

Comprehensive FAQ List

This list includes all Q&As from the Baldwin HAP May 18 Public Meeting, June 3 Public Meeting, and received via email to bccgrants@baldwincountyal.gov and will be updated periodically.

Eligibility

Is the program only for first-time homebuyers?

No, an applicant does not have to be a first-time homebuyer to participate in the HAP program.

Can current homeowners apply for HAP?

Yes. Current homeowners may apply if they sell their existing home as part of the purchase transaction and meet all program eligibility and underwriting requirements.

How is income calculated for program eligibility?

The program uses HUD Adjusted Gross Income (AGI) rules to determine eligibility. Mortgage lenders may use different income calculations when evaluating debt-to-income ratios and loan qualification.

How is child support treated?

Court-ordered child support may be included when determining household income under HUD eligibility requirements. Program staff will review supporting documentation as part of the eligibility review.

Can I qualify if I planned to move to Baldwin County in 2020 but had not yet moved when the storms occurred?

Possibly. Applicants who planned to move to Baldwin County before Hurricanes Sally or Zeta may qualify if they can provide documentation demonstrating their intent to relocate or purchase a home in the County at that time.

Award Amount & Forgivable Loans

How much assistance can I receive?

Eligible households may receive up to \$85,000 in assistance. The final award amount is based on the applicant's financing needs, property eligibility, and approved closing costs.

When will I know my final award amount?

Applicants will receive a conditional award of up to \$85,000 after initial eligibility is confirmed. The final award amount is determined after a property is selected, the purchase agreement is executed, property eligibility is confirmed, and lender closing costs are finalized.

Will there be special Commission meetings for approvals?

The Commission will not approve individual applications.

How does loan forgiveness work?

The HAP loan is forgiven at a rate of 20% per year over five years, provided all program requirements are met. If the property is sold, transferred, or no longer used as the applicant's primary residence before the five-year occupancy period ends, repayment of the unforgiven portion may be required.

What happens if circumstances change during the five-year occupancy period?

If circumstances change where the applicant will no longer reside in the home before the end of the five-year period, the applicant and/or co-applicant must contact Baldwin County to determine if repayment will be required.

Property Eligibility

Can HAP be used for new construction?

Yes. New construction homes may be eligible if the home is complete and move-in ready at the time of closing.

What flood zones are eligible?

Eligible homes must be located in areas where flood insurance is not required, including Flood Zone X. Homes located in higher-risk flood zones that require flood insurance are not eligible for HAP assistance.

Is there a map showing eligible flood zones?

A county-wide flood zone map will be made available on the Baldwin County website. You can also search specific areas on [Alabama Flood Map site](#) or on the [FEMA Flood Map Service Center](#).

Can I purchase a home from a family member, friend, or someone I already know?

Transactions between family members, friends, or other parties with a prior relationship may be eligible. However, these transactions may be subject to additional review to ensure all program requirements are met.

Homebuyer Education

Can I take the homebuyer education course before applying?

Yes. Applicants may complete the course before applying, provided the course is HUD-certified.

How long is the homebuyer education certificate valid?

Homebuyer education certificates are valid for 24 months from the date of completion.

What does the homebuyer education course cover?

The course covers topics such as mortgages, escrow, insurance, home maintenance, budgeting, and other basic homeownership responsibilities. Courses are available online and in person.

Application Process & Timeline

How long does the process take from application submission to closing?

The process is expected to take approximately 60 to 90 days from submission of a complete application through closing, although timelines may vary based on applicant readiness, lender processing, and property selection.

How long do I have to find a home?

At this time, there is no fixed deadline to identify a home after receiving a conditional award. However, the program may establish time limits if necessary to manage funding availability or program demand.

Can I sign a purchase agreement before receiving HAP approval?

No. Homes placed under contract before the applicant receives a HAP conditional award are not eligible for assistance.

What happens after I receive a conditional award?

After receiving a conditional award, you may begin searching for an eligible property. Once a property is selected, the program will review the property, complete required environmental and eligibility reviews, coordinate with your lender, and calculate your final award amount before closing.

Will there be a local office where I can receive assistance?

The program intends to provide local case management and application support. Additional information about office locations and in-person assistance will be announced as arrangements are finalized.

If denied once, can an applicant reapply?

The applicant may appeal the decision by providing a written request to the program explaining the basis of the appeal and including documentation to support the appeal.

Realtor, Lender & Mortgage Loan

Should lenders include HAP assistance when issuing pre-approvals?

Lenders should follow their standard underwriting requirements when issuing pre-approvals. HAP assistance may be considered when evaluating affordability, but assistance is not guaranteed until the applicant receives a conditional award.

Can I change lenders after applying?

Yes. Applicants may change lenders during the process if needed.

What types of mortgages can be used with HAP?

The program generally allows standard 30-year mortgage products. HAP can be used with government-backed loans, such as USDA and VA Home loans. Additional information about eligible loan types will be provided by the program and participating lenders.

Can I refinance my mortgage after receiving HAP assistance?

Refinancing may be permitted, but certain transactions, including cash-out refinances, may affect your HAP assistance or loan forgiveness requirements. Applicants should contact program staff before refinancing.

Can an applicant have a co-signer on the loan that will not be part of the household?

Yes. If necessary for the loan approval, the applicant may have a loan co-signer that is outside of the household. However, the co-signer may not be included on the title, be responsible for maintaining the home, or paying the mortgage. If all of these conditions are met, then the loan co-signer would not be considered as part of the household for the HAP program eligibility review.

What's the average earnest money amount?

The average earnest money amount is \$1,000. Earnest money is a deposit payment made by the buyer and held by a title company after a purchase agreement is signed. The payment ultimately goes towards down payment and/or closing costs.

Can inspection and appraisal costs be reimbursed?

If the inspection and/or appraisal is paid for by the Realtor or Lender and the amount is included in the Closing Disclosure document, then it can be reimbursed at closing.

If an applicant or co-applicant pays for these costs up front, then it is considered part of the contribution for the purchase. No cash reimbursement is allowed to an applicant or co-applicant.