

9214 RECAPTURE OF ASSISTANCE

9214.1 Recapture Provision.

- (a) The HCV/HOAP shall recapture a percentage of the homeownership proceeds provided to the Family upon the sale of the home, unless the proceeds are invested in the purchase of another home under the HCV/HOAP program.
- (b) The HCV/HOAP shall recapture a percentage of any proceeds realized upon refinancing that are retained by the household (example during a "cash-out" of the refinanced debt).

9214.2 Recapture Amount.

- (a) In the case of the sale of the home, the recapture amount shall be, subject to paragraph (c) below, in the amount equaling the lesser of the following:
 - (1) The amount the HCV/HOAP provided to the household, adjusted to reflect the automatic reduction provided in paragraph (c) below; and
 - (2) The difference between the sales price and the purchase price of the home minus:
 - (i) The cost of any documented capital expenditures; and
 - (ii) The cost incurred by the household in the sale of the home, such as brokerage fees or repair and fix-up costs; and
 - (iii) The amount of the difference between the sales price and purchase price that is being used upon sale, toward the purchase of a new home under HCV/HOAP; and
 - (iv) Any amounts previously recaptured.
- (b) In the case of a refinancing of the home, the recapture shall be, subject to paragraph (c) below, in an amount equaling the lesser of the following:
 - (1) The amount the HCV/HOAP provided to the household, adjusted to reflect the automatic reduction provided in paragraph (c) below; or
 - (2) The difference between the current mortgage debt and the new mortgage debt; minus:
 - (i) The cost of any documented capital expenditures; and
 - (ii) The cost incurred by the household in the refinancing of the home, such as reasonable and customary closing costs; and
 - (iii) Any amounts previously recaptured.
- (c) Reduction of Recapture Amount. The amount of the recapture shall be reduced in increments of ten percent (10%) for each full year of receipt of HCV/HOAP subsidies with no recapture required after the end of the 10th year of participation.

9214.3 Recapture Agreement and Mortgage Lien.

- (a) At the time of purchase, the household shall execute a Recapture Agreement and Mortgage document which obligates the household to repay a portion of the Subsidy under certain circumstances, and secures the HCV/HOAP right to recapture the HOAP Subsidy.
- (b) Subordinate Lien. The lien securing the recapture may be subordinated to the mortgage lien of the primary loan and other subordinate liens securing repayment of down-payment assistance.

SOURCE: Notice of Final Rulemaking published at 49 DCR 5767 (June 21, 2002); as amended by Final Rulemaking published at 52 DCR 6180 (July 1, 2005).