



Home Financing 101

GCAAR's guide to financing opportunities in D.C. and Maryland



House Keys 4 Employees (HK4E) (Montgomery County, MD)

HK4E is a closing-cost assistance program available to Montgomery County government employees. It provides added help when an employer offers closing-cost assistance to its employees. To be eligible, the first mortgage must be through the Maryland CDA mortgage program.

mmp.maryland.gov

Housing Choice Voucher Program (National)

The Housing Choice Voucher Program allows families who are assisted by the voucher subsidy to buy a home and receive monthly assistance for the mortgage payment vs. for rent. Families must already be a part of the rental voucher program. The assistance amount differs from the rental subsidy and varies by jurisdiction.

hud.gov

Housing Purchase Assistance Program (HPAP) (D.C.)

Offered by the District of Columbia Department of Housing and Community Development, first-time homebuyers can get up to \$80,000 in financing assistance and up to an additional \$4,000 in closing-cost assistance in the form of a loan. The amount of assistance and length of the loan deferment period are determined by the buyer's income and household size. Agents and would-be buyers should be aware of possible last-minute changes to assistance amounts.

dhcd.dc.gov

Inclusionary Zoning (IZ) Program (D.C.)

The D.C. government requires that 8-10% of units in most new or renovated condo buildings or townhome developments are sold at a reduced price, so the IZ program allows applicants to enter a lottery to buy select reduced-price condos or townhomes if their household meets the program's income requirements. This is administered by the D.C. Department of Housing and Community Development (DHCD).

dhcd.dc.gov

Maryland Mortgage Advantage Program (MD)

This program offers a 3, 4 or 5% loan to cover down payment and/or closing costs. It can be used with both FHA and conventional financing. This particular program does require you to be a first-time homebuyer unless purchasing in a targeted area. There are income limitations according to household size and max purchase prices according to the county. There is no payment on this loan and it does not need to be paid back unless you sell the home, refinance the mortgage or move out of the home as your primary residence. The program must be accessed through an approved lender.

mmp.maryland.gov/Pages/1stTimeAdvantage.aspx

Maryland Mortgage Program SmartBuy (MD)

This is a two-part loan program. The first is a conventional mortgage loan requiring a minimum of 5% down payment. The 2nd loan is forgivable after five years and covers up to \$30,000 of the buyer's student loans—and no more than 15% of the purchase price.

mmp.maryland.gov/Pages/SmartBuy

Maryland Mortgage Program Flex (MD)

The Maryland Mortgage Program Flex loans offer both loans and grants for homebuyers in the state of Maryland. The suite of loan products allows the borrower to have most, if not all, of their minimum down-payment requirements paid for. Borrowers do not need to be first-time homebuyers, but they can't own another home at the time of closing.

mmp.maryland.gov/Pages/FlexLoans

MPDU (Moderately Priced Dwelling Unit) Sales Program (Montgomery County, MD)

Montgomery County's MPDU Program offers townhomes and condominiums to first-time homebuyers who meet certain household income requirements. MPDU buyers must be able to qualify for a mortgage; pay a down payment; pay settlement fees including advance taxes and advance insurance; and pay a monthly mortgage payment, utilities and other costs. Special financing and down-payment and closing-cost assistance are available through the Housing Opportunities Commission.

montgomerycountymd.gov

NACA (Neighborhood Assistance Corp. of America) (National)

When a homebuyer goes through its training, they are eligible for NACA's below-market interest rate financing, but applicants have to follow the program.

naca.com

Veterans Benefits Administration (VA) loan (National)

VA home loans offer 100% financing and are the only loans where the appraiser must ask the REALTOR® for help in getting the value. The appraisers are required to ask the agent for the comps used to determine the sales price. VA home loans are open to U.S. military service members and veterans.

va.gov/housing-assistance/home-loans/eligibility





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