



ATTN: 2010 Achievement Awards Program
 Virginia Association of Counties
 1207 East Main Street, Suite 300
 Richmond, Va. 23219-3627

address service requested

Call for Entries



Application Form

All applications must include the following information. Separate applications must be submitted for each eligible program. Deadline: June 1, 2010.

Program Information

Locality County of Louisa

Program Title Louisa County Homebuyer Assistance Program

Program Category Community Development

Population Category 30,001 to 50,000

Contact Information

Name Amanda Reidelbach

Title Public Information Officer

Department County Administration

Complete Mailing Address Post Office Box 160
1 Woolfolk Avenue, Louisa, Virginia 23093

Telephone # 540-967-3400 Fax # 540-967-3411

E-mail areidelbach@louisa.org

Signature of county administrator or chief administrative officer

Name Dale G. Mullen

Title County Administrator

Signature* Dale G. Mullen

*Entries without this signature will not be accepted.

Louisa County Homebuyer Assistance Program

In 2005, the Louisa County Board of Supervisors formed an Affordable Housing Committee for the purpose of improving affordable housing opportunities in Louisa County. The staffing of the committee was a joint effort of Louisa County Community Development and the Fluvanna/Louisa Housing Foundation. One of the first recommendations of the Affordable Housing Committee was to find a way to help young families afford to buy a home in Louisa County. This led to the establishment of the Louisa County Homebuyer Assistance Program.

The purpose of the Homebuyer Assistance Program is to help families under 100% area median income with financial assistance in the form of deferred loans that can be used toward a down payment on a new home. Some of the qualification requirements are that families must live or work in Louisa for six months prior to application and complete a home buying counseling class. Funding for the program was made possible by the Board of Supervisors, which set aside $\frac{1}{4}$ of 1% of the real estate tax revenue. The Board of Supervisors has continued to fund this program each year.

Each family receiving assistance would not have been able to purchase their home without this assistance. It has allowed county employees and young families to live and work in Louisa County in an affordable home.

What is the Louisa County Homebuyer Assistance Program?

The program, designed by the Fluvanna/Louisa Housing Foundation, the Piedmont Housing Alliance, the Louisa Affordable Housing Committee and the Louisa County Community Development Department, is designed to provide down payment assistance for first time homebuyers earning less than 100% of the area median income.

The Louisa County Homebuyer Assistance Program was implemented in July 2006 and for the past few years, has been very successful in assisting people in securing their own homes.

Eligible Families

Eligible families will be first-time homebuyers with gross household incomes not exceeding 100% of the area median income(AMI) adjusted by family size, as defined by the US Department of Housing and Urban Development and who reside and/or work in Louisa County. For 2009, AMI is \$60,000 for a household of four. Residency and/or employment must be established for at least six months prior to application of assistance. All applicants must complete homeowner counseling from Piedmont Housing Alliance or the Fluvanna/Louisa Housing Foundation.

Conditions of Eligibility

Down payment and closing cost assistance are for Louisa County properties only. The family must occupy the property as their primary residence. Funds may be used only with fixed-rate, fixed-term mortgage products. Adjustable rate and interest only loans are not eligible.

Funds may only help to finance Louisa County properties with sales price and appraised value not exceeding the limit set by Virginia Housing Development Authority first-time homebuyer programs; as of April 2009, that limit is set at \$288,500.

All homebuyers must contribute at least one percent of purchase price. Items paid at time of application, credit report and appraisal fees, and earnest money deposited may count toward the minimum contribution provided the borrower does not receive reimbursement for these items at closing. A home inspection is required by an ASHI certified home inspector.

Minimum Housing Debt Ratio and Available Funds

Eligible families may receive up to 20% of the purchase price or appraised value, whichever is less, up to a maximum of \$20,000. A household minimum housing debt ratio shall be 21% for families earning less than 60% of area median income and 24% for those families earning from 60% to 100% AMI. Funds will be in the form of a differed loan with principal and interest due and payable upon sale of property or refinancing of debt.

