



Fourth Amended and Restated Homebuyer Assistance Program Guidelines

Homebuyer Assistance Program (HAP) Qualifications:

- Must be a first-time homebuyer or not have owned a home within the last three years
- Must not have more than \$15,000 in liquid assets prior to closing (deferred assets such as pensions, 401Ks, etc. are not included)
- The buyer, co-borrower, and non-purchasing spouse must be a U.S. Citizen or permanent resident alien
- Income must be at or below the incomes listed in the chart below based on household size
- Buyer must be able to obtain a fixed-rate mortgage (The program does not accept ARM or seller financed mortgages)

Household Size	1	2	3	4	5	6	7	8
Max Annual Income*	\$40,050	\$45,800	\$51,500	\$57,200	\$61,800	\$66,400	\$70,950	\$75,550

* Income includes any payments from employment, child support, reoccurring gifts, etc.

Homebuyer Assistance Program Guidelines:

- **An eligible homebuyer at or below 70% AMI may receive \$25K in assistance**
- **An eligible homebuyer at or below 80% AMI but above 70% AMI may receive \$15K in assistance**
- Homes must pay taxes to the City of Houston
- Eligible property types include single family homes, duplexes, triplexes or quadraplexes, attached townhomes, condominiums, or cooperative units
- Applicants must obtain a Homebuyer Education Certificate through an approved [HUD counseling agency](#)
- Applicants must occupy the home as their principal residence for a minimum of five years
- The homebuyer assistance program will contribute no more than 50% of the lender’s required down payment
- Back-end ratio cannot exceed 45%
- Property must pass an environmental and inspection review

- The buyer, co-borrower, or non-purchasing spouse cannot be delinquent on any student loans, federal income taxes, as well as state and local taxing authorities, utility payments, or City services.

HAP Frequently Asked Questions

1. Can I qualify for more than \$25,000 of assistance?

No, the maximum amount of assistance under this program is \$25,000.

2. How is the back-end ratio calculated?

The back-end ratio is calculated by adding together all of a borrower's monthly debt payments and dividing the sum by the borrower's monthly income. For example, a borrower whose monthly income is \$5,000 (\$60,000 annually divided by 12) and who has total monthly debt payments of \$2,000 has a back-end ratio of 40% (\$2,000 / \$5,000).

3. What are the income limits for 70% AMI?

Household Size	1	2	3	4	5	6	7	8
70% AMI	\$34,350	\$41,250	\$46,400	\$51,500	\$55,650	\$59,800	\$63,900	\$68,000

4. May I use the full amount of assistance as a down payment?

No, the assistance may not pay for more than 50% of the lender's required down payment. The assistance is normally divided between down payment costs, closing costs, and principle buy down.

5. How do I determine if a home pays taxes to the City of Houston?

Visit the Harris County Appraisal District's (HCAD) website at www.hcad.org and enter the home's address. If HCAD shows the home is taxed by the City of Houston, the home will qualify for the program.

6. Do I need approval from the City before taking the homebuyer education course?

No. However, we do encourage you to review the program income and eligibility guidelines prior to applying to determine your eligibility.

7. May I take the homebuyer education course online?

A HUD approved homebuyer education course may be done online, as long as you complete

a one-on-one homebuyer advising/counseling session with a HUD approved counseling agency.

8. **What if I need to sell my home before I have lived in it for 5 years?**

The loan will be forgiven at a rate of 20% for each full year of residency in the home. For example, if you receive assistance in the amount of \$25,000, and complete three of the required five years, 60% or \$15,000 of subsidy will be forgiven, leaving a balance owed of \$10,000.

9. **How long does the process take?**

Typically, a preliminary approval can be received within 72 business hours, with a full file approval completed within two weeks.

10. **Am I required to work with an approved program lender?**

No, the program does not have an approved lender list. Applicants may choose any lender.