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2020 Buyer-Driven Downpayment Grants in Vermont

As of January 1, 2020, Twin Pines Housing (TPH) will begin accepting applications for downpayment grants to help eligible buyers purchase a home in Vermont. The grant may not be used for the purchase of a mobile home, duplex, a HUD foreclosure, or senior-restricted housing. TPH can only fund homes that are located in one of the following towns in Vermont: Barnard, Bethel, Bridgewater, Chelsea, Pomfret, Fairlee/West Fairlee, Hartford, Hartland, Norwich, Royalton, Sharon, Strafford, Thetford, Tunbridge, Vershire, and Woodstock. In exchange for the grant, the buyer would agree to share in their home’s appreciation in value with future generations in order to keep the home affordable to the next generation of buyers.

The maximum grant amount is **\$50,000, or 20% of the purchase price of the property, whichever is less.** TPH expects grant funds to become available in the summer/fall of 2020 and will be available until funds are expended. Due to limited availability, grant funds are not available to TPH staff.

How Do I Qualify?

TPH downpayment grant funds are available to eligible buyers who meet all three of the below criteria. **TPH is unable to reserve downpayment grant funds for a buyer until a purchase contract is signed and accepted by TPH.**

Eligibility criteria:

- Have a complete, up-to-date buyer application* with TPH and be approved for purchase under TPH’s program, **and**
- Complete (or be scheduled to complete) a Homebuyer Education Workshop with an approved class provider, **and**
- Obtain a prequalification letter from an approved lender from the past 60 days.

*TPH’s buyer application is available at www.twinpineshousing.org/buy-a-home, or contact Steve at 802-291-7000 or at Steve.Usle@TPHtrust.org to have an application sent to you.

As stated on TPH’s buyer application, an applicant may not have an ownership interest in another primary residence at the time of purchase of a TPH home and the applicant must have at least \$2000 in personal savings. TPH requires a minimum buyer contribution of \$2000 towards closing costs or towards the purchase price.

What Are the Income Limits?

Your income at the time of application may not exceed 120% of the median income for the county you wish to buy in. Asset limits also apply. Call us if your family size is larger than five. Income limits are adjusted annually by HUD around April of each year.

<u>ORANGE COUNTY – as of 4/2020</u>		<u>WINDSOR COUNTY – as of 4/2020</u>	
Family Size	Income	Family Size	Income
1	\$62,760	1	\$66,720
2	\$71,640	2	\$76,200
3	\$80,640	3	\$85,680
4	\$89,520	4	\$95,160
5	\$96,720	5	\$102,840



Can I Purchase Any Property?

The property you purchase must meet TPH's requirements in order to receive a down payment grant:

- The home must be a single family home in select towns in northern Windsor County or southern Orange County that is located in the above-specified towns.
- The home price may not exceed a maximum purchase price of \$250,000.
- TPH and our funder (the Vermont Housing and Conservation Board) must approve all details of the purchase, including, but not limited to, your financing terms, your debt-to-income ratios, the home inspection and appraisal.
- TPH staff must attend the home inspection and approve an independent, written inspection report from a qualified inspector acceptable to TPH, which shows no imminent major systems failures or other substantial defects.
- If the septic and water systems are privately owned, TPH staff must review and approve a septic inspection report and water quality test, which show no imminent system failure or water contamination.
- TPH must approve the future marketability of the home, including, but not limited to, location, price, size, layout, and general condition.
- TPH must review the bank's appraisal to ensure that TPH's downpayment grant is covered by the appraised value of the home.

What if I Want to Buy a VERMOD or other high-performance home?

If you are interested in purchasing a high-performance home, such as a VERMOD, the grant amount will be \$44,000, regardless of the purchase price. In other words, the grant is not based on 20% of the price, but is a flat amount of \$44,000. The grant is available for the placement of a high-performance home on a privately-owned lot only, subject to TPH and VHCB's review and approval as described in this document. If you wish to place a VERMOD in a mobile home park, please contact Champlain Housing Trust at 877-274-7431 to inquire about downpayment funds.

What Are My Next Steps?

Because funds are limited, it is important that you (1) contact TPH to check on the availability of funds before signing a contract to buy a home and (2) include contingencies in your contract that will allow you to exit the contract and keep your deposit if your grant request is denied or grant funds are no longer available.

Essential information for drawing up a contract:

- You will be giving the seller a deposit (also called "earnest money"). **DO NOT** write a check directly to the seller. Ask the seller who his/her attorney is, and make the check out to that attorney's trust account or to a realtor's trust account.
- Be sure to include the following contingencies:
 1. The purchase is dependent upon a home inspection satisfactory to the buyer and TPH.
 2. The property must appraise at or above the purchase price specified in the contract.
 3. The financing terms, appraisal and home inspection are subject to review and approval by TPH.
- Set a closing date at least eight (8) weeks from the day the contract is signed.

If you have questions about this process, call Steve at TPH or your attorney.

Once you begin shopping for a home, you may need a "grant pre-approval letter" to show a seller or a lender that you qualify for grant funds, which TPH will be happy to provide for you.

Please contact Steve at 802-291-7000 ext 102 or by email at Steve.Usle@TPHtrust.org to check on the availability of funds or to discuss next steps.