Counseling Services

In homeowner counseling, families will:

1. Learn about credit reports;
2. Develop a spending plan that will lead to homeownership;
3. Improve their credit by following their spending plan;
4. Learn about home buying process;
5. Be assisted in negotiating payoff of old debts;
6. Be assisted in getting the best mortgage possible for their situation.

Although there may be other homebuyer assistance programs in the Commonwealth, Louisa County's program is an innovation by adapting such a program to work in a rural

community with limited financial resources. Through a commitment of improving affordable housing opportunities in Louisa County, as well as support from the general public, the Board of Supervisors committed establishing the program by appropriating one quarter of one percent of real estate taxes collected to build the initial pool of funds.

During the national deceleration of economic activity, the Board of Supervisors has to make the difficult decision to reduce the funding to the Homebuyer Assistance trust fund but continued to provide some financial support.

The program was a partnership and collaboration between the County of Louisa, the Fluvanna/Louisa Housing Foundation, and the Piedmont Housing Alliance. The County provides the funding and staffing resources, while the Fluvanna/Louisa Housing Foundation and Piedmont Housing Alliance provide the affordable housing expertise and management.

Rural localities interested in establishing a homebuyer's assistance program would benefit by modeling a program similar to that used in Louisa County.

What is the problem, challenge, or situation faced by the locality?

The challenge faced by Louisa is similar to that faced by many localities, the high cost of housing; and, how to assist low and moderate income home buyers to be able to live and work in their community. Housing plays a key role in a healthy community.

How the program was carried out, including financing and staffing, and the program's results?

The funding for the program comes directly from Louisa County real estate taxes. The down payments are either 0% or 3% loans that are deferred until the property is transferred. It is hoped that one day the fund will have enough resources to be self sustaining.

The program is a collaboration between the Fluvanna/Louisa Housing Foundation, the Piedmont Housing Alliance and Louisa County. Community Development facilitates the Louisa County Affordable Housing committee which oversees the program for the Board of Supervisors.

How is this initiative cost effective for the County?

Since July 2006, Louisa County has invested \$413,000 and assisted 28 families purchase homes with a total assessed value of \$4,408,000. None of these families could have purchased their home without this assistance from the Louisa County Homebuyer Assistance Program.

What results have come from the implementation of the Louisa County Homebuyers Assistance Program?

Twenty- eight low and moderate income families have been able to purchase a home in Louisa County. All these families either lived or worked in Louisa at least six months prior to purchasing their home. This program has allowed young families to stay in their community where they have family support and connections.

Total LCHAP Usage from FY06/07 – 2/23/10

<i>Fiscal Year</i>	<i>No. Clients</i>	<i>\$ Amount Used</i>	<i>Average Used Per Client</i>	<i>Total Assessed Value</i>
06/07	0			
07/08	5	\$86,145.00	\$17,229.00	\$743,000
08/09	8	\$124,649.00	\$15,581.13	\$1,048,300
09/10	15	\$212,314.00	\$14,154.00	\$2,616,786
Total # Clients	28			
Total \$'s Used		\$413,108.00		
Total Assessment Value of Homes Assisted with LCHAP Funds				\$4,408,086

FY09/10 - 7 clients have closed using a total of \$86,314 & 8 are in contract, scheduled to close in the next few months. Uncommitted balance in fund is \$95,500

In FY07/08 there were 5 closings using a total of \$86,145 in LCHAP funds, an average of \$17,229 per client. That number increased in FY08/09 to 8 clients using \$124,649 in LCHAP, an average of \$15,581 per client. It appears there will be a much larger increase this fiscal year. We have currently closed 7 client loans using \$86,314 in LCHAP funds and have 8 clients in contract, scheduled to close reserving a total of \$126,000. That would be a total of 15 clients using \$212,314 in LCHAP assistance, an average of \$14,154 per client for FY09/10.

