



**GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**



NOTICE OF POLICY ADDITION FOR AFFORDABLE DWELLING UNITS (ADUs)

RE: Third-Party Contributions to ADU Purchasers Effective Date: December 10, 2014

In order to preserve accessibility to units in the ADU program for households with limited incomes and assets, the Department of Housing and Community Development (DHCD) limits the amount of third-party gifts that may be contributed toward an ADU purchase to no more than 6 percent of the unit sales price.

Gifts are defined by DHCD in this instance as outside funds contributed toward the purchase of an ADU unit with no expected or implied repayment by the donor. This restriction includes contributions from non-household family members or any other non-household associate. However, grants from a federal or District agency or a registered non-profit organization are exempted from this restriction.

See page 2 for documentation requirements.

Notice of Policy Addition for Affordable Dwelling Units (ADUs), page 2

In the case of gift funds being used for an ADU purchase, the purchaser must provide the following documentation to DHCD:

If The Gift Funds ...	Then The Purchaser Must Provide To DHCD ...
Are in the borrower's account	<ul style="list-style-type: none"> • a copy of the withdrawal document showing that the withdrawal was from the donor's account; and • the borrower's deposit slip or printout of digital transaction and bank statement showing the deposit.
Are to be provided at closing, and are in the form of a certified check from the donor's account	<ul style="list-style-type: none"> • a bank statement showing the withdrawal from the donor's account; and • a copy of the certified check.
Are to be provided at closing, and are in the form of a cashier's check, money order, official check, or other type of bank check	<ul style="list-style-type: none"> • a withdrawal document or cancelled check for the amount of the gift, showing that the funds came from the donor's personal account.
Are to be provided at closing, and are in the form of an electronic wire transfer to the closing agent	<ul style="list-style-type: none"> • documentation of the wire transfer.
Are being borrowed by the donor, and documentation from the bank or other savings account is not available	<ul style="list-style-type: none"> • written evidence that the funds were borrowed from an acceptable source, not from a party to the transaction, including the lender. • Important: Cash on hand is not an acceptable source of donor gift funds.