




MEMORANDUM

VIA E-MAIL

TO: All WVHDF Participating Lenders 

FROM: Justin Hylbert
Business Development and Loan Origination Manager

DATE: Thursday, August 29, 2024

SUBJECT: Buyer-Paid Commission and the Low Down Home Loan

As we are all aware, the new rules born out of the case settlements with the National Association of Realtors (NAR) became effective Saturday, August 17, 2024. Understandably, we have received questions from our partners about their impact, specifically, the use of the Low Down Home Loan (LDHL) to cover buyer-paid representation costs at closing.

At this time, the LDHL may be used to assist Borrowers cover the cost of buyer representation, provided the file includes documentation expressly stating the buyer's responsibility on the matter.

For your information, of a maximum allowable \$8,000.00, average use of the LDHL is \$7,200.00, leaving little room for these added charges buyers may incur. Additionally, there should be no expectation of an increase to the LDHL cap to accommodate these charges. Lenders are reminded that our closing cost and down payment assistance funds are to be applied first toward any standard, borrower-obligated closing cost, with any remaining funds applied as down payment.

As always, we will monitor this situation and keep you updated on any changes to our offerings. We appreciate your cooperation and partnership. Please reach out to Single Family Lending management if you have any concerns or questions.