



# WE MAKE HOMEOWNERSHIP HAPPEN

Steps and Programs for Owning Your Own Home



WASHINGTON STATE  
HOUSING FINANCE  
COMMISSION

*Opening doors to a better life*

# Q: HOW DO I BECOME A HOMEOWNER?



**A:** Getting started is easy! As a first-time homebuyer, you need to know the steps to homeownership.

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**1:** You must first attend a FREE Commission-sponsored Homebuyer Education seminar providing you with the steps to buying your first home. You will receive a certificate upon completion of the class, valid for two years. This will be a requirement of your loan process.

**2:** Contact a Commission-trained loan officer to see what you will qualify for. They can find the right loan type that will work with our programs. They also know the income and acquisition cost limits we require.

**3:** Once you know how much you qualify for, it is time to look for a home. Your lender and real estate professional will work with you to locate and finance a home of your own.

*Information for Homebuyer Education Seminars, Participating Lenders, and Commission-trained loan officers can be found on our web site at [www.wshfc.org](http://www.wshfc.org) or you may call us at 800-767-HOME(4663) and ask for the Homeownership Division. Please see the income and acquisition cost limits on the last page.*

## First Mortgage Loan Program

A program to help low- to moderate-income first-time homebuyers purchase their first home. Commission programs have income and acquisition cost limits qualified borrowers must meet.

### House Key State Bond



Our primary first mortgage program is for qualified first-time homebuyers.\* Borrowers must meet the program income and acquisition cost limits and must attend a free Commission-sponsored homebuyer education seminar. The following loan types can be used for this loan program: Federal Housing Administration (FHA), Conventional (Fannie Mae), Rural Housing Services (RHS) and Veteran's Administration (VA).

*\*A first-time homebuyer is defined as someone who has not owned and occupied a primary residence at any time in the past three years.*

### FREE Homebuyer Education Seminars



We require that all first-time homebuyers using our loan programs attend a free 5-hour seminar sponsored by the Commission. We train the lenders, real estate professionals, and nonprofit representatives to teach the seminars using our education curriculum and benchmark standards. The seminars are free of charge, open to the public, and are not a sales presentation. The seminars take you through the home buying process including the role of the lender and real estate professional. These instructors teach thousands of prospective homebuyers about buying and owning a home each year and give their time to their communities — all over the state.

A schedule of Commission-sponsored homebuyer education seminars can be found on our website at: [www.wshfc.org/buyers/schedule.asp](http://www.wshfc.org/buyers/schedule.asp)

## Second Mortgage Loan Programs

These programs provide assistance for the down payment and closing costs when purchasing your first home. These programs can only be used with the House Key State Bond first mortgage program.

### Maximum Second Mortgage Income Limits

Annual family income must not exceed the following limits:

#### COUNTY

Clark/Skamania	\$ 73,000
King/Snohomish	\$ 88,000
Kitsap	\$ 75,600
Thurston	\$ 75,000
All other counties	\$ 72,900

### House Key Plus



A loan program that provides down payment and closing cost assistance in the form of a second mortgage for qualified borrowers. This second mortgage provides up to \$10,000 statewide and is based on need.

### HomeChoice



A loan program that provides down payment and closing cost assistance for low- to moderate-income applicants who have a disability or a family member with a disability living with them and who qualify for a House Key State Bond first mortgage using HomeChoice guidelines. The maximum amount of funds available is \$15,000 and can be used for down payment, closing costs, or accessibility improvements. One-on-one counseling is required.

Information on other second mortgage loan programs are available on our website at: [www.wshfc.org/buyers/downpayment.htm](http://www.wshfc.org/buyers/downpayment.htm)

## House Key State Bond Program Features

- » A first mortgage program for Federal Housing Administration (FHA), Veteran's Administration (VA), Rural Housing Services (RHS), or Conventional loans. Please check our website or a participating lender for the current interest rate.
- » A 30-year fixed-rate mortgage.
- » Check with a trained loan officer with a participating lender for the specific loan types that meet the House Key State Bond guidelines.