The total number of clients to use LCHAP from FY06/07 through February 23, 2010 is 28, using a total \$ amount of \$413,108. The total assessed value for the 28 homes purchased in Louisa is \$4,408,086.

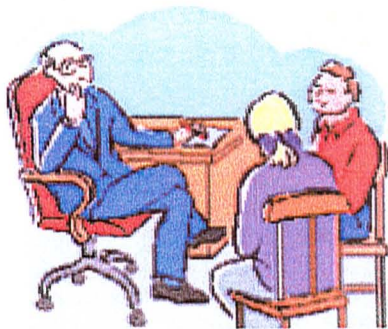
LOUISA COUNTY HOMEBUYER ASSISTANCE PROGRAM (LCHAP)
Following VHDA's First Time Homebuyer Program Guidelines
General Requirements

Source of Funds	County of Louisa
Eligible Use of Funds	Down-payment and Closing Cost Assistance Louisa County Properties only. Purchaser must occupy the property as their primary residence. Funds may be used only with fixed-rate, fixed-term mortgage products. Adjustable rate and interest-only loans are not eligible. Step-rate loans may be approved as an exception. APR, fees and points will be closely monitored to be within reasonable limits. A home inspection must be done prior to close with a copy going to Piedmont Housing Alliance.
Eligible Recipients	First-time homebuyers with gross household incomes not exceeding 100% of the area median income adjusted by family size as defined by HUD (AMI) that reside and/or work in Louisa. Residency and/or employment must be established for at least six months prior to application for assistance. All applicants must have completed Homeowner Counseling from Piedmont Housing Alliance (PHA) or the Fluvanna/Louisa Housing Foundation (F/L HF)
Eligible Properties	Louisa County properties only with sales price and appraised value not exceeding limits set by VHDA's 1 st time homebuyer programs.
Loan Terms	Loans to those below 60% AMI will be at 0% interest. Loans for those between 60-100% AMI shall carry a 3% simple interest rate with principal and interest due and payable upon sale of property or refinancing of debt. Prepayments are allowed.
Loan Security	Generally 2 nd deed of trust; may approve 3 rd deed of trust based on funding sources.
Loan-to-Value and CLTV Limits	Total loan-to-value for all secured debt should not exceed 105% unless otherwise acceptable to the primary lender.
Maximum Assistance NOTE: also see minimum housing debt ratios below	Borrowers may receive up to 20% of the purchase price or appraised value, whichever is less up to a maximum of \$10,000.
Minimum Housing Debt Ratios	Deferred payment loans will be structured to ensure that subsidies are appropriate for homebuyer's needs. For households with a gross household income not exceeding 60% AMI, the minimum housing debt ratio shall be 24%. For households with gross household income above 60% the minimum housing debt ratio shall be 28%.
Homebuyer Contribution	All homebuyers must contribute at least 1% of purchase price. Items paid at time of application (credit report, appraisal fees, home inspection) and earnest money deposits may count toward the minimum contribution provided that the borrower does not receive reimbursement for these items at closing. No exceptions.
Security Documents and Subordination	PHA will hold the note(s) and deed(s) of trust requiring that the property be used as the primary residence of the borrower. PHA shall not subordinate the debt to any additional financing after purchase but may subordinate for the refinance of the balance, at any time, of the first mortgage only for the purpose of allowing the borrower to take advantage of lower interest rates. Any subordinations require approval as an exception.
Ineligible Loan Programs	Adjustable rate & interest-only loans are not eligible. Step-rate loans may be approved as an exception
Maximum Debt Ratios	32-35 front ratio, 40-45 back ratio. If using a VHDA's First Time Homebuyer Program ratios will be determined by the primary lender to be within acceptable limits.

Counseling Services

In homeowner counseling, families will:

- Learn about credit reports;
- Develop a spending plan that will lead to homeownership;
- Improve their credit by following their spending plan;
- Learn about home buying process;
- Be assisted in negotiating payoff of old debts;
- Be assisted in getting the best mortgage possible for their situation.



