



Housing Alexandria Homebuying Process



Housing Alexandria

FOUNDATION FOR STRONGER COMMUNITY



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Introduction

The Housing Alexandria Shared Equity Homeownership Program (Housing Alexandria SEHP) provides quality affordable homeownership opportunities to low- and moderate-income households in the City of Alexandria. Housing Alexandria homes are built to the same high standards as other homes on the market but are sold for a fraction of the price. In many cases, Housing Alexandria homes can be purchased for less than half of their market value and half the cost of comparable homes. Housing Alexandria homes are an excellent opportunity to enter homeownership and the demand for Housing Alexandria homes is high. For this reason, the Housing Alexandria SEHP has a well-defined buyer selection and homebuying process.

The following guide outlines the home-buying process for new Housing Alexandria home sales. Please reach out to Housing Alexandria SEHP staff if you have questions about the homebuying process.



Housing Alexandria Community Home Sales

Buyers who qualify and who complete the following requirements will have the opportunity to reserve a home.:

Application Phase

- Attend Housing Alexandria SEHP Orientation
 - Meet Program Eligibility Requirements
 - Live or work in the City of Alexandria
 - Have a household income less than 80% of AMI
 - No prior homeownership
 - Complete Homebuyer Education through Virginia Housing
 - Obtain a Lender Pre-Approval Letter
 - Submit a Complete Application Packet
-

Reservation Phase

- Complete a One-on-One Housing Counseling Session
 - Sign purchase and sale contract
 - Pay \$2000 deposit and reserve your home
-

Home Purchase Phase

- Apply for a Mortgage
- Review SEHP policies with Housing Alexandria Staff
- Review Covenant with Legal Counsel
- Mortgage Rate Lock
- Closing

Application Phase



01 Attend a Housing Alexandria SEHP Orientation

Buyers must attend a Housing Alexandria SEHP Orientation. The Housing Alexandria SEHP Orientation provides buyers with an understanding of the Housing Alexandria SEHP, including the home buying process, the responsibilities of a Housing Alexandria homeowner, and the resale process. The Orientations will be offered on a regular basis, both virtually and in person. Applicants must provide certification of completion with their application.

After finishing an orientation, buyers will be given a list of HALX preferred lenders to meet with to get their pre-approval letter. They will be advised to get their pre-approval letter no more than 30 days before they submit their application.

Please visit the Housing Alexandria SEHP website for more information on SEHP Orientations and to find a schedule of upcoming events:
<https://www.housingalexandria.org/homeownership>

Meet Program Eligibility Requirements 02

Buyers must self-certify that they meet all program eligibility requirements at the time of application. This includes:

- Live or work in the City of Alexandria for the past 6 months
- Have a household income less than 80% the Area Median Income
- No prior homeownership in most recent three year period

03 Complete Homebuyer Education

Buyers must complete a Virginia Housing-approved homebuyer education course. Through this course, buyers will learn about the home buying process, how to manage money to prepare for homeownership, the ins and outs of credit reporting, and other valuable insights to become successful homeowners. Applicants will receive a certification upon completing the course that must be provided to the Housing Alexandria SEHP as part of their completed application packet.

Homebuyer education courses can be completed in-person or online through Virginia Housing. Please visit Virginia Housing (<https://www.virginiahousing.com/homebuyers>) or the City of Alexandria's Office of Housing (<https://www.alexandriava.gov/Housing>) for more information on homebuyer education and a schedule of upcoming courses.

Obtain a Lender Pre-Approval Letter 04

Buyers must provide evidence of their financial ability to purchase the home. The simplest way is to obtain a pre-approval letter from a lender. The Housing Alexandria SEHP will provide a list of Virginia Housing-approved community lenders who will be able to analyze your finances and provide a pre-approval letter. Buyers must receive their pre-approval letter within 30 days before submitting their application packet.

Be advised that a pre-approval letter is not a guarantee of mortgage approval. Changes in interest rates, income, debt, and other factors can impact your ability to purchase a home.

05 Submit a Complete Application Packet

Buyers must submit a complete application packet along with all supporting documentation. The packet records household information necessary to verify their eligibility to purchase a Housing Alexandria home.



Reservation Phase



Buyers who complete all previous steps by submitting a completed application and supporting documents may have the opportunity to reserve a home. Homes will be reserved on a first-come, first-served basis as completed applications are received.

06 Complete One-on-One Counseling Session

Once a buyer has been selected, the first step towards reserving a home will be to complete a one-on-one counseling session with a HUD-certified housing counselor within 30 days of selection. Housing Alexandria will provide a list of HUD-certified housing counselors in the area.

Reserve Your Home 07

After meeting with a HUD-certified housing counselor, the next step for buyers to officially reserve a home is to sign a Purchase and Sale Contract and pay a deposit (refundable if the buyer does not complete the purchase).

Buyers who complete all steps but submit a homebuyer application after all homes have been reserved will be added to a waitlist in the order applications were received. Housing Alexandria SEHP staff will contact waitlisted buyers when and if homes become available.

Home Purchase Phase



08 Apply for a Mortgage

Buyers will meet with their lender to officially apply for their mortgage. This can be a lengthy process, which will include providing the lender with the buyers financial information. Appraisals, inspections, insurance, etc., will be completed during this step.

Review SEHP Policies with Housing Alexandria Staff 09

Buyers must meet with Housing Alexandria SEHP staff at least 14 days prior to closing to review all Housing Alexandria SEHP policies. They will have the chance to ask questions about the program's policies and their responsibilities as Housing Alexandria homeowners. Buyers must acknowledge their understanding of all Housing Alexandria SEHP policies, including resale restrictions.

10 Review Covenant with Legal Counsel

Buyers must meet with legal counsel at least 14 days prior to closing to review the Housing Alexandria SEHP Covenant, which formalizes the Housing Alexandria SEHP policies and owner responsibilities.

11 Mortgage Rate Lock

Buyers must work with a Virginia Housing-approved community lender to lock in their mortgage rate prior to closing.

Closing 12

Buyers who complete all previous steps will schedule a closing date. Closings must be coordinated with and attended by Housing Alexandria SEHP staff. At closing, buyers must be prepared with all financing, have any down payment and closing cost funds available, and will sign all legal documents, including the Housing Alexandria SEHP Covenant.





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