



HFA of Miami-Dade County

2010 Single Family Program

LENDER TRAINING

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eHousingPlus - part of the U S Bank Team



THE PRODUCTS



First Mortgage Options

30 year, fixed

4.95% Zero Point Loan Zero origination and Zero Discount.

4.82% Low Rate 1.00% origination fee and 0% discount

Lenders cannot charge any additional points.

Interest rates may be changed at any time by the Issuer in its sole discretion provided that loans that are in the system and meet the timetable will not be affected.



DOWN PAYMENT ASSISTANCE

- **30 yr deferred, 0% second mortgage.**
- **Up to \$7,500**
- **Never forgiven.**
- **Due the earliest of at final repayment date of the first or upon sale, transfer, refinance, satisfaction, rental or other disposition of the property.**
- **Maximum income and purchase price limits are the same as the limits for 1st Mortgage Loans**

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PROGRAM REQUIREMENTS



Eligible Borrowers:

- **Buyers and their spouses (occupant and non-occupant) first-time buyer requirement waived due to Wilma Go Zone (ends Dec. 31, 2010) and must be able to permanently reside in the US.**

BONUS

•FOR FIRST TIME BUYERS: THEY MAY QUALIFY FOR THE FEDERAL \$8,000 TAX CREDIT.

•FOR NON-FIRST TIME BUYERS: IF THEY'RE SELLING A HOME AND BUYING UP, THEY MAY QUALIFY FOR THE FEDERAL \$6,500 TAX CREDIT.



- **Work visas, student visas, any temporary visas do not qualify.**
- **Those with permanent asylum do qualify & should provide an I-9.**
- **Buyers must live in the property they purchase as their principal residence.**
- **All applicants must be considered irrespective of age, race, color, religion, national origin, sex, marital status, military status or physical handicap.**
 - **Buyers must occupy the property purchased within 60 days of closing**
 - **The past three years federal income tax returns are NOT required**

Questions? Contact Compliance Office. Online directory.



Veterans Exception

Qualified Veterans were discharged or released under conditions **other than dishonorable**. They **cannot have owned a home previously** as a non-first-time buyer as a result of using a bond or MCC program.

There is verbiage on the first page of the Affidavit that must be checked.



Homebuyer Education

All buyers (any person on the Note other than cosigners) must attend face to face homebuyer education course.

Affordable Housing Commission course or HUD approved.



ELIGIBLE AREA

All of Miami-Dade County

MINIMUM CREDIT SCORE

Miami-Dade HFA requires a minimum credit score of 600 (the mid score must be 600 or above). Manual underwrites are permitted for non-traditional credit loans there is no FICO score.



HOUSEHOLD INCOME LIMITS

Include income of borrower(s) and spouse(s) (occupants and non-occupants) and any person who will live in the household who is 18 years of age or older. Program income is not averaged. It is annualized. See Bond Compliance Underwriting in the Administrator's Guidelines. Final Income calculations are included on the Mortgagor's Affidavit completed at closing.



MAXIMUM HOUSEHOLD INCOME LIMITS

1-2 person households = \$80,880

3 or more person households = \$94,360



Eligible Properties include

- New or existing, one to four units, detached or attached, condos, townhomes, manufactured homes (only FHA)
- Homes are considered new if never previously occupied.
- Mobile, recreational, seasonal or other types of vacation or non-permanent homes are not permitted.
- Land may not exceed the size required to maintain basic livability.
- Properties purchased in the program must be residential units.
- No more than 15% of the square footage of the home being purchased may be used in connection with a trade or business including Child Care services (other than incidental rental from eligible multi-unit structures).

U S Bank will provide information concerning acceptable loans.



**Maximum Acquisition Cost
(Maximum Sales Price)**

**New or Existing
One unit property
\$452,548**

**2-4 unit property limits
are in Administrator's Guidelines**



ABOUT THE FINANCING

Appraisal must indicate that the home has at least a 30 year remaining useful life.

Assumptions - First mortgage loans may be assumed by a qualified borrower meeting qualifying requirements, income and acquisition price restrictions in place at the time of the assumption. Such loans must continue to fully comply and be insured or guaranteed by the *insurer/guarantor* or the mortgage insurer.

