

CCA Grant Program Guidelines



<p>What is Virginia Housing's CCA Grant program?</p>	<p>Virginia Housing's Closing Cost Assistance (CCA) Grant provides eligible first-time homebuyers (unless purchasing in a targeted area) with funds to help with the closing costs. It is a gift provided by Virginia Housing, not a loan. Requirements of this grant program are listed below.</p>				
<p>Grant Amount</p>	<table border="1" data-bbox="597 422 1395 541"> <thead> <tr> <th data-bbox="597 422 946 464">Maximum Grant Amount:</th> <th data-bbox="946 422 1395 464">First Mortgage:</th> </tr> </thead> <tbody> <tr> <td data-bbox="597 464 946 541" style="text-align: center;">2%</td> <td data-bbox="946 464 1395 541"> <ul style="list-style-type: none"> <li data-bbox="946 464 1395 506">Rural Housing Service (RHS) Bond <li data-bbox="946 506 1395 541">Veterans Affairs (VA) Bond </td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li data-bbox="475 558 1511 653">• Grant amount is based on the lesser of the sales price or appraised value and must be used towards closing costs, discount points, pre-paid items and upfront guarantee fee (RHS) or funding fee (VA). <li data-bbox="475 653 1385 684">• Reduction of grant amount may be required if grant exceeds closing costs. <li data-bbox="475 684 1390 716">• The grant funds may not be applied towards the borrower's down payment. <li data-bbox="475 716 1495 810">• If the sales price or appraised value is reduced after initial reservation, the lender must update the CCA Grant amount in Virginia Housing's LOS (Mortgage Cadence) and obtain a new Grant Award Letter at the updated amount. <li data-bbox="475 810 1373 842">• If the calculation yields cents, then must round down to the nearest dollar. <li data-bbox="475 842 1484 905">• The borrower may not receive cash back at closing beyond verified Earnest Money Deposit (EMD) and any fees paid outside of closing (POCs). 	Maximum Grant Amount:	First Mortgage:	2%	<ul style="list-style-type: none"> <li data-bbox="946 464 1395 506">Rural Housing Service (RHS) Bond <li data-bbox="946 506 1395 541">Veterans Affairs (VA) Bond
Maximum Grant Amount:	First Mortgage:				
2%	<ul style="list-style-type: none"> <li data-bbox="946 464 1395 506">Rural Housing Service (RHS) Bond <li data-bbox="946 506 1395 541">Veterans Affairs (VA) Bond 				
<p>Eligible First Mortgages</p>	<ul style="list-style-type: none"> <li data-bbox="475 932 837 963">• Virginia Housing RHS Bond <li data-bbox="475 963 813 995">• Virginia Housing VA Bond 				
<p>Ineligible First Mortgages</p>	<ul style="list-style-type: none"> <li data-bbox="475 1020 867 1052">• Virginia Housing Conventional <li data-bbox="475 1052 935 1083">• Virginia Housing Conventional Bond <li data-bbox="475 1083 764 1115">• Virginia Housing FHA <li data-bbox="475 1115 833 1146">• Virginia Housing FHA Bond <li data-bbox="475 1146 745 1178">• Virginia Housing VA <li data-bbox="475 1178 768 1209">• Virginia Housing RHS <li data-bbox="475 1209 675 1241">• Any refinance <li data-bbox="475 1241 870 1272">• Any Non-Virginia Housing loan 				
<p>SPARC Eligible</p>	<p>Yes, the CCA Grant can be used when SPARC is being used for the eligible first mortgage in accordance with SPARC guidelines.</p>				
<p>FirstHome Dream Eligible</p>	<p>Yes the CCA Grant can be used when FirstHome Dream is being used for the eligible first mortgage in accordance with FirstHome Dream guidelines.</p>				
<p>Plus Second Mortgage Eligible</p>	<p>No.</p>				
<p>DPA Grant Eligible</p>	<p>No.</p>				
<p>Minimum LTV</p>	<p>Follow first mortgage requirements for minimum LTV of the first mortgage.</p> <p><u>Note:</u> The CCA Grant must be used towards closing costs only, defined as: closing costs, discount points, pre-paid items and upfront guarantee fee (RHS) or funding fee (VA). It cannot be used with the Plus Second Mortgage or DPA Grant, but it may be used with other acceptable non-Virginia Housing down payment assistance in accordance with the first mortgage requirements.</p> <p>Exhibit LL is not required for the CCA Grant; however it is required for any subordinate lien except FHLB.</p>				