### House Key State Bond Participating Lenders

These Participating Lenders have a proven track record of originating and closing House Key State Bond loans. Ask for a trained loan officer from any of the following:

- Academy Mortgage
- AlaskaUSA Mortgage
- Banner Bank
- Canyon Park Mortgage
- Cherry Creek Mortgage
- Cobalt Mortgage
- Community One Financial
- Cornerstone Mortgage
- DHI Mortgage
- Eagle Home Mortgage of Washington
- Evergreen Home Loans
- Guild Mortgage
- Landover Mortgage
- Mortgage Advisory Group
- Mountain West Bank
- Network Mortgage Services
- Northwest Mortgage Alliance
- Pinnacle Capital Mortgage
- Polygon Home Loans
- Prospect Mortgage
- Republic Mortgage
- Sterling Bank
- Summit Mortgage Corporation
- The Legacy Group
- Washington Trust
- Wells Fargo Bank, NA

“Homeownership is good for our communities; it is good for families, and it is good for personal finances. I cherish my role in helping people become homeowners.”

**KIM TOSKEY, PREMIER HOUSE KEY PARTNER, 2010**

# House Key Income and Acquisition Cost Limits

## Maximum Income Limits

Maximum annual family income limits (Effective 08/27/2010):

COUNTY	NON-TARGETED		TARGETED	
	1-2 PERSONS	3+ PERSONS	1-2 PERSONS	3+ PERSONS
Jefferson/Skagit/Whatcom	\$ 70,000	\$ 80,000	N/A	N/A
Clark/Island/Kitsap/Pierce/San Juan/Thurston	\$ 80,000	\$ 90,000	\$ 80,000	\$ 90,000
King/Snohomish	\$ 90,000	\$ 97,000	\$ 90,000	\$ 97,000
All other counties	\$ 65,000	\$ 75,000	\$ 80,000	\$ 85,000

## Acquisition Costs

The maximum acquisition cost for a single-family residence must not exceed the following amounts (Effective 08/27/2010):

COUNTY	NON-TARGETED	TARGETED
Clark/Island	\$ 330,000	\$ 360,000
Jefferson	\$ 370,000	\$ 395,000
King/San Juan	\$ 450,000	\$ 475,000
Pierce/Snohomish	\$ 370,000	\$ 395,000
Kitsap	\$ 300,000	\$ 335,000
Skagit	\$ 285,000	N/A
Whatcom	\$ 300,000	\$ 335,000
All other counties	\$ 235,000	\$ 285,000

## Targeted Area

Targeted areas are census tracts in Washington state that meet federal guidelines as economically distressed and therefore, given special consideration under the House Key program. Persons buying a home in a targeted area do not have to be first-time homebuyers.

Check with your participating lender or on our website, [www.wshfc.org/buyers/target.htm](http://www.wshfc.org/buyers/target.htm), to see if the property you have selected is located in a targeted area.

For more information about the Commission and its work, visit [www.wshfc.org](http://www.wshfc.org) or call 206-464-7139 or 1-800-767-HOME (4663) toll free in Washington State.

### **Recapture tax**

NOTE — The House Key State Bond loan program uses the proceeds of tax-exempt bonds. Recapture tax requires some mortgagors to repay the federal government a portion of their gain upon the sale of the home if they financed their home with a House Key State Bond loan. This provision is administered by the Internal Revenue Service (IRS). If any recapture tax is due, the mortgagor pays it to the IRS when they file their federal income taxes for the year in which the home is sold. After the House Key loan closes, the Commission provides a “Recapture Settlement Disclosure” form showing the maximum recapture tax which could be due, if any. In reality, most borrowers will not have to pay any recapture tax. For others, the amount will be minimal. In any case, the tax will never exceed one-half (50%) of the gain on the sale of the home, or 6.25% of the original mortgage, whichever is less.

For the recapture tax to occur at all, **all three** of these criteria must be met:

1. you must sell your home within nine years,
2. earn significantly more income than when you bought the home,
3. and gain from the sale.

For more information regarding this provision, please contact the IRS or a tax professional.

## Homeownership Division

(3/12)

### **HOUSE KEY**



The Commission’s Homeownership Division helps make the American Dream possible for first-time homebuyers of low and moderate incomes. Our programs address the unique purchasing needs of people in a variety of circumstances.