Buydowns - FHA loans only · Limited to 1 or 2 years with a maximum change of 1.00% per year. Cannot be paid by borrower or by any of their assistance.



Cash Back to the borrower is **not permitted**. However, borrowers are permitted a **reimbursement of overage of earnest money deposit** to the extent any minimum contribution has been satisfied and permitted by Agency guidelines.

Construction to perm is not permitted.

Provided FHA allows, **Cosigners are permitted for FHA loans under very specific conditions**. Follow FHA guidelines for credit purposes only. Treat cosigner credit/income as directed by FHA.



Cosigners are allowable in an FHA transaction when meeting the following conditions (1) a cosigner cannot have any ownership interest in the property (they cannot be on the Mortgage/Deed) and (2) the cosigner cannot reside in the property being purchased. A cosigner's income is not considered for bond program purposes, tax returns are not required and cosigners do not sign any bond documents.

Manufactured Housing - FHA loans only. See Servicer bulletin on their web page

Minimum Loan Amount - There is **no minimum loan amount** in this program.



Prepayments - The first mortgages may be prepaid at any time without penalty.

Recapture Tax - The conditions of repayment of the federal subsidy of these loans is explained in a separate brochure provided on the Website. Basically, if the property is disposed of in the first full nine years AND a net profit is made AND the borrowers income exceeds the income limits allowed at time of sale, recapture tax may have to be paid with the federal income tax return for the year in which the home is sold.



Refinances are not permitted. However, temporary, construction or bridge financing with a term of 2 years or less may be taken out with a bond program loan.

Remaining reserves are not established by the bond program. If any, these are determined by the type of financing used (i.e. FHA).



THE PROCESS



TIMING IS EVERYTHING

Buyers MUST HAVE A FULLY- EXECUTED SALES CONTRACT FOR A SPECIFIC PROPERTY in order to have funds reserved or be on a waiting list.

Buyers may be prequalified. However, if the buyer does not have a contract on a property, BOND FUNDS MAY NOT BE HELD for the buyer until such time as the buyer presents a valid contract.)

New Construction cannot be reserved until 30 days before closing

Loan Processing, Delivery and Purchase Timetable

Reservation to Underwriter Certification = 30 days

Reservation to Closed & Delivered to Servicer = 50 days

Reservation to Exceptions Cleared, Loans Purchased = 80 days

Loans not meeting timelines cancel. Don't reserve until you know the loan will meet the timelines



PROGRAM FEES



FEES

FIRST MORTGAGE FEES

4.95% Zero Point Loan - No origination and no Discount

4.82% Low Rate Loan - There is a 1.00% origination fee and 0% discount fee.

Lenders cannot charge any additional points on either product.

At loan purchase, lenders net 1.75% on government loans and 1.25% on conventional



FEES

ADMINISTRATOR FEE The program includes non-refundable a first mortgage **Bond Application Fee of \$225**. The fee is payable at closing. The fee must be disclosed on the HUD-1 as being paid to eHousingPlus.

SERVICER FEES The program includes a **Tax Service Fee of \$85** and a **Transfer Fee of \$150** that will be netted by the Servicer at loan purchase. The fees must be disclosed on the HUD-1 as being paid to U S Bank.



FEES

LENDER FEES

Lenders are permitted to charge reasonable and customary charges for out of pocket expenses and costs. Other financing costs and the usual and reasonable settlement costs. "Junk" fees are not a defined term and may not be charged. Excessive fees are not permitted in the program.

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PROGRAM FORMS



The simple rule of who signs program forms if the person is named on the Mortgage/Deed, they sign the program forms. If they are not on the Mortgage/Deed, they do not sign the program forms.

Original, personal signatures of all borrowers and sellers are required and must match on all documents associated with the transaction.

Whenever a party is known in any of the documents by more than a single name, a Name Affidavit Will Be Required.

Powers of Attorney and/or Personal Representatives for the Borrower Are Not Acceptable. **Exception:** Active Duty Military Personnel may provide an Alive and Well letter.

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Now for a tour of the websites