



## 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 and co-borrower 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
<b>Max Annual Income*</b>	\$41,950	\$47,950	\$53,950	\$59,900	\$64,700	\$69,500	\$74,300	\$79,100

\* 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
  
- Back-end ratio cannot exceed 45%
- Property must pass an environmental and inspection review

- The buyer nor co-borrower can 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
<b>70% AMI</b>	\$37,800	\$43,200	\$48,600	\$53,950	\$58,250	\$62,600	\$66,900	\$71,200

**4. Is the assistance only for down payment?**

The assistance can be used for down payment, closing costs, pre-pays 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](http://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.