



VHFA Programs, Benefits & Eligibility

This job aid is intended as a summary of the [VHFA Program and Procedural Guide](#). All VHFA programs are paired with an eligible underlying mortgage (Fannie HFA Preferred, Freddie HFA Advantage, FHA, RD, VA) and sold servicing-released to U.S. Bank. Lenders are responsible for underwriting and determining compliance with the most restrictive requirements for VHFA, U.S. Bank and the eligible underlying mortgage. Follow the requirements set forth in the [VHFA Program and Procedural Guide](#), [U.S. Bank HFA Lending Guide](#) and the underlying mortgage seller guide as applicable.

	MOVE	MOVE MCC	ADVANTAGE
VHFA's Lowest Rate (see rates at loc.vhfa.org)	✓	--	--
VHFA ASSIST & FIRST GENERATION eligible	✓	✓	✓
VT Property Transfer Tax Savings up to \$825	✓	✓	✓
Mortgage Credit Certificate (MCC)	--	✓	--

VHFA Assist Down Payment & Closing Cost Assistance

Below 80% Area Median Income (AMI)

Up to \$15,000

Income Limits at loc.vhfa.org

Above 80% Area Median Income (AMI)

Up to \$10,000

Income Limits at loc.vhfa.org

- 0% deferred loan for eligible down payment and/or closing costs. See eligible costs at [VHFA Program and Procedural Guide](#).
- No monthly payment: repaid when borrower sells, refinances, or pays off first mortgage.
- Only available with VHFA program (MOVE, MOVE MCC, ADVANTAGE).
- Not available when using VHFA with a Veterans Administration (VA) Loan.

VHFA First Generation Homebuyer Program Grant

Follow the VHFA First-Generation Homebuyer Program Supplement Guide at <https://www.vhfa.org/lenders>

**\$15,000
True Grant**

- True grant dispersed by lender at closing and immediately forgiven.
- Pilot program available through selected pilot lenders.
- Funds available until depleted.
- May be used with ASSIST.
- Only available with a VHFA program (MOVE, MOVE MCC, ADVANTAGE).

Mortgage Credit Certificate (MCC)

Annual federal tax credit for up to 50% of mortgage interest paid each year capped at \$2,000 per year for as long as borrower lives in the home and holds the original first mortgage. MCC attached to mortgage using VHFA MOVE MCC or as 'Stand-alone' MCC paired with any loan the lender offers. Not assumable or transferrable. VHFA issues the MCC certificate to borrowers after closing, non-borrowing spouses not eligible. Borrowers keep the MCC certificate with their tax records and provide the MCC certificate to their tax preparer each year to claim the credit. Once the mortgage originated with the MCC is REFINANCED or paid off, then the MCC will terminate and not be reissued. May be subject to recapture upon sale or refinance. See [VHFA Program and Procedural Guide](#).

Eligible 30-Year Underlying Mortgages

INVESTOR	PRODUCT & AUS	MI	CLTV
Fannie Mae	HFA Preferred/MH Advantage (DU)	Coverage determined by AUS	105%
Freddie Mac	HFA Advantage (LPA)		
FHA	DU or LPA	Standard Fees Apply	
RD	GUS		
VA	DU or LPA		

Borrower Eligibility	
Income	<p>VHFA (Federal Act) income is calculated differently than qualifying income.</p> <p>VHFA (FEDERAL ACT) INCOME: Lenders must account for and disclose all sources of income for all borrowers and non-borrowing spouses. The combined gross annual income for all borrowers and non-borrowing spouses must NOT exceed the limits in effect at time of loan reservation for the selected VHFA program (MOVE, MOVE MCC, ADVANTAGE). See current VHFA limits at loc.vhfa.org. To calculate, use the VHFA Federal Act Income & Acquisition Cost Worksheet (VHFA Form #S-601) available at loc.vhfa.org.</p> <p>QUALIFYING INCOME: Income that meets the requirements of the underlying loan (Fannie Mae HFA Preferred, Freddie Mac HFA Advantage, FHA, RD, VA). <u>Conventional MI Coverage is determined by the qualifying income, underlying loan requirements, and AUS determination.</u></p>
CREDIT & DTI	<p>VHFA with Fannie Mae/Freddie Mac: U.S. Bank VHFA Conventional Product Guide.</p> <p>VHFA with FHA, RD, VA: U.S. Bank VHFA Government Product Guide.</p>
Asset Limit	<p>ASSIST & FIRST GENERATION PROGRAM ONLY: Borrower and non-borrowing spouse combined assets must be less than \$30,000 through loan closing. Lenders must disclose to VHFA all borrowers and non-borrowing spouse’s combined liquid/easily-accessible assets. Follow VHFA Program and Procedural Guide.</p>
First-Time & Homebuyer Eligibility	<p>ASSIST & FIRST GENERATION PROGRAM: All borrowers and non-borrowing spouses must have <u>never</u> held an ownership interest in, or received a spousal benefit from, a principal residence.</p> <p>MOVE, MOVE MCC & Standalone MCC (without ASSIST or FIRST-GENERATION PROGRAM): If purchasing in the following counties: <i>Addison, Bennington, Chittenden, Grand Isle and Windsor</i>, all borrowers and non-borrowing spouses must not have held an ownership interest, or received a spousal benefit from, in a principal residence at any time during the 36 months preceding the loan application date.</p> <p>ADVANTAGE: No Requirement unless using ASSIST and/or FIRST GENERATION programs</p> <p>For definition of <i>Ownership Interest, Spousal Benefit</i>, and exceptions see VHFA Program and Procedural Guide.</p>
First Generation Homebuyer Eligibility	<p>FIRST GENERATION PROGRAM ONLY: All borrowers and non-borrowing spouses must have <u>never</u> held an ownership interest in, or received a spousal benefit from, a principal residence AND EITHER: (1) one borrower’s parents or legal guardians do not have a present interest in a principal residence <u>anywhere</u>, and no other household members have had an ownership interest in a principal residence in the previous three years, OR (2) At least one borrower has at any time been placed in foster care.</p>
Other Real Estate Owned	<p>All VHFA PROGRAMS: Borrowers and non-borrowing spouses may NOT have an ownership interest in any other real estate at closing. See exceptions at: VHFA Program and Procedural Guide.</p>
Homebuyer & Landlord Education	<p>All VHFA PROGRAMS: One borrower must complete education through an approved provider within 18 months of closing and provide a completion certificate to VHFA prior to closing. See approved providers and sign-up at www.vhfa.org. Borrowers combining VHFA with Community Land Trust (CLT) Shared-Equity Program, EquityBuilder, or other acceptable programs must complete education pursuant to requirements provided by those programs.</p> <p>DUPLEX or SINGLE-FAMILY w/ADU: In addition to homebuyer education, one borrower must complete landlord education within 18 months of closing and provide a completion certificate to VHFA prior to closing.</p>

