

First-time Homeowner FAQs

General Loan Questions

Q: Can I have my payments automatically drafted from my checking or savings account?

A: Yes. You can take advantage of our Automatic Mortgage Payment Option (electronic payment service). The amount of your payment, plus any additional amounts you want to add toward principal reduction on a continual basis, can automatically be deducted each month from the checking or savings account you designate. It's fast, and best of all, it's free. [Sign up for Automatic Payments.](#)

Q: Can I make my mortgage payment online?

A: Yes. You can make check payments online. Have your checkbook ready and click the link. You will be taken through the process of making your payment. A \$10 fee will be charged for each payment made after the 10th of each month. If you choose to make payments through a Customer Service Representative, the charge will be \$15.

Q: Can I refinance my Virginia Housing loan?

A: Many factors go into play when deciding whether to refinance a mortgage loan. Contacting a Virginia Housing approved lender is a good place to get answers to your questions. Find one near you at VirginiaHousing.com/FindALender.

Q: Does Virginia Housing have any properties for sale?

A: Yes. Virginia Housing frequently acquires single-family homes, condominiums and townhouses via foreclosure sales. These properties are then offered for sale to the general public. You can [view a complete list of foreclosed homes for sale on our website.](#)

Q: How can I get payoff information?

A: Please fax payoff requests to 804-343-8720. Third parties must fax a copy of the customer's authorization for release of any information. Verbal payoff figures are not given over the phone. **For Lenders** – Virginia Housing's AutoFax Payoff is a simpler way to request payoff statements for your clients. Here's what you need to know. **Why use AutoFax Payoff?** It's faster and more efficient. No prior authorization is needed. Payoff statements are generated within two hours. Up to 10 requests can be processed per call. No written request is needed. **How Does it Work?** Lenders can request a payoff statement from Virginia Housing by calling 800-235-6938. Press 1 for loan information. Press 2 for other information. Press 4 for a faxed payoff statement. **Be Prepared to Provide:** Your client's loan number. Client's SSN. Client's full property address (including ZIP code). Your 10-digit fax number. Your 10-digit phone number. Good-through date. **Questions?** Contact Virginia Housing Customer Service at 800-235-6938.

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Q: I am a co-mortgagor. Will I receive an annual loan statement?

A: No. Statements are mailed only to the primary borrower at the current mailing address. A copy of the statement will be provided upon request for a fee. Virginia Housing mails annual loan statements no later than January 31.

Q: If I'm experiencing a hardship beyond my control, how can I save my home from foreclosure?

A: You can take steps to avoid foreclosure on your home. If you experience a hardship and are worried about making your house payments, understand your options. Do not ignore the situation or avoid your lender. Our website VirginiaHousing.com/ForeclosurePrevention offers tips and advice on saving your home from foreclosure.

Q: What are the hours for accessing my loan information and making payments online?

A: Online loan information is available 24 hours a day, 7 days a week. Sign on anytime – from home, work or while traveling. **Hours of availability for online payments are:** Weekdays 7 a.m. - 11 p.m., Saturdays 7 a.m. - 6 p.m.

Q: What does my monthly mortgage payment include?

A: Your monthly payment includes a portion of the principal balance on your loan, the interest payment and your escrow payment (monthly payments collected to pay your homeowners insurance, mortgage insurance, flood insurance and property taxes). This is commonly referred to as PITI (Principal, Interest, Taxes and Insurance).

Q: What does prepayment mean?

A: Prepayment is the payment of all or part of your principal balance before it's due. Some loan agreements may require you to pay special fees or penalties if you pay off your loan early. Your note that was included with your closing documents has detailed information regarding prepayment of your loan.

Q: What is a recapture tax?

A: Please reference the Federal Recapture Tax section of our website for detailed explanations of this topic by visiting VirginiaHousing.com/RecaptureTax.

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Q: What is an assumption?

A: An assumption is the conveyance of the terms and balance of an existing mortgage to the purchaser of a financed property, commonly requiring that the assuming party qualifies under lender and investor guidelines. This process may or may not be available depending on the type of loan you have. All assumption requests go through a review process, which includes a review of the credit history, income and debt-to-loan ratio of the person assuming the loan. You will need to contact our Customer Service Department to discuss this type of transaction at 800-235-6938.

Q: What is the mortgagee clause for Virginia Housing?

A: Virginia Housing Development Authority
ISAOA/ATIMA
P.O. Box 4628
Richmond, VA 23220
Loan #

Q: Why is a principal balance not my payoff amount?

A: This is because the interest on your loan is calculated in arrears. For example, when you paid your July payment, you actually paid interest for June and principal for July. The payoff amount also includes any escrow advances, release fees and other charges and credits due on the loan.

Q: Why is there only one Social Security number on my annual loan statement?

