

HOME PURCHASE ASSISTANCE PROGRAM (HPAP) LENDER CHECKLIST

Anticipated Closing Date: \_\_\_\_\_ Contract Expiration Date: \_\_\_\_\_

Check ALL that Apply: . DC Open Doors  DCOD DPAL  MCC  HPAP

DCHFA/MCC #: \_\_\_\_\_ Lender's Loan #: \_\_\_\_\_

Borrower: \_\_\_\_\_

Last Name First Name Credit Score

Co-Borrower: \_\_\_\_\_

Last Name First Name Credit Score

Property Address: \_\_\_\_\_, Washington, DC \_\_\_\_\_

Ward: \_\_\_\_\_ Census Tract: \_\_\_\_\_ Targeted Area: Yes \_\_\_ No \_\_\_

Names on Title: \_\_\_\_\_

Manner in which title will be held:  Sole Owner  Joint Tenancy  Tenants by the Entirety

Property Type:  Detached  Duplex  Townhome  Condo-Garden  Condo – High Rise

PUD  Coop

Property:  Existing  New Year Built \_\_\_\_\_

Loan Type: Conventional FHA VA Fixed Rate OR FHA ARM

IZ/Subsidy: \$ \_\_\_\_\_

HPAP Down Payment Assistance: \$ \_\_\_\_\_

HPAP Closing Cost Assistance: \$ \_\_\_\_\_

Other Subordinate Financing: \$ \_\_\_\_\_

MCC:  Yes  No

1<sup>st</sup> Trust: Loan Amt: \$ \_\_\_\_\_; Term: \_\_\_\_\_ years; Discount Points: \_\_\_\_\_; Rate: \_\_\_\_\_%

Purchase Price/Acquisition Cost: \$ \_\_\_\_\_; Appraised Value \$ \_\_\_\_\_

Reservation/NTP Date: \_\_\_\_\_; NTP Expiration Date: \_\_\_\_\_

Lender Name: \_\_\_\_\_; Loan Officer: \_\_\_\_\_

Person Submitting: \_\_\_\_\_; Email: \_\_\_\_\_

Phone #: \_\_\_\_\_, Ext. \_\_\_\_\_; Other Contact #: \_\_\_\_\_

Title Company: \_\_\_\_\_; Phone #: \_\_\_\_\_

Person to Contact: \_\_\_\_\_; Email: \_\_\_\_\_

**District of Columbia Home Purchase Assistance Program (HPAP)  
Lender Summary for the 2nd Trust Mortgage (Second Lien)**

*Effective Date: 10/01/2024*

*For Use by First Trust Mortgage Lenders submitting HPAP loans to DCHFA*

**Program Overview**

The Home Purchase Assistance Program (HPAP) provides financial assistance to eligible low-to-moderate-income District residents to purchase a home in Washington, DC. HPAP provides a 2nd Trust Mortgage in the form of a 0% interest, fully deferred payment or repayable loan that functions as a second lien.



This 2nd Trust Mortgage is used for down payment assistance, closing cost coverage, and functioning as gap financing when needed. HPAP has a minimum front-end DTI of 28% and a max LTV of 50%, meaning the HPAP loan cannot exceed the 1<sup>st</sup> trust loan amount.

**Loan Summary**

| Feature                     | HPAP Info   |
|-----------------------------|---|
| <b>Loan Type</b>            | 0% interest, fully deferred or repayable second mortgage  |
| <b>Maximum Loan Amount</b>  | Up to \$202,000 (with additional \$4,000 closing cost assistance)                                 |
| <b>Loan Term</b>            | Fully Deferred or Deferred for <b>5 years (Repayable)</b> ; repayment triggered by certain events |
| <b>Repayment Triggers</b>   | Sale, refinance (cash-out), ceases to be borrowers' primary residence, transfer of title, default |
| <b>Forgiveness</b>          | No forgiveness: the entire principal is repayable unless subordinated or satisfied through payoff |
| <b>Subordination Policy</b> | Subordination may be granted upon approval for rate/term refinances only                          |

