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## ARCH (EAST KING COUNTY) DOWNPAYMENT ASSISTANCE PROGRAM

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Please see [Section 13](#) (*Downpayment Programs*) of the *Home Advantage and House Key manual* for all other terms and conditions that also apply to this Downpayment Assistance program.

### PROGRAM DESCRIPTION

ARCH DPA (East King County) is a downpayment assistance program for use with the Home Advantage first mortgage program. ARCH DPA program (East King County) was created from a partnership between the Commission, King County, and A Regional Coalition for Housing (ARCH). ARCH is an organization created by Eastside cities and King County to preserve and increase the supply of housing for low and moderate-income households in East King County.

Because HOME Investment Partnership funds are being used in this program, Mortgage Lenders are encouraged to target outreach to residents and tenants of public housing, trailer parks, and manufactured housing, and to other families assisted by public housing agencies, for the purpose of ensuring that program funds are used for downpayment assistance for such residents, tenants and families. For assistance with this outreach, please contact ARCH at (425) 861-3677.

Listed below are additional requirements for the ARCH (East King County) Downpayment Assistance program:

- Disclosure of HOME Program Requirements (PDF) ([HUD FORM 1](#))
  - Must be signed and dated ON or BEFORE the date of mutual acceptance of the Purchase & Sale Agreement.
- Initial Estimated Fair Market Value Notice (PDF) ([HUD FORM 2.1](#))
  - Must be signed and dated ON or BEFORE the date of mutual acceptance of the Purchase & Sale Agreement.
- Final Estimated Fair Market Value Notice (PDF) ([HUD FORM 2.2](#)).
- HUD's Housing Choice Voucher Program Inspection Checklist (PDF) (9/00) (HUD-52580-A). Completed by a WA. State Licensed Home Inspector.
- For homes built prior to 1978, Lead Paint Disclosure signed by borrower (s)
- HOME Recapture Agreement



- Borrower(s) signed receipt of appraisal
- Two month's bank statements from all borrowers to check deposits for undisclosed income

One-On-One counseling session prior to closing by an approved agency

## PROGRAM ELIGIBILITY

1. The property must be located in an ARCH member city or surrounding East King County ARCH area (see map in Eligible Areas in this section).
2. The Borrower must attend a Commission-approved homebuyer education class.
3. Prior to closing the loan, the Borrower must attend a one-on-one pre-purchase counseling session. A post-purchase one-on-one counseling session is also encouraged within 30 days of closing. Please refer to [page 14.4](#)
4. ARCH Second Mortgage loans may not be combined with any other of the Commission's downpayment assistance funds or with other downpayment assistance that includes HOME funds.
5. Household Income must be at, or under 80% of the King County area median income, adjusted for household size.
6. Borrowers need **not** be a first-time homebuyer.
7. **Single-unit properties only, no multi-unit properties.**

## MORTGAGE DETAILS

*(Updated 12/27/2018)*

Interest Rate - 4.00% simple interest, payment deferred

Loan Term - 30 years

Repayment – Due at the time of sale, transfer, refinance, ceases to be borrower's primary residence, 30 years, or payoff of primary mortgage.

Assumptions - ARCH DPA loans are NOT assumable

Eligible households may qualify for a maximum loan amount of up to \$30,000 towards downpayment and closing costs.

Lenders to determine need using the [Needs Assessment Form](#).

**This downpayment assistance program uses [Compliance Income](#) for the ARCH 2<sup>nd</sup> mortgage.**



## BORROWER’S CASH TO CLOSE

The Borrower’s downpayment requirement is 2% of the purchase price. Up to ½ of the 2% can be from gift funds.