A: It is Virginia Housing's responsibility to report the total amount of interest paid during the calendar year. Since Virginia Housing does not take a position with respect to the financial interest of each party on a loan, Virginia Housing only reports under the primary Social Security number. The IRS does not require reporting for additional Social Security numbers.

Questions About Escrow Accounts

Q: What are escrow adjustments (overages, shortages and reserves)?

A: When performing an escrow analysis, the most recent disbursement amount is used to calculate the amount required on an analysis. Some estimates of expenses are made because up-to-date tax and insurance bills may not be available at the time of analysis. In estimating an escrow account, over-collection and under-collection may sometimes occur. If there is a surplus of funds in your account after the annual analysis, this is called an overage. If the overage is more than \$50, it will be refunded to you, provided your loan is current.

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When funds have been under-collected, a shortage occurs. The amount of the shortage would be the maximum negative amount that your account would reach if an adjustment to your monthly payment were not made. If a shortage does occur, your monthly loan payment will be adjusted to include the escrow payment amount plus 1/12 of your escrow shortage. You also have the option of paying off the whole shortage amount in one lump sum to limit the increase in your monthly loan payment.

Q: What is an escrow account?

A: This is an account Virginia Housing uses to pay your real estates, homeowners insurance and mortgage insurance (if applicable) premiums as they come due. A portion of your mortgage payment is deposited into your escrow account each month to cover these expenses.

Q: What is an escrow analysis and how does it work?

A: Each year, Virginia Housing projects the balance of your escrow account over the coming year, based on the actual taxes and insurance premiums paid over the previous 12 months. We provide you with a written copy of the escrow analysis, including a projection of your monthly escrow deposits, the bills we expect to pay on your behalf from your escrow account, and an estimated monthly balance. In some cases, we may project either a shortage or a surplus in your escrow account.

Questions About Insurance

Q: Am I required to keep homeowners insurance on my property?

A: Homeowners insurance is required for everyone who has a mortgage loan. It covers losses and damages to your home and assets in the event of a fire, theft, vandalism and many unforeseen weather-related disasters. Homeowners insurance may also provide liability coverage. It also protects Virginia Housing's financial interest in the property.

If you receive a cancellation notice on your homeowners insurance for any reason, please contact us immediately so we may assist you. Failure to replace a canceled policy will result in the purchase of force-placed insurance, which is more expensive than standard coverage and may not provide the same type(s) of coverage.

Q: How can I cancel the mortgage insurance on my loan?

A: If your loan meets the necessary requirements for early MI termination, you must send us a letter requesting termination. You can fax it to the Insurance Department at 804-343-8735 or email it to Insurance@VirginiaHousing.com.

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Q: How do I change insurance companies or carriers?

A: Make sure your new policy meets the insurance requirements for your loan by comparing it to the coverage listed on the declarations page of your current insurance policy. This is usually the first page of the policy. Once you have your new policy in place, contact your current insurance carrier to cancel coverage. (You may not receive a refund if a new premium is currently due).

Notify Virginia Housing as soon as possible by fax at 804-343-8735 that you've changed insurance companies. Please include your name, address and loan number, along with the new policy's declarations page information.

Q: How do I renew my homeowners insurance policy?

A: Policy renewal information is typically forwarded to Virginia Housing by your insurance carrier. Please verify with your insurance company that they show Virginia Housing as the Mortgagee on the property and have your correct loan number listed. If you receive a letter from Virginia Housing requesting policy renewal information, please do not ignore it. Fax or email the information to us to avoid a lapse in coverage.

Q: What is force-placed insurance?

A: Force-placed insurance is obtained on your property if you do not provide us with a policy from a carrier you choose. This insurance only covers the structure; it has no liability or contents coverage. We encourage you to purchase your own policy to give you the most coverage.

Q: What is mortgage insurance or private mortgage insurance?

A: Mortgage insurance is a policy that compensates lenders for losses due to the default of a loan. Having mortgage insurance allows a borrower to get a mortgage with a smaller down payment. If you have an FHA loan, you have a mortgage insurance premium (MIP). If you have a conventional loan and made less than a 20 percent down payment on the home, then you have private mortgage insurance (PMI).

Q: What type of insurance coverage is required?

A: You are required to have homeowner's coverage or condo unit owner coverage if the HOA covers the structure in the event of a fire. Flood insurance is required for properties in a flood zone.

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Questions About Real Estate Taxes

Q: How does Virginia Housing obtain tax bills?

A: Virginia Housing has a tax service that obtains real estate amounts, eliminating the need for regular annual paper bills.

Q: What are supplemental tax bills?

A: Supplemental tax bills are in addition to the regular annual bill. A supplemental assessment reflects the difference between a home's new assessed value and the prior assessed value. Virginia Housing does not get supplemental tax amounts. These bills are sent directly to homeowners, and you must forward any you receive to Virginia Housing at RealEstateTaxes@VirginiaHousing.com for payment.