



FREDERICK COUNTY HOMEBUYER ASSISTANCE PROGRAM

Program Overview

The Frederick County Homebuyer Assistance Program (HAP) is administered by the Frederick County Department of Housing and Community Development (DHCD) and helps local families with limited resources obtain their first home, by providing down payment/closing cost assistance. HAP provides deferred loans at 0% interest that are due upon the sale, transfer or if the home is no longer the primary residence of the borrower. The HAP Program must be used in conjunction with state or federal first mortgage programs (USDA, FHA, CDA or VA). Other homebuyer assistance programs may be used in conjunction with this program to lower the cost of the home.

Applicant Eligibility Requirements

1. Applicants must currently live or work in Frederick County;
2. Total gross income at or below 70% of the Washington MSA median income limit established by the U.S. Department of Housing and Urban Development, adjusted for household size and automatically adjusted annually when the income limits are published in the Federal Register;
3. First time homebuyer or not have owned residential property in the last three years;
4. Completion of first time homebuyer education from a HUD approved Housing Counseling Agency. Locally, Frederick Community Action Agency offers this education; call 301-600-1506 for schedule information;
5. Qualify for a 30 year fixed rate CDA or government backed mortgage (USDA, FHA, VA);
6. Occupy the Frederick County home as their primary residence;
7. Applicants will be required to put a minimum of \$500 of their own funds toward the purchase of the home;
8. Purchase a one year home warranty and a home inspection by a licensed inspector, prior to closing;
9. Co-signors are not permitted, as all applicants must occupy the home.

Eligible Housing Units

Eligible properties include both existing homes and new construction. Unit types are single family, one-unit residence, including townhouses, detached or semi-detached homes, condominium units, and modular or manufactured homes with the State seal of approval for code compliance.

Application Process

The applicant must have a ratified sales contract before submitting an application. Applications are submitted on behalf of the homebuyer by the first lender and will be underwritten by DHCD staff on a first come first served basis for compliance with the program criteria. Once approved by DHCD staff, a commitment letter will be issued to the homebuyer with a copy to the Lender. Applications may be obtained by calling 301-600-6647 or online at www.FrederickCountyMD.gov/Housing.

Loan Amount

The maximum loan amount for applicants earning 51%-70% AMI is \$5,000. Applicants earning 50% AMI or less may be eligible for \$7,000, based on funding availability. Loans are 0% interest and deferred; no monthly payments required.

Loan Security

If approved, the homebuyer will sign documents securing the loan with a lien on the property recorded in the land records of Frederick County. Signing of the documents and funding of the loan will occur at the time of the home purchase settlement. Lien documents shall require repayment upon the sale, refinance or transfer of title to the property; or when the home is no longer the primary residence of the borrower(s). **Settlement must be conducted by a Title Company with an office in Frederick County.**

Eligibility Period

If the proposed unit has not been constructed or occupied by an eligible household within one year of the commitment letter, the application may be reevaluated and voided, or repayment of the loan may be required.

Administration and Appeal

An applicant may appeal any decision to the Director of the Citizens Services Division by filing a written request for review within ten days of receiving a denial letter. Applicants may write to Director of the Citizens Services Division, c/o Housing and Community Development, 401 Sagner Avenue, Frederick, Maryland 21701. The Director shall conduct the review and reply to the applicant within ten business days of receipt of the appeal letter.

For More Information

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