

# HOMECHOICE MANUAL

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*Please see Section 13 (Downpayment Programs) of the Home Advantage manual for all other terms and conditions.*

## **PROGRAM ELIGIBILITY**

1. **IN ORDER TO ORIGINATE THIS DPA, LOAN OFFICERS MUST COMPLETE THE HOMECHOICE DPA TRAINING, IN ADDITION TO THE COMMISSION HOME LOAN PROGRAMS TRAINING. LINK TO TRAINING IS HERE: <http://wshfc.org/sf/infoDPA.html>**
2. HomeChoice loans are available to low-to-moderate-income people with disabilities and people who have family members with disabilities who live with them as defined by the Americans with Disabilities Act of 1990. **All disabled family members 18 years of age or older must be included as a Borrower on the Note and Deed of Trust.** If the person with the disability is a minor, there must be a “demonstrated family-type” relationship with the person(s) on the loan.
3. All HomeChoice Borrowers on the Note and Deed of must attend a one-on-one pre-purchase counseling session prior to closing. Please see the Commission’s Website for a full list of approved Service Providers.
4. The Commission has allocated HomeChoice second mortgage funds for downpayment, closing cost assistance and accessibility modifications.
5. The Borrower must document disability as shown under the “Documentation of Disability” section.
6. Buyer(s) must be first-time home buyers (must not have owned and occupied a primary residence in the last three years).

## **MORTGAGE DETAILS**

Interest Rate - 1.00% simple interest, payment deferred

Loan Term - 30 years

Maximum Loan Amount: \$15,000

Repayment – Due at the time of sale, transfer, refinance or 30 years.

## **MAXIMUM INCOME LIMIT & LOAN AMOUNT**

*(Updated 4/22/2024)*

To be eligible for HomeChoice, an applicant’s income must not exceed the following limits:

King/Snohomish	\$147,400
All Other Counties:	\$115,900

Lenders to determine need using the [Needs Assessment Form](#).

***This downpayment assistance program uses [Credit Underwriting Income for the HomeChoice 2<sup>nd</sup> mortgage](#). Please see page 13.3 of House Key manual.***

A copy of the underwriter's signed income worksheet or loan approval reflecting final income figures must be included in the Pre-Closing Compliance Review File.

### ***DISABILITY DEFINITION***

Eligible HomeChoice Borrowers include persons with a disability, as defined by the Americans with Disabilities Act of 1990. This includes people with physical or mental impairments that substantially limit their ability to perform basic functions that the average person can perform with little or no difficulty.

#### ***THE AMERICANS WITH DISABILITIES ACT: A BRIEF OVERVIEW***

**Disclaimer: This is a brief overview which cannot possibly set forth everything about the ADA and which, for purposes of brevity or as part of an effort to state legal concepts simply and in plain English, may describe the law in a manner which is not necessarily precise and/or accurate in every respect.**

The ADA's protection applies primarily, but not exclusively, to "disabled" individuals. An individual is "disabled" if he or she meets at least any one of the following tests:

1. He or she has a physical or mental impairment that substantially limits one or more of his/her major life activities;
2. He or she has a record of such an impairment
3. He or she is regarded as having such an impairment.

### ***DOCUMENTATION OF DISABILITY***

The Commission will require verification that the borrowers meets the definition of the Americans with Disabilities Act of 1990. Acceptable documentation includes:

1. A social security awards letter that indicates "disability"; or
2. A letter from the Borrower's doctor on letterhead indicating the Borrower meets the definition of ADA.

Please contact the Commission for other acceptable documentation.

VA disability documentation is not sufficient.

***LETTER FROM MEDICAL DOCTOR ON LETTERHEAD INDICATING THE  
BORROWER MEETS THE DEFINITION OF ADA***

The Washington State Housing Finance Commission sponsors a Homeownership Program entitled HomeChoice Downpayment Assistance Program (DPA). The HomeChoice DPA Program loans are available to low-to-moderate income people with disabilities and people who have family members with disabilities who live with them.

Eligible HomeChoice DPA borrowers include persons with a disability, as defined by the Americans with Disabilities Act of 1990. This includes people with physical or mental impairments that substantially limit their ability to perform basic functions that the average person can perform with little or no difficulty. There are generally three tests:

- 1. He or she has a physical or mental impairment that substantially limits one or more of his/her major life activities.**
- 2. He or she has a record of such an impairment**
- 3. He or she is regarded as having such impairment.**

Your letter should state that the person meets **one or more of the tests indicated above and that their disability complies with the ADA of 1990.** *We do not require that you disclose the exact nature of the disability as protected by privacy laws.*

Should you have any questions please contact Dietrich Schmitz at 206-287-4459 or toll free at 800 767-4663 (413) or email at [dietrich.schmitz@wshfc.org](mailto:dietrich.schmitz@wshfc.org).

***BORROWERS WITH GUARDIANS OR REPRESENTATIVE PAYEES***

Income will be counted for compliance purposes if Guardian or Representative Payee live in property. If the disabled Borrower is unable to sign the Note and Deed of Trust, the guardian must provide documentation to support this exception. The pre-closing compliance file must document full guardianship.

***MINOR ACCESSIBILITY MODIFICATIONS***

Minor Accessibility Modifications require at least one bid from a licensed contractor and should be approved by the Commission and Master Servicer prior to closing. The contractor's bid must be dated within 6 months of the closing date. The contractor can be paid from an Escrow hold back once the modifications are approved by the lender. The holdback should be for the exact amount of the bid. Additional funds for Minor Accessibility Modifications can not be increased after the loan has closed.

***SERVICE PROVIDER HOUSING COUNSELING FEE***

One-on-one pre-purchase counseling is required in addition to homebuyer education for all Borrowers on the Note and Deed of Trust. **There is a \$260.00 pre-purchase counseling fee requested to escrow by the lender and payable to the nonprofit agency for every HomeChoice second mortgage down payment assistance loan.** Service Provider must be a

Commission approved agency in order to participate. This fee must be disclosed on the HomeChoice second mortgage Loan Estimate and Closing Disclosure.

Please forward Service Provider Fee information to Escrow. Loan Closer to ensure the service provider is reimbursed for the one-on-one counseling and budget worksheet preparation at closing by escrow.

A list of approved HomeChoice housing counselors can be found on the HomeChoice 2<sup>nd</sup> Mortgage Program Web Page: <http://www.wshfc.org/buyers/homechoice.htm> (not the Housing and Service providers web page).

### ***HOMECHOICE BUDGET WORKSHEET***

The HomeChoice Budget Worksheet is initially completed by the Service Provider and Borrower(s) as part of their one-on-one counseling session and must accompany all HomeChoice loans. Borrower(s) must be able to demonstrate that their net effective income from all sources is sufficient to cover all living expenses, including the proposed monthly mortgage payment. Lenders must obtain a complete worksheet signed and dated by the Service Provider and must review it and adjust if necessary. The Lender must sign and date it as well and include it in the pre-closing compliance loan file.