

Prince William County



Home Help Program Guidelines

July 21, 2009

Table of Contents

I. Introduction

- A. Authorization
- B. General Principles and Structure
- C. Purpose
- D. Program Administration

II. Eligibility Criteria

III. Property Eligibility

IV. Types of Assistance

- A. Program Benefits
- B. Other Contract Requirements

V. Special Restrictions

VI. Allotment

VII. Participant Selection

- A. Application Process
- B. Lottery
- C. Notification
- D. VHDA Homeownership Education
- E. SunTrust Mortgage Lending

VIII. Revocation of Award

Attachments

1 – Program Dates

2 – Contact Lists

I. Introduction

A. Authorization

1. **Program Establishment** – On May 20, 2008, the Board of County Supervisors voted unanimously in support of the initiative and directed the Department of Finance Director to develop the “**Home Help Program**”.
2. **Program Guidelines** – 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 (hereinafter referred to as “the Program”) including designated management roles for County staff.

The Administrator is responsible for developing guidelines and procedures for administering the Program’s activities.

B. General Principles and Structure

1. **Housing Needs** – It has been a long-stated intention of the Prince William County Board of Supervisors to increase the number of County government employees that live and work in Prince William County.

Overview – 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 current banking contract as amended includes a modification to the Banking Services Contract No. 6064NA4 for the Home Help Program and will match the contract period.

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 deposit based credits, credits that can be used for interest rate reductions and/or closing cost credit, as well as reduced cost closings and credits for auto-debit set-up.

C. Purpose –

1. **County** - The goal of the Program is to:
 - Provide an incentive for home ownership in the County to police, fire & rescue, teachers and other County employees that live outside the County or currently rent.
 - Reduce the volume of vacant, foreclosed and for sale properties in the County in order to stimulate housing demand and prevent neighborhood decay.
2. **Eligible Users** - Participants will be limited to permanent full-time employees as follows: Sworn Police, Fire & Rescue, ADC, and Sheriff's Office, Prince William County Schools and all other County and Park Authority employees.
3. **Income Ranges** – There are no household size or income requirements.

D. Program Administration –

1. **Program Administrator** – The County's Treasury Manager has been designated as "Program Administrator" with the responsibility for managing the day-to-day activities of the Program which include the application process from beginning to end, employee selection, monitoring for compliance and liaison to the mortgage lender.
2. **Program Manager** – The County's Director of Finance has been designated as "Program Manager" with the responsibility to maintain the Program but is not responsible for the day-to-day activities of the Program.
3. **Support Staff** - The aforementioned Program officers will be assisted in the management of the Program by two (2) representative groups established as follows:
 - **Office of Housing and Community Development/Office of the Virginia Cooperative Extension.** The agencies will coordinate and provide financial counseling and Homeownership Education. In addition, they will administer the Home Help Plus Program.
 - **Foreclosure Task Force.** A standing committee will consist of representatives from each of the following County departments: Finance, County Attorney, Planning, Public Works, Housing and Community Development, Virginia Cooperative Extension and Prince William County Schools. The main responsibility of the Task Force is to provide oversight, evaluate and make recommendations for the continued operation of the Program.

II. Eligibility Criteria – 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 (lender requirement).

III. Property Eligibility – 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 Section IV-Types of Assistance.

IV. Types of Assistance –

The sales price cannot exceed three times the Area Median Income (AMI) as determined annually by the U.S. Department of Housing and Urban Development, rounded up to the nearest ten thousand dollars (\$10,000).

During the Program inception year through June 30, 2010, the maximum purchase price is **\$300,000**. Thereafter, at the beginning of each program year the Program Administrator in conjunction with the Office of Housing and Community Development will announce the maximum home sales price allowable for purchase under the Home Help Program.

The Program will operate on an annual cycle (fiscal year). An application window will be available once a year for employees to sign up. The annual volume of loans under the Program cannot exceed \$50 million. If there are more applicants than funds available, a lottery will be held to select the participants.

