

Benefits to Better Housing Coalition Homebuyer Candidates

	Monthly Payment Scenario	
	<u>BHC</u> <u>Programs</u>	<u>Conventional</u> <u>Programs</u>
Sales Price	\$ 170,000	\$ 170,000
Closing Costs	<u>\$ 8,850</u>	<u>\$ 8,850</u>
Total Acquisition Costs	\$ 178,850	\$ 178,850
Mortgage Amount	\$ 156,850	\$ 173,750
Downpayment Required	\$ 2,000	\$ 5,100
Grants Available*	<u>\$ 20,000</u>	<u>\$ 0</u>
	\$ 178,850	\$ 178,850
Cash out of Pocket	\$ 2,000	\$ 13,950
Mortgage term (months)	360	360
Mortgage Rate**	4.00%	5.00%
Monthly Payment	\$ 749	\$ 933
Taxes and Insurance***	<u>\$ 281</u>	<u>\$ 281</u>
Total Monthly Payment	\$ 1,030	\$ 1,214
Equity provided by grants after 5 years of ownership		\$ 20,000
Closing costs savings at settlement		\$ 11,950
Homebuyer Savings on interest over the life of the loan		<u>\$ 66,205</u>
Total Benefit to Better Housing Coalition Homebuyers		\$ 98,155
Assumptions:		
*Grants are based on availability to income qualified applicants for downpayment and closing cost assistance. More than one grant is assumed.		
**The VHDA SPARC Mortgage program is available to qualified, first-time homebuyers BHC 1% VHDA interest rate reduction (posted rate as of 12/23/08) assumes FHA loan		
***City of Richmond Tax Rate (\$1.23 per \$100 of AV), \$400 annual hazard insurance and \$800 required FHA mortgage insurance premium on FHA loans		