

CCA Grant

Program Guidelines



What is Virginia Housing's CCA Grant program?	Virginia Housing's Closing Cost Assistance (CCA) Grant provides eligible first-time homebuyers (unless purchasing in a targeted area) with funds to help with the closing costs. It is a gift provided by Virginia Housing, not a loan. Requirements of this grant program are listed below.						
Grant Amount	<table border="1"> <tr> <th>Maximum Grant Amount:</th><th>First Mortgage:</th></tr> <tr> <td>2%</td><td>Rural Housing Service (RHS) Bond</td></tr> <tr> <td></td><td>Veterans Affairs (VA) Bond</td></tr> </table> - Grant amount is based on the lesser of the sales price or appraised value and must be used towards closing costs, discount points, pre-paid items and upfront guarantee fee (RHS) or funding fee (VA). - Reduction of grant amount may be required if grant exceeds closing costs. - The grant funds may not be applied towards the borrower's down payment. - If the sales price or appraised value is reduced after initial reservation, the lender must update the CCA Grant amount in Virginia Housing's LOS (Mortgage Cadence) and obtain a new Grant Award Letter at the updated amount. - If the calculation yields cents, then must round down to the nearest dollar. - The borrower may not receive cash back at closing beyond verified Earnest Money Deposit (EMD) and any fees paid outside of closing (POCs).	Maximum Grant Amount:	First Mortgage:	2%	Rural Housing Service (RHS) Bond		Veterans Affairs (VA) Bond
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2%	Rural Housing Service (RHS) Bond						
	Veterans Affairs (VA) Bond						
Eligible First Mortgages	- Virginia Housing RHS Bond - Virginia Housing VA Bond						
Ineligible First Mortgages	- Virginia Housing Conventional - Virginia Housing Conventional Bond - Virginia Housing FHA - Virginia Housing FHA Bond - Virginia Housing VA - Virginia Housing RHS - Any refinance - Any Non-Virginia Housing loan						
SPARC Eligible	Yes , the CCA Grant can be used when SPARC is being used for the eligible first mortgage in accordance with SPARC guidelines.						
FirstHome Dream Eligible	Yes the CCA Grant can be used when FirstHome Dream is being used for the eligible first mortgage in accordance with FirstHome Dream guidelines.						
Plus Second Mortgage Eligible	No.						
DPA Grant Eligible	No.						
Community Heroes Grant Eligible	Yes in accordance with Community Heroes Grant guidelines.						



Minimum LTV	Follow first mortgage requirements for minimum LTV of the first mortgage. <u>Note:</u> The CCA Grant must be used towards closing costs only, defined as: closing costs, discount points, pre-paid items and upfront guarantee fee (RHS) or funding fee (VA). It cannot be used with the Plus Second Mortgage or DPA Grant, but it may be used with Virginia Housing's Community Heroes Grant and/or other acceptable non-Virginia Housing down payment assistance in accordance with the first mortgage requirements. Exhibit LL is not required for the CCA Grant; however it is required for any subordinate lien except FHLB.
Loan Term	• Loan term is not applicable because the CCA Grant is not a loan but a gift. • No repayment is required. • No separate URLA (but the grant must be listed on the first mortgage URLA) as well as no Note or Deed of Trust for the grant funds. • CCA Grant must meet the requirements in these Program Guidelines as well as requirements of the first mortgage (see above for eligible first mortgage types).
First-time Homebuyer	Follow first mortgage requirements.
Income Limits	Apply Virginia Housing Lower Income Limits. Virginia Housing's standard / bond, targeted area or expanded income limits do not apply. Must include income for all household members. See Origination Guide for more information on how to calculate household income, what income types must be included, and what may be excluded.
Sales Price / Acquisition Cost Limits	Follow first mortgage requirements.
Eligible Purpose	Follow first mortgage requirements.
Programs Disclosure and Borrower Affidavit (Exhibit E)	Follow first mortgage requirements.
Seller Affidavit (Exhibit F)	Follow first mortgage requirements.
Originating Lender's Loan Submission Cover Letter (Exhibit O)	Follow first mortgage requirements.
Homebuyer Education	Follow first mortgage requirements.
Tax Transcripts	Follow first mortgage requirements.
Business Use of Home	Follow first mortgage requirements.
Maximum Net Worth	Follow first mortgage requirements.
Automated Underwriting System (AUS) / Manual Underwrites	• Follow first mortgage requirements, and • Grant must be entered in AUS as a grant. It cannot be entered as "Other" in Minimum Required Funds section or as a lien in "Subordinate Financing."
Minimum Credit Score	Follow first mortgage requirements.
Maximum DTI	Follow first mortgage requirements.

Foreclosures / Deed in Lieu / Short Sales	Follow first mortgage requirements.
Minimum Borrower Contribution	Follow first mortgage requirements.
Other Down Payment Assistance	The CCA Grant may be used with Virginia Housing's Community Heroes Grant and/or other acceptable non-Virginia Housing down payment assistance in accordance with the first mortgage requirements. It cannot be used with the Plus Second Mortgage or DPA Grant. <u>Note:</u> The CCA Grant must be used towards closing costs only, defined as: closing costs, discount points, pre-paid items and upfront guarantee fee (RHS) or funding fee (VA). It cannot be used towards down payment. Exhibit LL is not required for the CCA Grant; however it is required for any subordinate lien except FHLB.
Reserves / Acceptable Funds to Close	Follow first mortgage requirements.
Property	Follow first mortgage requirements.
Unfinished Area	Follow first mortgage requirements.
Post-Closing Repairs	Follow first mortgage requirements.

CCA Grant Procedures



Reserving a CCA Grant	Follow steps outlined in the Mortgage Cadence User Guide for reserving a CCA Grant. The CCA Grant funds follow the first mortgage rate lock along with any allowed extension, up to a maximum 60-day extension (extension fees apply only to the first mortgage). The CCA Grant expires on the same day as the first mortgage loan lock expiration.
Origination	Loan originated in accordance with first mortgage program guidelines, and CCA Grant program guidelines. A separate URLA and Loan Estimate are not required for the CCA Grant because it is not a loan / mortgage.
Underwriting	Loans underwritten in accordance with first mortgage and CCA Grant program guidelines. Underwriters must confirm CCA Grant funds are reserved in Mortgage Cadence. Ensure a copy of the signed CCA Grant Award Letter is included in the submission to Virginia Housing Underwriting for Non-Delegated loans.
Special Documentation	CCA Grant Award Letter. The document is generated upon CCA Grant reservation in Mortgage Cadence and is available in "Attachments." The Award Letter must be signed by the borrower(s) and included in the closing package submitted to Virginia Housing.
Closing	Loans closed in accordance with first mortgage guidelines and the Closing Disclosure must reflect "Virginia Housing CCA Grant."
Documents	Follow first mortgage requirements and ensure the CCA Grant is shown separately from any other grant on all appropriate documentation (URLA, Transmittal, AUS, etc.).
Funding	Originating lender will fund the CCA Grant at closing and Virginia Housing will reimburse the lender upon purchase of the first mortgage.
Delivery	Follow first mortgage requirements and ensure a copy of the signed CCA Grant Awards Letter is included in the package submitted to Virginia Housing.
Important: Refer to the Origination Guide for more information about Virginia Housing eligibility requirements.	

The information contained herein (including but not limited to any description of Virginia Housing and its lending programs and products, eligibility criteria, interest rates, fees and all other loan terms) is subject to change without notice.

