

HOME PURCHASE ASSISTANCE PROGRAM (HPAP) LOTTERY FREQUENTLY ASKED QUESTIONS (FAQS)

October 2024

THE LOTTERY PROCESS

Why did DHCD decide to go with a lottery Process?

The lottery process will provide more certainty to home purchasers during the buying process as they select their homes, financing options, and other advisory services. Because FY24 funds were fully allocated, DHCD will use FY25 funding to prioritize current HPAP Notice of Eligibility (NOE) holders and expects to utilize the entirety of the FY25 HPAP budget for current NOE holders.

What is the HPAP Lottery?

The HPAP Lottery is a process through which current NOE holders will be randomly selected to receive a Notice to Proceed (NTP) for purchasing a home with HPAP assistance. This Notice to Proceed is a six (6) month commitment from the date of notification where funds will be reserved for the NOE holder. The six (6) month timeframe allows the NOE holder to complete the home selection, closing, and purchase process. No extensions will be given or considered.

Does a Notice to Proceed expire? If so, can it be renewed or extended?

The Notice to Proceed is valid for six (6) months. It will not be renewed or extended.

When will the lottery be held?

The first lottery in this fiscal year will be held on November 15, 2024.

What if I am not selected in the lottery, will there be a second lottery?

If HPAP funds are available, a second lottery may be held in the current fiscal year.

How often will the lottery take place? Weekly, monthly etc.

The lottery will be held once a year. If funding is available after the first lottery, a subsequent lottery may be held before the end of the current fiscal year.

CURRENT NOTICE OF ELIGIBILITY HOLDERS

I have a Notice of Eligibility (NOE), will my name be placed in the lottery?

Yes, all current NOE holders' names will be placed into the lottery.

I have an NOE, contract for a home, and a lenders package, do I get preference?

No. All current NOE holders' names will be placed into the lottery for selection.

My NOE expires soon, do I have to reapply for HPAP?

When an NOE expires, the applicant must update all required documents through the CBO who assisted them.

Do I have to go back to a CBO to get my name into the lottery?

If an applicant is not selected, all current NOE holders' names will be automatically submitted for subsequent lotteries until their NOE expires. The applicant must update all required documents through the CBO who assisted them when an NOE expires.

APPLYING FOR HPAP

Can I apply for HPAP in this fiscal year?

Prospective homebuyers must first contact a CBO for orientation and training. Once a Notice of Eligibility is received, their names will be placed in a subsequent lottery.

Are there new eligibility requirements to qualify for the lottery?

The current HPAP eligibility requirements remain in place. Prospective homebuyers must first contact a CBO to complete orientation and training. Once a Notice of Eligibility is received, their names will be placed in the subsequent lottery.

HPAP FUNDING

Is there a maximum amount of loan funding with the lottery?

All HPAP loan amounts will continue to be based on household size and household income. The maximum amount of HPAP assistance provided to extremely low to moderate income eligible households is \$202,000. Closing cost assistance is provided separately and cannot exceed \$4,000.

Is the lottery guaranteed funding?

If an applicant is selected, the prospective homebuyer will have six months from the date of the Notice to Proceed to select and close on a home from funding reserved by DHCD.