



Frequently Asked Questions

HOME BUYER ASSISTANCE (HBA)

Q. I need help with Home Buyer assistance. Where do I start? Upon completion of the class you will receive a certificate of completion.

A. First step- Complete the Home Buyer education. Upon completion of the class you will receive a certificate of Completion. For this area, call 956-687-6263 or visit <http://www.ahsti.org/homebuyer-education> to register for class. Second step- You must be approved for a mortgage loan through a participating HBA lender. The lender will submit a HBA application packet to the City of Pharr on your behalf.

Q. How much money can I get towards my down payment and closing costs?

A. The amount of down payment assistance is based on need. The Homebuyer may qualify for a HBA forgivable loan up to \$5,760.

Q. How does Standard HBA work?

A. Standard HBA program assistance is a 0% interest rate, forgivable loan, with a 5 year affordability period and a 5 year loan term. No monthly payments are required. When the 5 year period has been met the loan will be totally forgiven.

For this program, if you choose to sell or rent the house, transfer title, refinance with cash back, or draw an equity loan prior to the end of the affordability period the amount owed will become due and payable.

Q. What type of home can I buy?

A. You may use the assistance to purchase an existing or new construction single-family home, townhome, or condominium. Existing dwellings must pass our Housing Quality Standards (HQS) inspection.

Q. How long does the HBA application process take?

A. Thirty days from the date the lender submits a complete packet to the City requesting assistance.

Q. My credit score is not good. Can I still buy a house/qualify for HBA?

A. You may want to consider homebuyer counselling to learn how to eliminate debt, build your credit score, budget your finances and prepare yourself for homeownership. The DPA Program is not credit score driven; however, your lender may have credit score requirements.

Q. What is "first-time homebuyer?"

A. An Individual that has never owned a home or that has not owned a home in the last 3 years. The term also includes an individual who is a displaced homemaker or single parent, as defined by Housing and Urban Development. Individuals displaced by divorce may qualify. The HBA Program is for households that are purchasing the home to be used as their primary place of residence.

Q. Is there a limit on how much income I can have?

A. Yes. The total household income cannot exceed 80 percent of the McAllen-Mission-Edinburg Area Median Income (AMI).

Q. Is there a limit on the sales price of the house I can buy?

A. Yes. [Click here](#) to see the maximum sales price by locality.