A. Program Benefits -

1. FHA or VA 30-year fixed rate loans will be offered.

2. 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).
3. Reduced settlement costs of up to \$300 if approved title company is used.
4. Down payment assistance may be available (subject to availability and qualification).
5. SunTrust Mortgage will reduce its normal Document Preparation and Review Fee by \$100 (from \$415 to \$315).
6. County employees will be able to participate in SunTrust Bank's "At Work" Program.
7. Supplemental Credit – A credit of up to \$250 per loan (dependent upon total transaction volume) that can be used for closing cost or rate buy down.

B. Other Contract Requirements:

1. Ratified contract must be received by the lender in order to guarantee interest rate lock.
2. Dates extended or delayed due to the foreclosure process will incur a fee to extend the rate if necessary.
3. Must close on the property by May 31st of the Program year (2010).

V. Special Restrictions – This is a non-transferable program. Employment by the County is a condition of eligibility and participation in the Program. 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. In addition, all County employees will be able to participate in SunTrust Bank's "At Work" Program.

VI. Allotment – The following allocations have been established for the Home Help Program relative to Sworn Public Safety, Prince William County Schools (PWCS) and other County Employees.

Having met eligibility requirements and Program criteria, allotment priority will be 50% Sworn Public Safety, 25% PWCS and 25% other County and Park Authority Employees.

VII. Participant Selection – The County along with representatives from SunTrust Bank will hold several Home Help Information Sessions. Employees are encouraged but not required to attend such meetings in order to participate. Applications will be available on the Home Help Program webpage.

A. Application Process – The Home Help Application must be submitted online by the application cut-off date. See program dates – Attachment 1.

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

It is the County’s intention to award all available slots during a program year. If an allocation is under-filled and another oversubscribed, those slots will be transferred proportionally based upon the allotment priority.

In addition, the County may hold additional lotteries, if deemed necessary.

- C. Notification** - Home Help Lottery Participants will be notified in writing of their selection and may be posted on the Home Help Program webpage by Applicant Number.

Home Help Award recipients are public record and may be released to the media. Recipients also agree to allow the County use of their photo for reasonable publicity. A recipient’s private information (telephone number, street address, Social Security number, etc.) is protected by law and will not be released.

- D. VHDA Homeownership Education** - Participants will need to complete the required Homeownership Education Course through the Prince William County Office of the Virginia Cooperative Extension (VCE). Upon completion, participants will receive their homebuyer education certificate. Contact VCE at **(703)792-6287** for class dates and sign up. All persons signing the note and deed of trust must complete the course.

- E. SunTrust Mortgage Lending** – SunTrust Bank has a dedicated Home Help Representative located in Woodbridge, Virginia. All participants must coordinate their loan applications through this office. The HomeBuyer Education Certificate must be submitted with all other application documents. In addition, SunTrust Mortgage will verify eligibility of property based upon Program Guidelines.

Home Help Contact:

SunTrust Mortgage
Laura Triplett, (703) 492-5057
14560 Potomac Mills Road
Woodbridge, VA 22192

- VIII. Revocation of Award** – Where the applicant has either 1) failed to meet the conditions of the award within the allotted time, 2) falsely stated any material fact or 3) has attempted to practice deception or fraud on the application, the award may be revoked by the County through the Program Administrator and/or subject to disciplinary action.

Home Help Program Dates

- July 24-Sept 18: Second application enrollment period
- 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.

Home Help Program Contact List

General Program Questions

Allen Scarbrough – Program Administrator (703) 792-5821
ascarbrough@pwcgov.org

Bill Vaughan (703) 792-5512
bvaughan@pwcgov.org

If you have any questions you may also e-mail them to:

HomeHelp@pwcgov.org

Online Application Assistance

Debra Watson-Grady (Debbie Grady) (703) 792-7133
dgrady@pwcgov.org

Media Inquiries

Nikki Brown (703) 792-6992
nbrown@pwcgov.org

Virginia Cooperative Extension (VCE) Home Ownership Course Registration

Valerie Jones-Washington (703) 792-6287
VJones-Washington@pwcgov.org

Mortgage Financing – SunTrust Mortgage

Home Help Contact Line (703) 492-5057

Laura Triplett, Branch Manager
laura.triplett@suntrust.com

Jolayne Craig, Vice President

Mike Thome, Senior Loan Officer