*Borrowers may not receive any cash back at closing, even if it’s a refund of earnest money or pre-pays. Excess cash that would normally go back to borrower must be used to pay down principal on the ARCH 2nd.*

## MAXIMUM INCOME LIMITS

*(Effective 6/15/2023)*

Households earning 80% or less of the King County area median income as reported annually by HUD, adjusted for household size, may qualify for a maximum loan amount of up to \$30,000. To be eligible for the program, an applicant’s Annualized Gross Household Income (as of the date of signing the Purchase & Sale Agreement, in the case of new home being constructed, or as of the date of purchase, in the case of an existing home) must not exceed:

Household Size	1	2	3	4	5	6	7	8
Household Income Limit	\$70,650	\$80,750	\$90,850	\$100,900	\$109,000	\$117,050	\$125,150	\$133,200

*\* While King County allows 8-person household’s income [to go higher](#), the Commission program requirements limit the income to a lower amount. Income limits are normally updated annually based on [HUD HOME income limits](#).*

## PROPERTY COST LIMIT

*(Effective 7/1/2023)*

The Purchase Price may NOT exceed:

\$632,000 all homes



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## LEAD-BASED PAINT

Mortgage Lenders must provide a copy of HUD's "Lead Paint Safety" Field Guide (6/1999) (HUD #1779-LHC) to appraisers and instruct them to specifically address the condition of the paint and note any areas of deterioration. If the appraiser identifies areas of deteriorated paint, the Mortgage Lender must provide a written letter to the Seller, notifying them that the paint deterioration must be corrected in a lead paint-safe manner. Once the paint condition has been corrected, the appraiser must re-certify the painted surfaces of the home.

A signed Lead Paint Disclosure form is required for homes built before 1978. Please include a copy with the Pre-Closing package submission.

## HOUSING QUALITY STANDARD

Mortgage Lenders are also required to have a home inspector licensed in the State of Washington complete HUD's Housing Choice Voucher Program Inspection Checklist form HUD-52580 (3/2001) to ensure the property meets HUD's Housing Quality Standards. The inspector must sign the form and note their license number. An electronic signature is also acceptable.

## PROPERTY OCCUPANCY

Properties that are currently occupied by a tenant within the past 90 days, other than the ARCH DPA (East King County) Borrower, are **NOT** eligible properties.

The Seller must sign the "Disclosure of HOME Program Requirements" form stating that the property is not tenant occupied (other than by the Program borrower or the Seller and their immediate family) and that no displacement of an individual(s) has occurred or shall occur. It must be signed and dated ON or BEFORE the mutual date of acceptance on the Purchase & Sale Agreement.

## SELLER NOTICES

*(Updated 12/27/2018)*

Because federal funds are used in this program, the Seller must be informed that 1) the Borrower does not have the power of eminent domain or condemnation to use to acquire the property if negotiations between the Seller and the Borrower fail to result in an amicable agreement and 2) prior to the closing of the sale, the Mortgage Lender must provide the Seller with a written estimate of the fair market value of the property. The "Disclosure of HOME Program Requirements" form is used to provide notice to the Seller of these requirements.

**Prior to signing the Purchase & Sale Agreement**, in addition to the Disclosure of HOME Program Requirements, the Buyer and Seller must sign the "Initial Estimated Fair Market Value Notice" form. Once the Mortgage Lender has the appraised value and before the loan closes, the

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Seller must be notified using the “Final Estimated Fair Market Value Notice” form. If the estimated fair market value of the property is in excess of the contract price, the Seller may withdraw from the selling agreement.

**The Commission now only requires copies of these disclosures be returned to the Commission with the Pre-Closing Compliance package submission. Originals are no longer required.**

## HOME RECAPTURE AGREEMENT

The originating lender is required to provide the borrower a completed *HOME Recapture Agreement* at closing. The original disclosure with notarized wet signatures must be returned to the Commission with the Post-Closing Compliance package submission. The Commission will handle obtaining signatures for Page 5 of the HOME Recapture Agreement.

## HOMEBUYER EDUCATION AND COUNSELING

The Borrowers(s) are required to attend a Commission sponsored Homebuyer Education Seminar. One-on-one pre-purchase counseling is also required, in addition to Commission approved Homebuyer Education Seminar. A counseling certificate issued by an approved housing counseling agency must be provided in the closing package to Commission. One-on-one post-purchase counseling for the Borrower is also encouraged within 30 days of closing, with the same agency that conducted the pre-purchase one-on-one counseling.

