



Sponsoring Partnerships & Revitalizing Communities (SPARC)

July 2024



What is SPARC?

- An allocation of reduced rate funding made available by Virginia Housing to “sponsors” who may be local governments, housing authorities, or housing nonprofits
- Designed to help sponsors support and leverage their homeownership efforts and programs
- SPARC reduces mortgage loans by one percent below Virginia Housing’s published first-time homebuyer rate for the duration of the 30-year mortgage



One Percent Example

- \$300,000 home with 5% (\$15,000) down payment
- \$285,000 loan at 7% interest = \$1,896.11 per month
- \$285,000 loan at 6% interest = \$1,708.72 per month

- Savings = \$187.39 monthly,
\$2,248.68 annually,
\$67,460.40 total (30-year loan)



How is SPARC Administered?

- Virginia Housing selects sponsors annually through a competitive application process
- Sponsors establish local parameters, partner with lenders, and identify eligible homebuyers
- Homebuyers must:
 - Meet any locally established parameters,
 - Complete housing counseling and training,
 - Qualify for a Virginia Housing loan, and
 - Work with a Virginia Housing approved lender
- Lender “requests a lock” on SPARC, and the sponsor signs off
- Sponsor manages allocation and maintains documentation



Submitted Application in May

- Within City of Harrisonburg footprint
- Promote local housing counseling
- Align with fee waivers when possible
- 100% of Area Median Income

| | 1 | 2 | 3 | 4 | 5 | 6 |
|------------|----------|----------|----------|----------|----------|-----------|
| 100% AMI | \$62,300 | \$71,200 | \$80,100 | \$89,100 | \$96,200 | \$103,400 |
| Affordable | \$1,557 | \$1,780 | \$2,002 | \$2,227 | \$2,405 | \$2,585 |



SPARC Request

- Average home price times number of anticipated households served equals requested allocation amount

$$\text{\$298,570} \times 7 = \text{\$2,090,000}$$



Next Steps

- Preliminary notification July 9
- Onboarding July 29
- Finalize details, reach out to lenders, etc.
- Coordinate with housing counseling agencies
- Communicate with other regional SPARC sponsors



Questions?

Thank You!