

## **HOME HELP**

### **Frequently Asked Questions**

In December 2008, the Board of County Supervisors endorsed a set of Program Guidelines which set forth the basic operation of the Home Help Program. It has been a long-standing County desire to increase the number of County employees who live and work in Prince William County.

Q. How is the program made possible?

A. The program is made possible, in part, by investing a portion of the County's investment portfolio in collateralized certificates of deposit with SunTrust Bank, the County's current banking service provider.

The County's investment portfolio is restricted by state code with regard to permissible investment vehicles. The portfolio cannot be directed to make loans to employees, nor be engaged to purchase real estate to facilitate the Program. The portfolio does, however, have the authority to invest in certificates of deposit in accordance with Title 2.2-4500 and 2.2-4518 of the Code of Virginia.

Certificates of deposit will be purchased at market rates and in accordance with the County's Investment Policy. Program deposits with SunTrust will not exceed \$50 million during any year. Under the Program, the County may choose the term of the CDs being purchased based on its portfolio duration needs.

As part of the Program, SunTrust Bank will provide benefits to the employee borrower that includes credits that can be used for interest rate reductions and/or closing costs.

Q. Are any tax payer dollars being used for this program?

A. No tax payer dollars are being expended for this program.

Q. Does the County make home loans to employees in this program?

A. No. The County is not involved in any way in the relationship between the home buyer and the lending institution.

Q. Is the County purchasing property for this program?

A. No properties are being purchased by the County as part of this program.

Q. When will the program start?

A. The timeline for the program is as follows:

January 12-30, 2009: Program Open Enrollment

January 8 – 16: Home Help Program Sessions – (County & SunTrust Bank). Specific Dates to be determined.

February 10 or 11: Lotteries held if program is oversubscribed.

March 1: Program Year Begins; Settlements can occur.

May 31, 2010: Last day to Settle

\*During the Program Inception year, the Home Help Program will run from January 2009 through May 31, 2010. Thereafter, the Program will run on an annual basis following the County's fiscal year.

Q. What County employees are eligible?

A. Participants will be limited to full-time employees as follows: Uniformed Police, Fire, ADC, and Sheriff, Prince William County Schools and all other County and Park Authority employees. For purposes of determining eligibility for the Home Help Program, employees must meet the following criteria to participate in the Program. Employees will be screened for verification of eligibility.

- Currently live outside of the County or are renting in the County (City of Manassas and Manassas Park are "outside" of the County).
- May not currently own or have a beneficial interest in real property within the County.
- Complete the Virginia Housing Development Authority (VHDA) Homeownership Education Course through the Prince William County Office of the Virginia Cooperative Extension and/or have a Certificate of Completion not older than one year.
- Sufficient income and good credit to qualify for a first trust from the participating mortgage lender.

Q. Do certain employees have priority, and if so, what is the allotment?

A. The following allocations have been established for the Home Help Program relative to Public Safety, Prince William County Schools (PWCS) and other County Employees. Having met eligibility requirements and Program criteria, allotment priority will be 50% Public Safety, 25% PWCS and 25% other County and Park Authority Employees.

Q. How will the applicants be chosen?

A. The County along with representatives from SunTrust Bank will hold several Home Help Orientations. Employees are encouraged but not required to attend such meetings in order to participate. Applications will be available on the Home Help Program webpage. The Home Help Application must be received by the application cut-off date.

Lottery –Applications which have met eligibility requirements will be assigned a Program number. If an allocation is oversubscribed a random drawing lottery will be held. Applicants will be drawn through the lottery process and allocated based upon the allotment priority 50% Public Safety, 25% PWCS, and 25% other County and Park Authority Employees.

Q. What properties are eligible?

A. Properties purchased:

- Must be located in Prince William County.
- Must be an existing home; new construction is not permitted (purchased home must have a year built date of December 31st of the prior year or earlier).
- Must be occupied as the principle residence of the purchaser.
- Must meet standard FHA appraisal guidelines.
- Must not exceed the maximum sales price for the Program year as described in the Home Help Guidelines, Section IV.

Q. Will employees have to take part in any educational programs to qualify for this program?

A. Employees taking part in the program will have to complete a homeownership class offered through the Cooperative Extension and/or have a Certificate of Completion not older than one year.

Q. What financial information will the employee be required to furnish?

A. The employee would have to qualify with the lender for the loan which would be between the lender and the employee. The County is not involved in any way in the relationship between the home buyer and the lending institution.

Q. What kind of interest rates would be available to qualifying employees?

A. FHA and VA 30-year fixed rate loans will be offered. A credit of 1.25% of the base loan amount can be used by the borrower to buy down the interest rate or apply toward closing cost.

Example: On a \$200,000.00 loan, the credit would be \$2,500.00.

\$2,000.00 could be used to buy down the interest rate from 6.0% to 5.75% and the \$500.00 balance could go towards closing.

In addition, other program benefits as outlined in the Home Help Guidelines, Section IV are available.

Q. What are some of the options for monthly mortgage payments for qualifying employees?

A. Participants must open a checking account with SunTrust Bank and enroll in "Sure Pay", an automatic deduction program, for the mortgage payment.

Employees will receive a \$100 deposit courtesy of SunTrust Bank upon opening of the account.

Q. Will there be any additional benefits to qualifying employees?

A. Yes. The Prince William County Office of Housing and Community Development is current developing Home Help Plus. This program will make down payment assistance available to Home Help Participants and is expected to come before the Board after the New Year. In addition, down payment assistance from a Federal Home Loan Mortgage Corporation grant may be available totaling \$125,000.00.