

CHAP

# Community Housing Assistance Program

Up to \$15,000 in Downpayment Assistance

## About CHAP

The Community Housing 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 \$15,000 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 3 to 1 with up to \$15,000 in assistance. Home price may not exceed 100% of the current FHA mortgage limits. 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% of the purchase price or \$2,000, whichever is greater; 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.

## About Housing Solutions of Northern Arizona

HSNAZ, a HUD-approved housing counseling nonprofit, helps families prepare for homeownership and navigate the purchase process. We provide financial literacy counseling, online homebuyer education, and financial assistance programs to benefit low to moderate income households. Our collaborative down payment assistance programs provide financial support for the up-front costs of homeownership and reduce mortgage payments to ensure affordability.

## Fees

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

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

## How to Apply

- 1 Call (928) 214-7456 to complete screening with housing counselor
- 2 Complete Application Packet
- 3 Gather and submit documents to determine eligibility
- 4 Schedule appointment with housing counselor to explain program details and process

## Contact Us

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

**Fax**  
(928)774-6937

**Email**  
angelak@housingnaz.org

**Physical Address**  
2304 N 3rd St  
Flagstaff, AZ 86004

**Mailing Address**  
PO Box 30134  
Flagstaff, AZ 86003

## 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 below for a **repayment example**:

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

Purchase Price: \$150,000.00  
Assistance Amount: \$15,000.00

Assistance is 10% of  
purchase amount

Resale Price: \$175,000.00  
10% of Resale Price = \$17,500.00

Client repays 10%  
of resale price

## 2022 Flagstaff 125% AMI Limits

Family Size	1	2	3	4	5
AMI Limit	\$75,250	\$86,000	\$96,750	\$106,500	\$116,000

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

