

2501 ELIGIBILITY RULES

- 2501.1 Applicants shall meet the requirements as specified in this section.
- 2501.2 At the time of application, the applicant shall be the head of a household residing in the District of Columbia, and shall have Gross Household income within one (1) of the following categories:
- (a) Very low income;
 - (b) Lower income; or
 - (c) Moderate income.
- 2501.3 Applicants who are employees of the District of Columbia Government living outside the District of Columbia who are subject to the residency requirements of District of Columbia law shall be considered residents of the District of Columbia for purposes of the program, notwithstanding § 2501.2; provided, that they meet the following requirements:
- (a) Applicant meets all other eligibility requirements of the program; and
 - (b) Applicant shall be a first-time homebuyer or real property purchaser, as determined by DHCD.
- 2501.4 No member of the applicant's household shall own any improved real estate which is or can be used for residential purposes within the Washington, D.C., Standard Metropolitan Statistical Area.
- 2501.5 The applicant shall need financial assistance under the Program in order to reduce the monthly payment on principal, interest, taxes and insurance on the home to be purchased, plus the monthly condominium fee, if any, to not more than an amount determined by application of underwriting criteria established and used by the Federal Home Administration (FHA) or conventional lending institutions to the applicant's monthly gross household income, as such criteria may be amended from time-to-time.
- 2501.6 In the case of a Cooperative, the applicant shall need financial assistance to reduce the Monthly Carrying Charges on the cooperative unit to not more than an amount determined by application of underwriting criteria established and used by the Federal Home Administration (FHA) or conventional lending institutions, as such criteria may be amended from time-to-time.
- 2501.7 The applicant shall meet a reasonable credit standard and shall have the capacity, as determined by the Department, to repay the First Mortgage Loan or pay the Monthly Carrying Charges which will be required on an eligible cooperative unit.

2501.8 *Prima facie* evidence of the capacity to repay the First Mortgage Loan or pay the Monthly Carrying Charges shall be as follows:

- (a) That after the maximum allowable financial assistance has been provided under the Program, the applicant's monthly payment for principal, interest, taxes and insurance (PITI), plus monthly condominium fee, if any, on the property to be purchased or the applicant's Monthly Carrying Charges (MCC) on the cooperative unit shall not exceed an amount determined by application of underwriting criteria established and used by the Federal Home Administration (FHA) or conventional lending institutions, as such criteria may be amended from time-to-time; or
- (b) That the monthly payment for PITI, plus condominium fee, or MCC, plus the monthly payment on other debts of six (6) months or more duration, shall not exceed an amount determined by application of underwriting criteria established and used by the Federal Home Administration (FHA) or conventional lending institutions, as such criteria may be amended from time-to-time.

2501.9 The Department may consider other compensating factors which would indicate an applicant's capacity to repay the First Mortgage loan, monthly condominium fee or Monthly Carrying Charges. Such factors may include, but not be limited to, the amount of down payment, the amount of accumulated savings, the amount of non-taxable income and the potential for increased earnings.

2501.10 The applicant shall have available to be applied toward the down payment or settlement costs and shall commit for the purchase of a dwelling unit or cooperative share not less than five hundred dollars (\$500), or fifty percent (50%) of all household assets in excess of three thousand dollars (\$3,000) that are in a form capable of ready conversion into cash, whichever is greater.

2501.11 For very low income and lower income applicants, the contribution in excess of five hundred dollars (\$500) required under § 2501.10, may be waived by the Director where there is demonstrated need, and the applicant household is elderly, handicapped, disabled, or displaced.

2501.12 A loan to an eligible applicant may be made in the form of a loan to a Cooperative, of which they are resident members or share holders; provided, that the Cooperative qualifies in accordance with the definition of Cooperative in § 2599.

2501.13 If an applicant qualifies for a loan under § 2599, pursuant to § 2501.13, the Department shall require the cooperative to execute the Note, Deed of Trust, Loan Agreement and other documents securing and evidencing the loan in its own name. The Department may also require the eligible applicant or applicants to co-sign the loan documents.

2501.14 Priority in the allocation of assistance among eligible applicants for the Program shall be as

follows:

- (a) First priority shall be given to District of Columbia residents who are very low or low income, elderly, handicapped, disabled, or displaced.
- (b) Second priority shall be given to other eligible residents of the District of Columbia.
- (c) Third priority shall be given to non-residents who have been employed in the District for one year immediately preceding application and are otherwise eligible.
- (d) Fourth priority shall be given to those eligible applicants who neither reside in the District nor were employed in the District for one year immediately preceding application, but who can demonstrate prior residency in the District for at least three (3) consecutive years while an adult over the age of eighteen (18).

The DHCD shall establish administrative procedures to implement this priority system.

2501.15 To be eligible for purchase or for securing occupancy rights, a property shall be located in the District of Columbia and shall be a single-family, condominium or cooperative dwelling unit, to be used as the applicant's primary residence.

SOURCE: Notice of Final Rulemaking published at 28 DCR 526 (January 30, 1981); as amended by: Notice of Final Rulemaking published at 31 DCR 2968 (June 15, 1984); Notice of Final Rulemaking published at 33 DCR 2775 (May 9, 1986); Notice of Final Rulemaking published at 34 DCR 4394 (July 10, 1987); and Notice of Final Rulemaking published at 44 DCR 1553 (March 14, 1997); Notice of Final Rulemaking published at 53 DCR 5250,5251 (June 30, 2006).