Property Eligibility	
Purchase (Acquisition) Limits	Total acquisition cost must NOT exceed the limits in effect at time of loan reservation for the selected VHFA program (MOVE, MOVE MCC, ADVANTAGE). To calculate acquisition cost, go to the VHFA Federal Act Income & Acquisition Cost Worksheet (VHFA Form #S-601) available at loc.vhfa.org .
Eligible Property Type	<p>FANNIE MAE: Single-Family, Condominium, Manufactured, 2-Unit (Duplex or Single-Family w/ADU), CLT, Resale Restricted</p> <p>FREDDIE MAC: Single-Family, Condominium, 2-Unit (Duplex or Single-Family w/ADU)</p> <p>RD: Single-Family, Condominium, <u>New</u> Manufactured</p> <p>FHA,VA: Single-Family, Condominium, 2-Unit (Duplex or Single-Family w/ADU), Manufactured</p>
Duplex & ADUs	<p>Follow 2-unit requirements for a Duplex or Single-Family with Accessory Dwelling Unit (ADU) per the applicable underlying loan (Fannie Mae HFA Preferred, Freddie Mac HFA Advantage, FHA, RD, VA), VHFA Program and Procedural Guide, and U.S. Bank HFA Lending Guide.</p> <p>MOVE, MOVE MCC, MCC: All properties with 2-units must be existing and both units must be occupied as a residence at least five years prior to closing.</p> <p>ADVANTAGE: May be new or pre-existing.</p>
Acreage & Use	<ul style="list-style-type: none"> Maximum property size is 15 acres. Separately deeded lots are not eligible for financing. Must occupy as primary residence within 60 days of closing and for life of the loan. No more than 15% of the total area of the property may be used for commercial use. No more than 15% of property costs may be deducted for federal income tax purposes.
Condominium Approval	The project and unit must meet the requirements for U.S. Bank and the underlying mortgage. Follow the requirements and procedures for condominium review and approval listed in the U.S. Bank HFA Lending Guide and applicable underlying mortgage guide.
Manufactured Home	Multi-width (double-wide or larger) on owned-land (no park setting), model year less than 20-years prior to application or brand new if using RD. Manufactured housing unit must meet U.S. Bank and underlying mortgage requirements. Foundation and other requirements apply, follow the U.S. Bank HFA Lending Guide and the applicable underlying mortgage guide.
New Construction	VHFA does not provide construction loans. However, VHFA may be used to replace an existing short-term construction mortgage with an original term of no more than 24 months.
Repairs	<p>NON-WEATHER-RELATED: When repairs are necessary or requested by the borrower, the repairs must be completed prior to loan delivery, the total cost of financed repairs must not exceed \$15,000 and may be included in the loan only if the final acquisition cost is supported by the appraised value and does not exceed the CLTV limit.</p> <p>WEATHER-RELATED: Loans with weather-related repairs are eligible for delivery and funding prior to the completion of the repairs. Lenders must follow the repair escrow guidelines as outlined in the U.S. Bank HFA Lending Guide and the underlying mortgage and manage completion of all repairs and enforce of repair escrow agreement.</p>

Questions?	
VHFA Homeownership	U.S Bank HFA Customer Care
<p>General Questions: vhfahomeownership@vhfa.org</p> <p>Specific Loan/Underwriting: homeownershipdept@vhfa.org</p>	<p>hfacustomer@usbank.com</p> <p>(800) 562-5165</p>