costs. (see VHFA Program and Procedural Guide for eligible costs)
- No monthly payment: repaid when borrower sells, refinances, or pays off first mortgage.
- Only available with VHFA MOVE, MOVE MCC, ADVANTAGE.
- Eligible borrowers may pair with First Generation Homebuyer Grant and/or Shared Equity Assistance Grant.
- Not available when using VHFA with a Veterans Administration (VA) Loan.

### VHFA First Generation Homebuyer Grant

<b>\$15,000</b> <b>True Grant</b>	<ul style="list-style-type: none"><li>• True grant for down payment and/or <u>eligible</u> closing costs. (see VHFA guide for eligible costs)</li><li>• Only available when using VHFA MOVE, MOVE MCC, ADVANTAGE.</li><li>• See below for First-Generation Homebuyer definition and eligibility.</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></ul>
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### VHFA Shared Equity Assistance Grant

<b>\$5,000</b> <b>True Grant</b>	True grant for down payment and <u>eligible</u> closing costs provided to all borrowers using VHFA MOVE, MOVE MCC, or ADVANTAGE to finance the purchase of 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 first-come, first-served basis while funds last.
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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 determined by AUS	105%
Freddie Mac	HFA Advantage (LPA)		
FHA	DU or LPA	Standard Coverage	
RD	GUS		
VA	DU or LPA		

Borrower Eligibility	
Income	<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 limits in effect at time of loan reservation for the selected VHFA program (MOVE, MOVE MCC, ADVANTAGE).</p> <p>Lenders must account for and disclose <u>all sources</u> of income for all borrowers and non-borrowing spouses. See current VHFA limits at <a href="https://loc.vhfa.org">loc.vhfa.org</a>.</p> <p>To calculate, use the <b>VHFA Federal Act Income &amp; Acquisition Cost Worksheet (VHFA Form #S-601)</b> available at <a href="https://loc.vhfa.org">loc.vhfa.org</a>.</p>
CREDIT & DTI	<p>VHFA with Fannie Mae/Freddie Mac: <a href="#">U.S. Bank VHFA Conventional Product Guide</a>.</p> <p>VHFA with FHA, RD, VA: <a href="#">U.S. Bank VHFA Government Product Guide</a>.</p>
Asset Limit (Assist and First-Generation Only)	<p><b>***Count Assets only when using ASSIST or FIRST-GENERATION PROGRAM***</b></p> <p><b>MUST NOT EXCEED \$30,000:</b> Borrower and non-borrowing spouse combined <b>liquid assets</b> must be less than \$30,000 contemporaneous to loan application and through loan closing. Lenders must disclose to VHFA all borrowers and non-borrowing spouse’s combined <b>liquid assets</b>.</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 contemporaneous to loan application and through closing.</p> <p>For more information and help calculating liquid assets, see the <b>VHFA Asset Worksheet (VHFA Form AW-23)</b> available at the <a href="https://loc.vhfa.org">loc.vhfa.org</a>.</p>
First-Time Homebuyer Eligibility	<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.</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 definition of <i>Ownership Interest, Spousal Benefit</i>, and exceptions see VHFA Program and Procedural Guide available at <a href="https://loc.vhfa.org">loc.vhfa.org</a>.</p>
First Generation Homebuyer Eligibility	<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>
Other Real Estate Owned	<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 exceptions at VHFA Program and Procedural Guide available at <a href="https://loc.vhfa.org">loc.vhfa.org</a>.</p>
Homebuyer & Landlord Education	<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 approved providers and sign-up at <a href="https://vhfa.org/homebuyers/education">vhfa.org/homebuyers/education</a>. Borrowers combining VHFA with a Community Land Trust (CLT) Shared-Equity Program, FHLBB EquityBuilder, FHLBB Housing Our Workforce (HOW), 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</p>

Property Eligibility	
Purchase (Acquisition) Limits	Total acquisition cost must NOT exceed the limits in effect at time of loan reservation for the selected VHFA program (MOVE, MOVE MCC, ADVANTAGE). To calculate acquisition cost, go to the <b>VHFA Federal Act Income &amp; Acquisition Cost Worksheet (VHFA Form #S-601)</b> available at <a href="https://loc.vhfa.org">loc.vhfa.org</a> .
Eligible Property Type	<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), Manufactured</p>
2-Unit (Duplex & ADUs)	For All 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 (available at <a href="https://loc.vhfa.org">loc.vhfa.org</a> ). All 2-Unit ( <b>Duplex or Single-Family with ADU</b> ) must be existing and both units must be occupied as a residence for at least five (5) years prior to closing unless using VHFA ADVANTAGE.
Acreage & Use	<ul style="list-style-type: none"> <li>Maximum property size is <b>15 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> <li>No more than <b>15%</b> of property costs may be deducted for federal income tax purposes.</li> </ul>
Condominium Approval	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 available at <a href="https://loc.vhfa.org">loc.vhfa.org</a> .
Manufactured Home	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 available at <a href="https://loc.vhfa.org">loc.vhfa.org</a> and the applicable underlying mortgage guide.
New Construction	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 of no more than 24 months.
Repairs	<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.</p> <p><b>WEATHER-RELATED:</b> Loans with weather-related repairs are eligible for delivery and 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 available at <a href="https://loc.vhfa.org">loc.vhfa.org</a> and the underlying mortgage and manage completion of all repairs and enforce of repair escrow agreement.</p>
Questions?	
VHFA Homeownership	U.S Bank HFA Customer Care
General Questions: <a href="mailto:vhfahomeownership@vhfa.org">vhfahomeownership@vhfa.org</a> Specific Loan/Underwriting: <a href="mailto:homeownershipdept@vhfa.org">homeownershipdept@vhfa.org</a>	<a href="mailto:hfacustomercare@usbank.com">hfacustomercare@usbank.com</a> (800) 562-5165