

**VERMONT HOUSING & CONSERVATION BOARD
SINGLE FAMILY ASSISTANCE PROGRAM
PROGRAM GUIDELINES**

Purpose of Fund

The purpose of the Single Family Assistance Program (SFAP) is to assist prospective buyers with transaction and other costs related to the initial or resale purchase of a VHCB restricted homeownership unit. The maximum loan amount is **\$4,000** per borrower. SFAP loan funds may be used for recording costs, legal fees, and financing fees but other proposed costs will be considered.

SFAP must be requested by an entity eligible for VHCB funds and serving as a sponsor of a VHCB assisted homeownership unit (“the sponsoring organization”) Sponsoring organizations shall demonstrate the following in order to establish a prospective buyers’ eligibility for an SFAP loan:

- The borrower’s household income is at or below county or statewide median household income;
- The SFAP funds requested will be **50% matched** by the borrower's own cash resources;
- Other resources or financing programs are not available to the borrower;
- The borrower would be unable to buy the home in question without SFAP assistance.

Procedure for Requests

Requests for SFAP loans are accepted on a rolling basis as long as funds are available. VHCB shall have the right to reject any application if, in the opinion of VHCB staff, the buyer can afford to purchase an adequate home without the assistance of this program.

To be considered for a SFAP loan award, the sponsoring organization must submit the following items, in a form and content acceptable to VHCB staff:

1. a letter outlining the circumstances of the purchase, the borrower’s inability to utilize other resources to complete the purchase and the amount of the request;
2. an affordability worksheet that demonstrates compliance with income and match requirements;
3. a copy of the Purchase & Sales Contract;
4. evidence of resale restrictions to secure perpetual affordability; and
5. other information as requested by VHCB.

A VHCB award letter committing funds shall be sent to the sponsoring organization to indicate approval of individual requests.

Disbursement of Funds to Borrower and Security

SFAP loans shall be disbursed to the sponsoring organization on behalf of the borrower at the time of closing on the home. Repayment shall be deferred until resale or cash out refinance of the property. The loan will be secured by a mortgage and evidenced by a promissory note executed by the applicant.

Recapture/Prepayment

The SFAP funds shall be repaid to VHCB at the time the house is sold or in some cases when it is refinanced. **If the homeowner refinances and is proposing to increase the amount of financing secured by the property by more than the closing costs of the refinance, VHCB requires repayment of outstanding VHCB Single Family Assistance Program loans.** At the time of resale, if the sponsoring organization has another eligible buyer in need of the funds VHCB will consider a request to recycle the funds to assist the buyer. Any such request shall be subject to the criteria and procedure set forth in these guidelines.

The SFAP loan may be prepaid without penalty at any time before sale of the unit but funds must be returned to VHCB.