The agencies that can provide the one-on-one counseling are listed on the ARCH DPA homebuyer web page:

<http://www.wshfc.org/buyers/arch.htm>

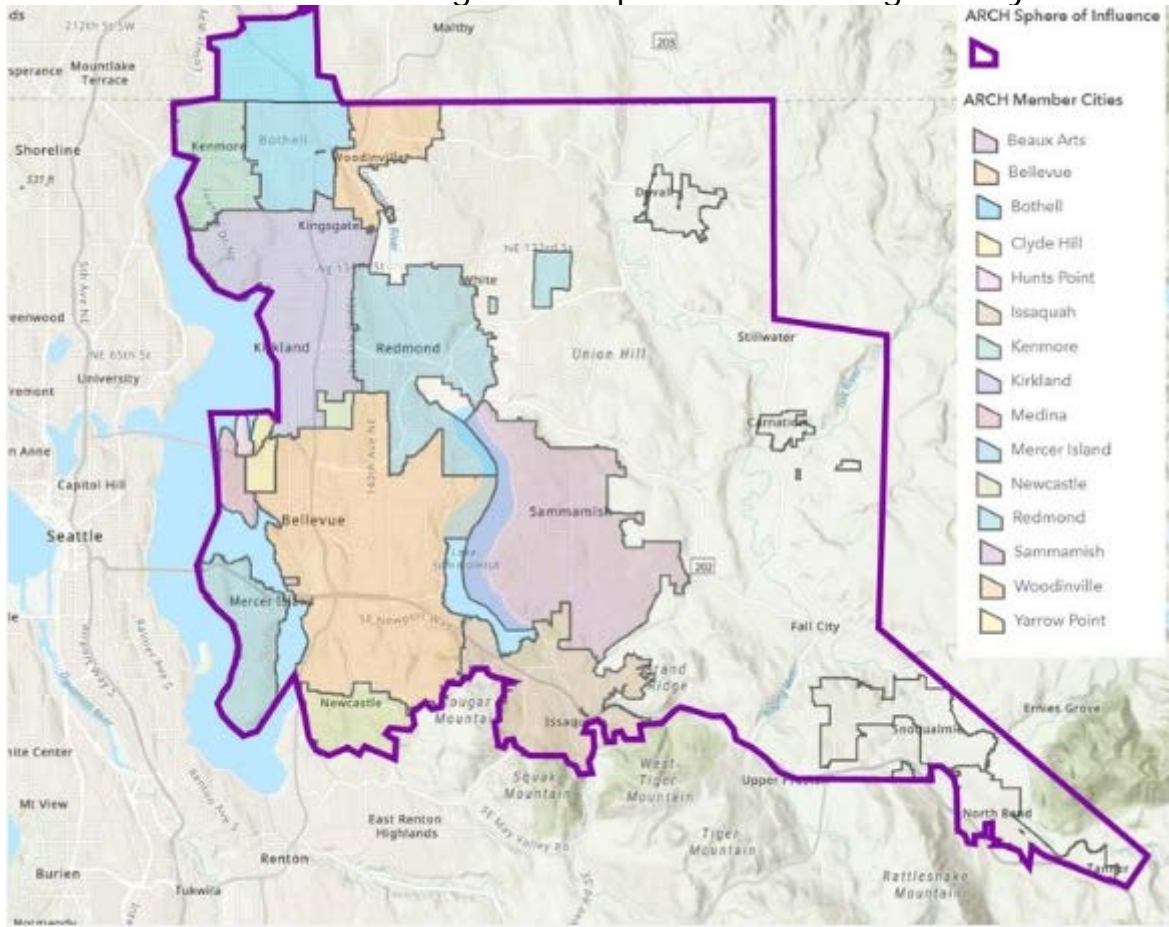
Please have the client contact an agency to schedule a counseling session. The counselor will provide the client with a certificate after the required counseling session is completed.

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## ELIGIBLE AREAS

ARCH Cities and surrounding Unincorporated East King County area



Carnation, Duvall, Snoqualmie, Tanner and North Bend are NOT eligible areas.