



**IDA OF THE CITY OF TUCSON, AZ  
IDA OF PIMA COUNTY**

**2009 Single Family Program  
LENDER TRAINING**

**JANUARY 6, 2010**

**Rev 5-6-10**

**eHousingPlus - part of the U S Bank Team**

**iDA'S OF TUCSON-PIMA 2009 Single Family Program**



# **THE PRODUCT**



# First Mortgage interest Rate

**4.55%**

**Special Allocations will be tracked by eHousingPlus**

**MANUFACTURED HOUSING 10% FOR 90 DAYS**

**LOW INCOME HOUSEHOLDS 30% FOR 60 DAYS**

**TARGETED AREAS FOR 12 MONTHS**

HFA of Pinellas County 2009-2010 Single Family Program



# PROGRAM REQUIREMENTS

## Ida's of Tucson-Pima 2009 Single Family Program



### **Eligible Borrowers:**

- Buyers and their spouses (occupant and non-occupant) must be first-time buyers
- 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 required for all with only exceptions being Targeted Area buyers or those meeting Veteran's Exception.



## 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 buyers as a result of using a bond or MCC program.

There is verbiage on the first page of the Affidavit that must be checked and we'll need a copy of discharge or release papers.



## **Minimum Credit Score:**

The program requires a minimum credit score of 620 (the mid score must be 620 or above). Manual underwrites are permitted for non-traditional credit loans or when there is no FICO score. The minimum score may change if Agency (FHA, VA, etc) requires higher scores. Also if your company has a higher requirement you must follow those requirements.

## **Eligible Area:**

Includes Pima County in its entirety including the City of Tucson



## 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 Underwriter's Program Income Calculation in the Administrator's Guidelines.

### Income Limits

<u>NT</u>		<u>T</u>	
<u>1-2 per hh</u>	<u>3+ per hh</u>	<u>1-2 per hh</u>	<u>3+ per hh</u>
\$69,000	\$79,675	\$72,480	\$79,675

### First Mortgage Sales Price Limits

Existing: 1 unit = \$276,334	2 units = \$353,752
New: 1 unit = \$337,741	2 units = \$432,363



## Eligible Properties include

- New or existing, one or two units, detached or attached, condos, townhomes, manufactured homes that meet servicer/insurer/guarantor requirements.
- 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 two-unit structures).

**U S Bank provides information concerning acceptable government loans.**



## ABOUT THE FINANCING

It's expected that lenders have reviewed some **preliminary documentation and believe that applicants will also qualify for credit.**

**Excessive cancellations will be reviewed** to assure that allocation is not being utilized **inappropriately.**

**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·**

**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** - 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,.).

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# 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.)**

**Loan Processing, Delivery and Purchase Timetable: New Construction cannot be reserved until 30 days before closing.**

**Reservation to Underwriter Certification = 30 days  
Reservation to Closed & Delivered to Servicer = 60 days  
Reservation to Exceptions Cleared, Loans Purchased = 90 days**



# PROGRAM FEES



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**Origination fee of 1.00% is permitted for loans in this program.**

The program includes 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.**

**The Servicer** nets at loan purchase a Tax Service Fee of \$85 and a Transfer Fee of \$150. Both should show as being paid to the Servicer on the HUD 1

**Lenders are permitted to charge** reasonable and customary charges for out of pocket expenses and costs, Lenders may charge 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 Warranty Deed, they sign the program forms. If they are not on the Warranty 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**