

FirstHome Dream

Program Guidelines



What is Virginia Housing's FirstHome Dream program?	FirstHome Dream is a special allocation of reduced rate funding made available by Virginia Housing to first generation homebuyers purchasing a home. The sponsor organizations administering this reduced rate funding supporting FirstHome Dream are local governments, non-profits and housing industry partners.
First Generation Rates	Funds are allocated to sponsor organizations that offer HUD approved counseling based on applications submitted by the housing agency to Virginia Housing. It is a 2.00% adjustment to the interest rate below Virginia Housing interest rates on comparable eligible products. Originating Lenders must contact the sponsor organization to see if they have any of this funding available. The FirstHome Dream rate reduction cannot also be used with Virginia Housing's SPARC 1.00% interest rate reduction.
Eligible First Mortgages	• Conventional Bond • FHA Bond • VA Bond • RHS Bond <u>Note:</u> The bond program guidelines do not include information about this FirstHome Dream option. All requirements for FirstHome Dream must be met in addition to the bond program, DPA / CCA Grant, and/or Plus Second Mortgage.
Ineligible First Mortgages	• Conventional • FHA • VA • RHS • Any refinance
Eligible Purpose	Primary residence purchase.
SPARC Eligible	No, FirstHome Dream cannot be used in combination with SPARC.
Plus Second Mortgage Eligible	Yes in accordance with Plus Second Mortgage guidelines and the first mortgage is one of the eligible products listed above.
DPA Grant Eligible	Yes in accordance with DPA Grant guidelines and the first mortgage is one of the eligible products listed above.
CCA Grant Eligible	Yes in accordance with CCA Grant guidelines and the first mortgage is one of the eligible products listed above.
Community Heroes Grant Eligible	Yes in accordance with Community Heroes Grant guidelines and the first mortgage is one of the eligible products listed above.
Other Down Payment Assistance	Many FirstHome Dream loans have some type of other down payment assistance associated with the transaction. It is acceptable to originate a loan with FirstHome Dream that has other non-Virginia Housing down payment assistance with a DPA Grant, CCA Grant, Community Heroes Grant and/or Plus Second Mortgage. The DPA Grant, CCA Grant and Plus Second Mortgage cannot be used together in the same transaction. However, the Community Heroes Grant can be paired with any one of these three assistance programs. Exhibit LL is required for all subordinate liens except the Plus Second Mortgage or FHLB unless otherwise noted in the first mortgage program guidelines.



First Generation Homebuyer	All borrowers must be a first generation homebuyer, even if purchasing in a targeted area. The definition for first generation homebuyer for the FirstHome Dream program is different than Virginia Housing's typical definition of a first-time homebuyer in that for this program, all borrowers cannot have ever owned a home, including primary, secondary, and investment. See below for others that cannot have ever owned a home. In addition: • All borrowers' parents and/or legal guardians cannot have owned a home in the last 3 years, including primary, secondary, and investment, excluding ownership of heirs' property as defined below. • The borrower's spouse, whether or not they are a borrower, cannot have ever owned a home, including primary, secondary, and investment excluding ownership of heirs' property as defined below. The term "heirs' property" means residential property for which title passed by operation of law without a will and is held by two or more heirs as tenants in common. Documentation to evidence first generation homebuyer: • The notarized First Generation Homebuyer Affidavit (see below). • A completed Uniform Residential Loan Application (URLA) - for the borrowers; and • The credit report - for the borrowers. • The fully executed Programs Disclosure and Borrower Affidavit (Exhibit E), signed by all borrowers, is also required per the first mortgage program guidelines. And if unable to confirm the borrower is a first-time homebuyer through these documents, additional documentation may be required as outlined in the first mortgage program guidelines. • Any additional documentation provided that addresses first generation homebuyer status, or lack thereof, must be considered in making the eligibility determination.
First Generation Homebuyer Affidavit	All borrowers are required to complete and execute the First Generation Homebuyer Affidavit. It must be fully completed and notarized and must be provided when the lock is requested with Virginia Housing. This is in addition to the Borrower Affidavit (all documentation requirements of the first and second mortgage, if applicable, must be followed).
Program and Qualifying Guidelines	Follow first mortgage requirements and requirements of the Plus Second Mortgage, DPA Grant, CCA Grant, and/or Community Heroes Grant, if applicable.

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Procedures



Lock-In	The lender will obtain a FirstHome Dream Lock Form executed by the sponsor organization which confirms the borrower is eligible to obtain financing through the organization's allocation of FirstHome Dream funds in addition to the fully executed and notarized First Generation Homebuyer Affidavit. The lender representative locking the loan in the Mortgage Cadence system must select the FirstHome Dream program in the SPARC/FirstHome Dream dropdown field at the bottom of the Loan Information Tab in the Products and Pricing Wizard. The program type will be identified on the FirstHome Dream Reservation form completed by the FirstHome Dream Sponsoring organization allocated the funding. The lender must "Request a Lock" in the Mortgage Cadence system during the locking process. After requesting the lock, the lender must upload the fully completed FirstHome Dream Reservation form provided by the FirstHome Dream Sponsor to Mortgage Cadence using Attachment Category "SPARC/FirstHome Dream Lock Request." Click here to go to the Lender Forms and Documents webpage to access the FirstHome Dream Reservation Form. Virginia Housing's Lock Desk will complete the lock process and a lock confirmation will be generated and available in Attachments in Mortgage Cadence.
Underwriting	Loans underwritten in accordance with first mortgage, Plus Second, DPA Grant, or CCA Grant guidelines, and FirstHome Dream program guidelines. Underwriters must confirm all borrowers meet the first generation homebuyer requirement by confirming there is an executed and notarized First Generation Homebuyer Affidavit.
Closing	Loans closed in accordance with first mortgage guidelines and the executed and notarized First Generation Affidavit must be included in the closing package even though it was also provided at the time of lock.

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.