|   |   |
|---|---|
| <b>Acceptable 1<sup>st</sup> Trust Loan Types</b> | ARM, Conventional, FHA, Portfolio, VA<br><i>*ARM Loans: Minimum 5-year first adjustment, 2% annual CAP, 5% lifetime MAX</i>                                 |
| <b>Max HOI Deductible</b>                         | \$2,500.00 to 4,250.00  |
| <b>Minimum Borrower Contribution</b>              | The greater of either \$500.00 or ½ of assets exceeding \$3,000.00 or the total amount of gift funds received by the borrower                               |
| <b>Gift Funds</b>                                 | All borrower received gift funds must be used in the transaction, IZ/ADU purchase transactions are capped at 6% of the sales price for allowable gift funds |
| <b>Debt Payoff</b>                                | Borrower funds used to pay off debt at closing/or for qualifying purposes, may not be considered as funds towards the required minimum contribution         |

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## Eligible Properties

- **Location:** Must be located within Washington, DC
- **Occupancy:** Owner-occupied only
- **Property Types:**
  - Single-family homes
  - Condominiums
  - Cooperatives (*underwritten by GWUL only*)
- **Property Condition:** Must meet DC housing code and HPAP inspection requirement

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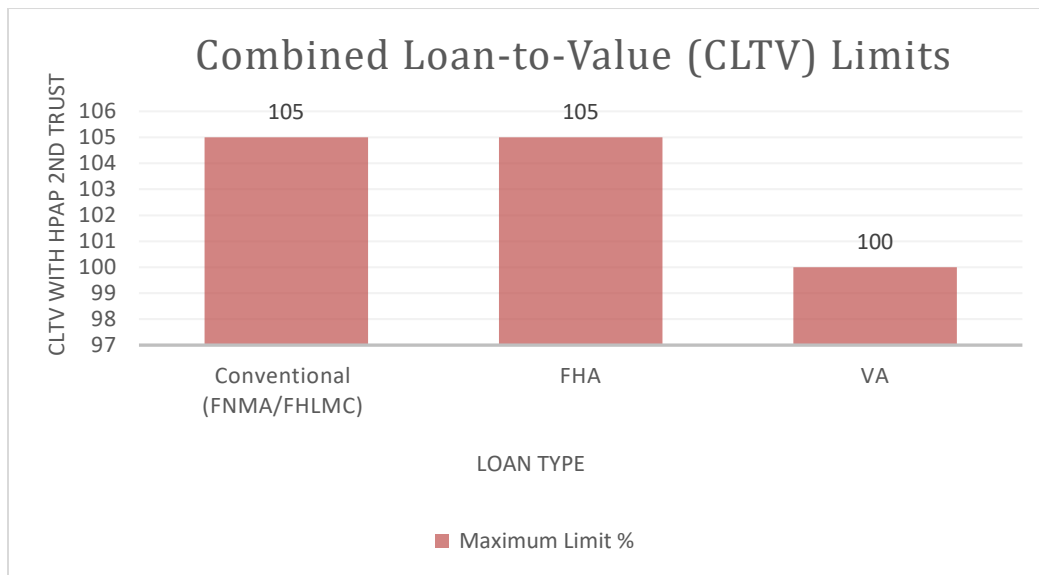
## Borrower Eligibility Summary

| <b>Criteria</b>             | <b>Requirement</b>   |
|-----------------------------|--|
| <b>Residency</b>            | Must be a current DC resident  |
| <b>Income Limits</b>        | Up to 110% MFI, adjusted by household size   |
| <b>First-Time Buyer</b>     | Must be a first-time homebuyer (no ownership in last 3 yrs)  |
| <b>Homebuyer Education</b>  | Completion of an 8-hour approved course required from a participating CBO  |
| <b>Credit Score</b>         | Minimum 630  |
| <b>Debt-to-Income (DTI)</b> | Max 45% (front-end + back-end, combined with 1st mortgage) <i>*exception request w/ an approved compensating factor required for DTI &gt;45%</i> |

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## Lender Responsibilities for 2nd Trust