Loan Term	<ul style="list-style-type: none"> • Loan term is not applicable because the CCA Grant is not a loan but a gift. • No repayment is required. • No separate URLA (but the grant must be listed on the first mortgage URLA) as well as no Note or Deed of Trust for the grant funds. • CCA Grant must meet the requirements in these Program Guidelines as well as requirements of the first mortgage (see above for eligible first mortgage types).
First-time Homebuyer	Follow first mortgage requirements.
Income Limits	<p>Apply Virginia Housing Lower Income Limits. Virginia Housing's standard / bond, targeted area or expanded income limits do not apply.</p> <p>Must include income for all household members. See Origination Guide for more information on how to calculate household income, what income types must be included, and what may be excluded.</p>
Sales Price / Acquisition Cost Limits	Follow first mortgage requirements.
Eligible Purpose	Follow first mortgage requirements.
Programs Disclosure and Borrower Affidavit (Exhibit E)	Follow first mortgage requirements.
Seller Affidavit (Exhibit F)	Follow first mortgage requirements.
Originating Lender's Loan Submission Cover Letter (Exhibit O)	Follow first mortgage requirements.
Homebuyer Education	Follow first mortgage requirements.
Tax Transcripts	Follow first mortgage requirements.
Business Use of Home	Follow first mortgage requirements.
Maximum Net Worth	Follow first mortgage requirements.
Automated Underwriting System (AUS) / Manual Underwrites	<ul style="list-style-type: none"> • Follow first mortgage requirements, and • Grant must be entered in AUS as a grant. It cannot be entered as "Other" in Minimum Required Funds section or as a lien in "Subordinate Financing."
Minimum Credit Score	Follow first mortgage requirements.
Maximum DTI	Follow first mortgage requirements.
Foreclosures / Deed in Lieu / Short Sales	Follow first mortgage requirements.
Minimum Borrower Contribution	Follow first mortgage requirements.

<p>Other Down Payment Assistance</p>	<p>The CCA Grant may be used with other acceptable non-Virginia Housing down payment assistance in accordance with the first mortgage requirements. It cannot be used with the Plus Second Mortgage or DPA Grant.</p> <p><u>Note:</u> The CCA Grant must be used towards closing costs only, defined as: closing costs, discount points, pre-paid items and upfront guarantee fee (RHS) or funding fee (VA). It cannot be used towards down payment.</p> <p>Exhibit LL is not required for the CCA Grant; however it is required for any subordinate lien except FHLB.</p>
<p>Reserves / Acceptable Funds to Close</p>	<p>Follow first mortgage requirements.</p>
<p>Property</p>	<p>Follow first mortgage requirements.</p>
<p>Unfinished Area</p>	<p>Follow first mortgage requirements.</p>
<p>Post-Closing Repairs</p>	<p>Follow first mortgage requirements.</p>

CCA Grant Procedures



Reserving a CCA Grant	<p>Follow steps outlined in the Mortgage Cadence User Guide for reserving a CCA Grant.</p> <p>The CCA Grant funds follow the first mortgage rate lock along with any allowed extension, up to a maximum 60-day extension (extension fees apply only to the first mortgage).</p> <p>The CCA Grant expires on the same day as the first mortgage loan lock expiration.</p>
Origination	<p>Loan originated in accordance with first mortgage program guidelines, and CCA Grant program guidelines.</p> <p>A separate URLA and Loan Estimate are not required for the CCA Grant because it is not a loan / mortgage.</p>
Underwriting	<p>Loans underwritten in accordance with first mortgage and CCA Grant program guidelines.</p> <p>Underwriters must confirm CCA Grant funds are reserved in Mortgage Cadence.</p> <p>Ensure a copy of the signed CCA Grant Award Letter is included in the submission to Virginia Housing Underwriting for Non-Delegated loans.</p>
Special Documentation	<p>CCA Grant Award Letter.</p> <p>The document is generated upon CCA Grant reservation in Mortgage Cadence and is available in "Attachments."</p> <p>The Award Letter must be signed by the borrower(s) and included in the closing package submitted to Virginia Housing.</p>
Closing	<p>Loans closed in accordance with first mortgage guidelines and the Closing Disclosure must reflect "Virginia Housing CCA Grant."</p>
Documents	<p>Follow first mortgage requirements and ensure the CCA Grant is shown on all appropriate documentation (URLA, Transmittal, AUS, etc.).</p>
Funding	<p>Originating lender will fund the CCA Grant at closing and Virginia Housing will reimburse the lender upon purchase of the first mortgage.</p>
Delivery	<p>Follow first mortgage requirements and ensure a copy of the signed CCA Grant Awards Letter is included in the package submitted to Virginia Housing.</p>

Important: Refer to the [Origination Guide](#) for more information about Virginia Housing eligibility requirements.

The information contained herein (including but not limited to any description of Virginia Housing and its lending programs and products, eligibility criteria, interest rates, fees and all other loan terms) is subject to change without notice.

