

Harris County DAP Frequently Asked Questions:

1. **May I qualify for more than \$23,800 of assistance?** No, the maximum amount of assistance under this program **based on need** is \$23,800.
2. **How is the back-end ratio calculated?** The back-end ratio is calculated by adding together all of a borrower's monthly debt payments and dividing the sum by the borrower's monthly gross income. For example, a borrower whose monthly gross income is \$5,000 (\$60,000 annually divided by 12) and who has total monthly debt payments of \$2,000 has a back-end ratio of 40% (\$2,000/\$5,000).
3. **How do I determine if a home is located within the property tax jurisdiction of the Harris County?** Visit the Harris County Appraisal District's (HCAD) website at www.hcad.org and enter the home's address. If HCAD shows the home is taxed by MUD, the home will qualify for the program.
4. **How is household income determined?** Visit the HUD Income Calculator website, go to the "Start Calculating Income" section, and follow the instructions to calculate your household income.
5. **May I take the homebuyer education course online?** No, A HUD-approved 8-hour in person homebuyer education course is required, and completion of a one-on-one homebuyer advising/counseling household budget session with a HUD-approved counseling agency. Each applicant must obtain a Homebuyer Education Certificate and budget letter through a HUD-approved counseling agency and HUD-approved counselor.
6. **Do I have to reside in the home for a period of time?** Yes, an affordability period is required as part of the second lien deferred loan Deed of Trust. The requirement is to maintain the property purchased as your primary residence for a specific number of years based on the amount of funds provided for the mortgage assistance.
7. **What if I need to sell my home before I have lived in it for five/ten years?** The loan will be subject to recapture and repayment.
8. **How long does the process take?** Typically, after receipt of all application documentation, a preliminary approval can be received within three business days, with a full file approval completed within four weeks. This is contingent upon the lender.

9. **Do I have to be a participating program lender?** Yes, the program does have a participating lender list. Applicants may choose any lender.
10. **Does the applicant have to be a US Citizen?** Yes, or permanent resident.
11. **Can my file submission contain electronic signatures?** Yes, your lending file can contain electronic or e-signed documents. There are a few Harris County required forms that must be wet signed.
12. **Can seller contribution be used toward closing cost?** Yes
13. **How is need determined?** The (LE) Loan Estimate is utilized in part of the determination, along with current investment into the transaction.
14. **Why is an HCIS required when a TREC Inspection is completed?** This is a HUD requirement, in order to continue receiving federal funding for the program.
15. **How has the process time been streamlined?** The process is streamlined with the elimination of the amount of documents you formerly gathered on behalf of Harris County and the elimination of pre-Commissioner's Court submission for approval.
16. **What is the approval process?** All files once determined eligible goes to an Underwriting Committee for second review and approval.
17. **I have tried utilizing the program before and closing took too long. What do you think is your biggest snag getting to closing?** Obtaining the required additional documents from either you as the lender or the applicant.