- Underwrite the HPAP 2nd lien alongside the 1st mortgage, ensuring total DTI, CLTV, and borrower eligibility meet program guidelines
- Coordinate with DC Housing Finance Agency (DCHFA) for:
  - Reservation of HPAP funds
  - Final approval (Firm Commitment) and Closing Disclosure (CD) review
- Ensure Closing Disclosure (CD) encompasses the HPAP 2nd Trust loan
- Ensure recordation of the 2nd Trust Deed and Note by Title



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## Closing and Funding Notes

- HPAP 2nd Trust funds are wired directly from DCHFA to the settlement agent
- Settlement agents must disclose HPAP 2nd as a separate loan
- Record the HPAP Deed of Trust in second lien position
- Return final closing documents to DCHFA within 3-5 business days

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## Post-Closing

- HPAP loans are serviced by Amerinat, not DCHFA
- Any early payoffs, subordination, or servicing issues must be directed to Amerinat for HPAP Servicing ([payoffs@amerinat.com](mailto:payoffs@amerinat.com); Customer Service (800) 943-1988 M-F)

# **INSTRUCTIONS FOR TITLE COMPANY**

**(THIS PAGE MUST BE PROVIDED TO TITLE COMPANY)**

**THIS TRANSACTION INCLUDES A SUBORDINATE HPAP SECOND MORTGAGE**

**THE HPAP LOAN IS A SUBORDINATE SECOND LIEN THAT REQUIRES RECORDATION & TITLE INSURANCE (LENDER'S COVERAGE ONLY). IT IS NOT A GRANT**

**WE REQUIRE A SEPARATE ICL/CPL, AND THE SECOND MUST BE LISTED ON BOTH SCHEDULE A & B**

## **THE MORTGAGEE CLAUSE FOR TITLE AND INSURANCE IS:**

DC Dept of Housing & Community Development c/o DCHFA  
ISAOA, ATIMA  
815 Florida Avenue, NW  
Washington DC 20001

**HPAP DOES NOT CHARGE FEES, HOWEVER THE LOAN MUST BE RECORDED AND TITLE INSURANCE (LENDER'S COVERAGE) IS REQUIRED**

**THE TOTAL HPAP AMOUNT INCLUDES UP TO \$4,000  
THAT MAY BE USED TOWARDS CLOSING COSTS ONLY**

**THE FINAL HPAP LOAN AMOUNT MAY BE REDUCED DEPENDING ON FINAL CLOSING COSTS/TOTAL CREDITS AND THE BORROWER'S MINIMUM REQUIRED CONTRIBUTION**

**TITLE COMPANY SHOULD REVIEW BUYER'S DOCUMENTATION TO DETERMINE ELIGIBILITY FOR THE DC TAX ABATEMENT CREDIT PRIOR TO SETTLEMENT**



