WASHINGTON STATE
HOUSING FINANCE
COMMISSION

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ARCH (EAST KING COUNTY) DOWNPAYMENT ASSISTANCE PROGRAM

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.

DOCUMENTATION

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

The first two forms must be signed and dated ON or BEFORE the date of mutual acceptance of the Purchase & Sale Agreement. No Exceptions

- ☐ Disclosure of HOME Program Requirements (PDF) (HUD FORM 1)
- ☐ Initial Estimated Fair Market Value Notice (PDF) (HUD FORM 2.1)

Prior to closing. Completion afterwards will result in an un-saleable loan

- ☐ Final Estimated Fair Market Value Notice (PDF) (HUD FORM 2.2).
- ☐ HUD's Housing Choice Voucher Program Inspection Checklist (PDF) (HUD-52580-A). Completed by a WA. State Licensed Home Inspector.

- ☐ For homes built prior to 1978, Lead Paint Disclosure signed by borrower(s). See additional requirements if the appraiser identifies deteriorated lead paint.
- ☐ Two month's bank statements from all borrowers to check deposits for undisclosed income.
- ☐ One-On-One counseling certificate by an approved agency.
- ☐ Environmental Review completed by King County.

Post Closing:

- ☐ HOME Recapture Agreement
- ☐ Borrower(s) signed receipt of appraisal
- ☐ CD Showing borrower(s) received NO cash back at closing for any reason

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. 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. **It may however be used with the Covenant DPA (ARCH in 2nd position, Covenant in 3rd).**
3. Borrowers need **not** be a first-time homebuyer.
4. **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.

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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.

CASH BACK

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

COMPLIANCE INCOME LIMITS

(Effective 6/01/2026)

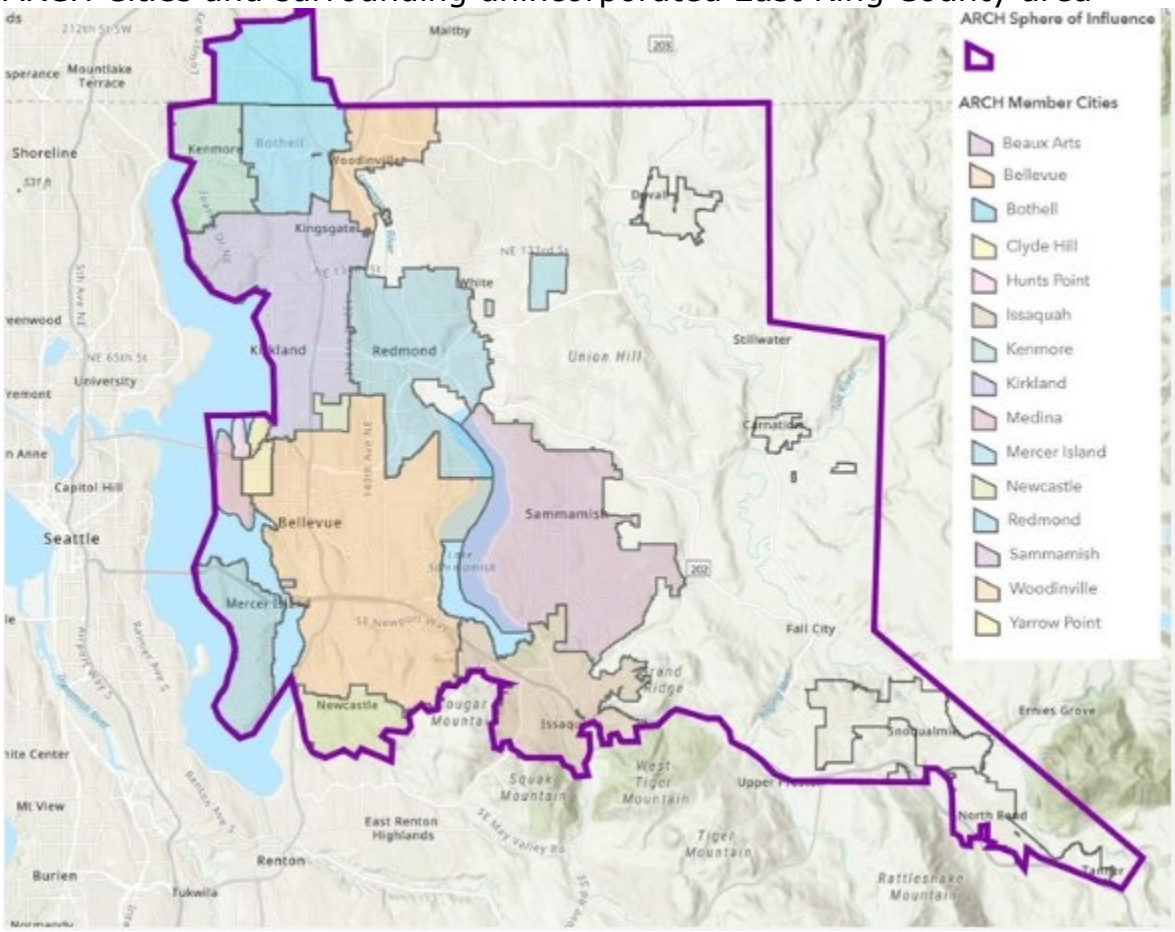
This Compliance Income for the borrowers (as of the date of signing the Purchase & Sale Agreement, in the case of new home being constructed, or as of the date of purchase, in the case of an existing home) must not exceed:

Household Size	1	2	3	4	5	6	7	8
Household Income Limit	$81,700	$93,350	$105,000	$116,650	$126,000	$135,350	$144,650	$154,000

The above are based on the lessor of HUD Section 8 80% AMI income limits and HUDs 100% AMI (the latter unadjusted for household size) for King County.

ELIGIBLE AREAS

ARCH Cities and surrounding unincorporated East King County area



Carnation, Duvall, Snoqualmie, Tanner and North Bend are **NOT** eligible areas. Please email Dietrich.Schmitz@wshfc.org to confirm.

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.

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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.

HOUSING QUALITY STANDARD CHECKLIST

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.

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.

PROPERTY ACQUISITION LIMIT

(Effective 9/1/2024)

Acquisition costs (Purchase Price + Leasehold value if not Fee Simple)

$646,000 for existing homes, $660,000 for new construction.

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.

SELLER NOTICES (HUD Forms 1, 2.1, 2.2)

(Updated 12/27/2018)

When signing the Purchase & Sale Agreement, in addition to the Disclosure of HOME Program Requirements (HUD Form 1), the Buyer and Seller must sign the "Initial Estimated Fair Market Value Notice" (HUD Form 2.1). **Once the Mortgage Lender has the appraised value and before the loan closes**, the Seller must be notified using the "Final Estimated Fair Market Value Notice" form(HUD Form 2.2). 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.