

CHAP Community Homebuyer Assistance Program

Up to \$40,000 in Downpayment Assistance



About CHAP

The Community Homebuyer Assistance Program (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, CHAP is a downpayment and closing cost assistance initiative that provides up to \$40,000 in matching funds to households that do not have sufficient cash to purchase a home, but are otherwise mortgage eligible based on credit & employment.

Through CHAP, up to \$5,000 of household funds are matched 8 to 1 with up to \$40,000 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 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). A single parent who has only owned with a former spouse while married.”
- Home must be located within Flagstaff city limits.
- Total household income must not exceed 125% of the Area Median Income (see chart on reverse). Income from entire household is counted.
- Verification of homebuyer contribution.
- 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 \$1,000; remaining buyer contribution can be documented as a gift.
- Completion of one-on-one 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.

Contact Us

If you're interested in this program, please call us to complete an initial screening with our housing counselor:

Phone
(928) 214-7456
711 (Relay service for hearing impaired)

Email
angelak@housingnaz.org

Fax (928) 774-6937

Physical Address
1500 E Cedar Ave Ste 86
Flagstaff, AZ 86004

Mailing Address
PO Box 30134
Flagstaff, AZ 86003

Fees

\$14.00 | Credit Report
(per homebuyer - if needed)

\$99.00 | Online Home Buyer
Education Course (discount
coupon for active clients)

Repayment

Repayment is based on the
equity-share formula:

Purchase Price: \$425,000
Assistance Amount: \$40,000

Assistance is 9.41% of
purchase amount

Resale Price: \$450,000
9.4% of Resale Price = \$42,345

Client repays 9.41%
of resale price

How to Apply

- 1 Complete Application Packet
- 2 Gather and submit documents to determine eligibility
- 3 Schedule appointment with housing counselor to explain program details and process

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

- Loan to Value Ratio no less than 79% of the purchase price
- 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**.

2024 Flagstaff 125% AMI Limits

Family Size	1	2	3	4	5
AMI Limit	\$95,025	\$108,600	\$122,175	\$135,750	\$146,610

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.