## DOCUMENT CHECKLIST

Borrower Name: \_\_\_\_\_

File Contact Email: \_\_\_\_\_

Lender & Contact \_\_\_\_\_

File Contact Phone No: \_\_\_\_\_

**DCHFA RESERVES THE RIGHT TO REQUEST ADDITIONAL DOCUMENTATION TO EVALUATE THIS LOAN PACKAGE**

| HPAP Documents                      |  |
|-------------------------------------|--|
|                                     | HPAP NTP (Signed by Borrower)                              |
|                                     | HPAP/EAHP Home Sales Contract Addendum                     |
|                                     | HPAP Inspection Form Pages: 1-3 and/or Re-Inspection Form  |
| Title Documents                     |  |
|                                     | Title Wiring Instruction                                   |
|                                     | Closing Protection Letter (CPL) for HPAP loan              |
|                                     | Title Commitment signed by Authorized Title Agent for HPAP |
|                                     |  |
|                                     |  |
|                                     |  |
|                                     |  |
|                                     |  |
| Conventional                        |  |
|                                     | 1008 Transmittal Summary                                   |
|                                     | LPA Feedback Results "Accept" Including Document Checklist |
|                                     |  |
| FHA                                 |  |
|                                     | FHA Loan Underwriting & Transmittal Summary                |
|                                     | 92900.A HUD/VA Addendum to URLA. Pgs 1-4;-executed         |
|                                     | FHA Amendatory Clause                                      |
|                                     |  |
|                                     |  |
|                                     |  |
|                                     |  |
| VA                                  |  |
|                                     | Loan Analysis  |
|                                     | HUD/VA Addendum to URLA Pages 1-2 executed by borrower     |
|                                     | LNV-Lender Notification of Value                           |
|                                     | VA Amendatory Clause                                       |
|                                     |  |
|                                     |  |
| If Applicable Documents             |  |
|                                     | Lead Disclosure(s) *DC and Federal (built before 1978)     |
|                                     | Final Inspection reflecting all repairs are complete       |
| 203K Streamline (\$75k max repairs) |  |
|                                     | Borrower's Acknowledgment; Form 92700-A                    |
|                                     | Borrower's Certification- Identity of Interest             |
|                                     | Copy of SOW and Cost Estimate                              |
|                                     | Homeowner/Contractor Agreement                             |
|                                     | Rehabilitaion Loan Agreement                               |
|                                     |  |

| Approval Documents |   |
|--------------------|---|
|                    | AUS Feedback Results (DU/LPA)   |
|                    | Additional Documentation refer/no score                                       |
|                    | Additional Documentation per feedback results                                 |
|                    | Lenders Commitment/ Underwriter Approval                                      |
| Application        |   |
|                    | 1003/URLA-initial (3 Years residency for HPAP)                                |
|                    | 1003/URLA-Final   |
| Credit Report      |   |
|                    | Credit Report   |
|                    | Credit Supplements  |
|                    | Credit Explanation/Inquiry Explanation  |
|                    | Documentation for any Co-signed/Authorized user                               |
| Income             |   |
|                    | Underwriter Income Worksheet  |
|                    | Self-Employment Documentation; P&L, 3 yrs taxes                               |
|                    | Paystub within 30 days of submission to DCHFA                                 |
|                    | 10-day (business) Verbal VOE prior to Note date                               |
|                    | VOE prior employment for 2 yrs/2 years W2s                                    |
|                    | IRS Non-filing for non-purchasing spouse or HH members                        |
|                    | Written VOE; if needed  |
|                    | Child Support/Alimony, SSI/Disability or other assistance                     |
| Assets             |   |
|                    | Copy of Earnest Money Deposit   |
|                    | Gift Letter or source funds to close  |
|                    | Gift Transfer/Donor's Ability to Give   |
|                    | Verification of Deposit; 2 months bank statements                             |
| Property           |   |
|                    | Termite Report (SF, TH, and Condo units below 4th floor- Signed by Inspector) |
|                    | Sales Contract, all addendums and extension if needed                         |
|                    | Appraisal Report-must state Purpose/Intent of Use                             |
|                    | Passing Inspection report   |
|                    | HO3/HO6 insurance reflecting DCHFA mortgagee clause                           |
|                    | Flood Certification-reflecting ISAOA  |
|                    | Master HO Policy (Condo and PUD)  |
|                    |   |
| Compliance         |   |
|                    | 8-Hour Homebuyer Education Certificate  |
|                    | Loan Safe/ DRIVE / Mortgage Connect QC Report                                 |
|                    | Borrower Signature Authorization  |
| Other              |   |
|                    | Specific Power of Attorney (original recorded)                                |

## EXCEPTION REQUEST FOR BACK RATIO > 45

Loan Type  Conventional  FHA  Portfolio

Loan Product  FIX30  ARM

DTI \_\_\_\_ / \_\_\_\_

Qualifying Credit Score \_\_\_\_\_

Current Monthly Housing Payment \$ \_\_\_\_\_

Proposed Monthly Housing Payment \$ \_\_\_\_\_

Compensating Factors:

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### **COMPENSATING FACTORS EXAMPLES:**

- Reduction in Housing Payment (Proposed Payment is lower than Current Documented Payment) - must be documented with satisfactory 12-month VOR
- Documented Overtime/Bonus received in current year and likely to continue but not used for qualifying
- Documented savings history with fully available 3 months reserves after settlement
- Documented Household Member/Spouse income that is not included for qualifying