

# CHAP Community Homebuyer Assistance Program

Up to \$50,000 in Downpayment Assistance



## About CHAP

CHAP is intended to educate and serve households that are working towards the purchase of a home within the Flagstaff city limits. Funded by the City of Flagstaff's Housing Bond and administered by Housing Solutions of Northern Arizona, CHAP is a downpayment and closing cost assistance initiative that provides up to \$50,000 in matching loan funds to households that do not have sufficient cash to purchase a home, but are otherwise mortgage eligible based on credit and income.

Through CHAP, up to \$5,000 of household funds are matched 10 to 1 with up to \$50,000 in assistance. Funds will be provided on an as-needed, first-come, first-served basis. This assistance loan also:

- Is secured against the property in second position behind the first mortgage (may subordinate behind another approved assistance program).
- Is NEVER forgiven and is repaid when: (1) home is sold, (2) home is re-financed for cash-out, or (3) home is not owner-occupied.

## Eligibility

- Must be first time *Flagstaff* homebuyers. HUD defines "first-time homebuyer" as "an individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property. This includes a spouse (if either meets the above test, they are considered first-time homebuyers) or single parent who has only owned with a former spouse while married."
- Home must be located within Flagstaff city limits.
- At least one homebuyer in the household must have lived or worked in the Flagstaff Metropolitan Planning Organization boundary for at least 12 consecutive months prior to purchase.
- Total household income must not exceed 150% of the Area Median Income, as published annually by the City of Flagstaff (see chart on reverse). Income from entire household is counted.
- Close of escrow must be scheduled to allow sufficient time for Housing Solutions to verify eligibility, review first mortgage for affordability, and request funds (typically 45-60 days).
- Homebuyer contribution must be at least \$2,500; remaining buyer contribution can be documented as a gift.
- Completion of Homebuyer Counseling and online Homebuyer Education.
- Household eligibility is solely determined by certified Housing Solutions Counselors, and must be completed prior to entering into a purchase contract, as a 45-60 day close of escrow is required.
- U.S. Citizen or legal, permanent resident.

## How to Apply

1 Complete Application Packet, downloadable at:  
[housingnaz.org/prepurchase](https://housingnaz.org/prepurchase)

2 Submit application to Housing Solutions of Northern Arizona's Director of Homeownership Programs, Angela Koder:

- Via email ([angelak@housingnaz.org](mailto:angelak@housingnaz.org))
- Via mail to Housing Solutions at PO Box 30134, Flagstaff, AZ 86003
- Dropping it off at Housing Solutions' office, located at: 1500 E Cedar Ave Ste 86, Flagstaff, AZ 86004



Find us on

[housingnaz.org/prepurchase](https://housingnaz.org/prepurchase) | 928-214-7456 711 TTY

## Repayment

### Repayment is based on the appreciation-share formula:

If you receive CHAP assistance, you must repay the full amount of assistance plus a share of your home's appreciation, equal to the assistance amount divided by your original purchase price. That percentage is applied to the home's appreciation between your purchase and repayment. If your home loses value, you only repay the original assistance amount. If the loan is repaid within 7 years, the shared appreciation percentage is cut in half:

- Purchase Price: \$425,000
- Assistance Amount: \$50,000
- % of Assistance to Purchase Price for Repayment: 11.76%

### Repayment After 7 Years of Ownership:

- Resale Price: \$450,000
- Appreciation: \$25,000
- % of Appreciation Shared/Repaid:  $\$25,000 \times 11.76\% = \$2,940$
- Total Amount Repaid: \$50,000 (original assistance amount) + \$2,940 (appreciation share) = \$52,940

### Repayment Within First 7 Years of Ownership:

- Resale Price: \$450,000
- Appreciation: \$25,000
- % of Appreciation Shared/Repaid:  $(\$25,000 \times 11.76) / 2 = \$1,470$
- Total Amount Repaid: \$50,000 (original assistance amount) + \$1,470 (appreciation share) = \$51,470

## Documents Required

- 3 most recent (concurrent) paycheck stubs for everyone in the household 18 and over, even if they are not going to be on the mortgage.
- Proof of income for any other income in the household which may include: child support (judgment or print-out from the courts), social security award letters, unemployment, workman's comp, etc.
- 3 months most recent statements for all asset accounts - checking, savings, 401(K), pensions, investments, stocks, bonds, life insurance, with cash value prior to death, lump-sum receipts or settlements.
- Picture ID for everyone living in the home who is 18 years old and over.
- Social Security Cards for everyone in the household. Those who have Social Security Cards with the wording "for work only" must also bring their legal residence card.
- Signed Income Tax Returns for the most recent 2 years including W-2(s), 1099's, 1098's, etc.
- Additional documents may be required by the grant funder.

## Loan Requirements

- Arms-length transaction
- Housing Ratio between 30-35%; Debt-to-income ratio not to exceed 45%
- Conforming, fixed interest rate
- Fees must not be excessive based on industry standards.
- CHAP loan must be repaid and is never forgiven. Please see "Repayment" section in the left column for a **repayment example**.

## Fees

**\$25.00** | Credit Report | **\$100.00** | Online Home Buyer Education (per homebuyer - if needed) | Course (discount coupon for active clients)

## 2026 Flagstaff 150% AMI Limits

Family Size	1	2	3	4	5
AMI Limit	\$117,600	\$134,400	\$151,200	\$168,000	\$181,500

Persons requiring language, hearing, visual, mobility, or other accommodations may contact Housing Solutions of Northern Arizona at (928) 214-7456 or TDD 711 to make special arrangements for services.

Housing Solutions does not discriminate on the basis of race, color, religion, sex, national origin, sexual orientation, gender identity, handicap or familial status in employment or program services. Special accommodations will be made for the physically challenged, upon notification.