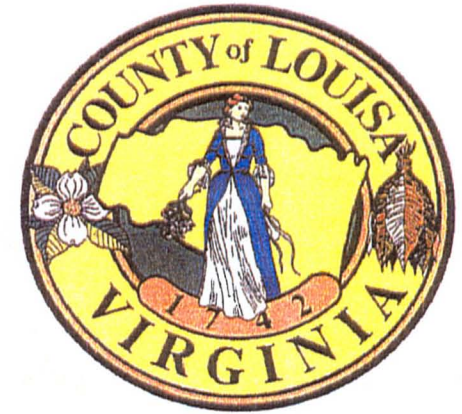
For more information contact:

Fluvanna/Louisa Housing
Foundation
1 Woolfolk Ave.
P.O. Box 160
Louisa, VA 23093

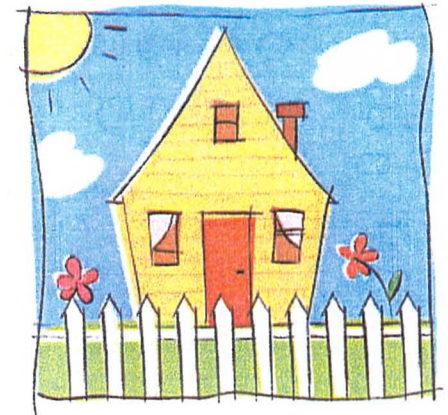
Estelle Rainsford
Phone: (540) 967-3438

Piedmont Housing Alliance
Phone: (434) 817-2436

COUNTY OF LOUISA,
VIRGINIA



Homebuyer
Assistance Program



General Requirements

Eligible Families

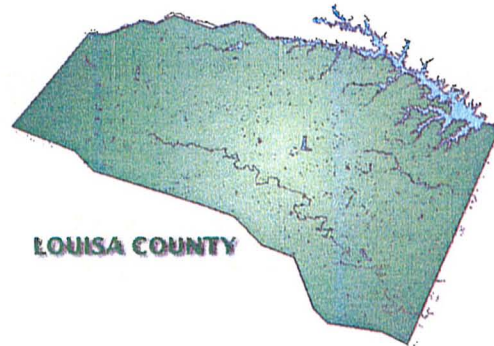
Eligible families will be first-time homebuyers with gross household incomes not exceeding 100% of the area median income adjusted by family size, as defined by HUD (AMI) and who reside and/or work in Louisa County. (For 2009, AMI is \$60,900 for a household of four.) Residency and/or employment must be established for at least six months prior to application for assistance. All applicants must complete Homeowner Counseling from Piedmont Housing Alliance (PHA) or the Fluvanna/Louisa Housing Foundation.



Conditions of Eligibility

Down payment and closing cost assistance are for Louisa County properties only. The family must occupy the property as their primary residence. Funds may be used only with fixed-rate, fixed-term mortgage products. Adjustable rate and interest-only loans are not eligible.

Funds may only help to finance Louisa County properties with sales price and appraised value not exceeding the limit set by VHDA's first-time homebuyer programs; as of April 2009, that limit is set at \$288,500.



All homebuyers must contribute at least one percent (1%) of purchase price. Items paid at time of application

(credit report and appraisal fees) and earnest money deposits may count toward the minimum contribution provided that the borrower does not receive reimbursement for these items at closing. No exceptions.

A home inspection by an ASHI certified home inspector.

Minimum Housing Debt Ratio and Available Funds

Eligible families may receive up to 20% of the purchase price or appraised value, whichever is less, up to a maximum of \$20,000. A household minimum housing debt ratio shall be 21% for families earning less than 60% of area median income (AMI) and 24% for those families earning from 60% to 100% AMI.

Funds will be in the form of a deferred loan with principal and interest due and payable upon sale of property or refinancing of debt.