



AzIDA **Home+Plus** Lender Training

## Home+Plus Product Training

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# HOME+PLUS

Home buyer down payment & closing cost assistance program

The **HOME+PLUS** Program is being administered by the Arizona Industrial Development Authority (AzIDA), a political subdivision of the Arizona Finance Authority and State of Arizona.

- The **HOME+PLUS** home buyer down payment assistance program is self-funded from funds raised in the national capital markets and income generated from our program operation. As such, the **HOME+PLUS** program is continually funded without a sunset date.
- Operating as a true public / private partnership we can create a pathway to homeownership using down payment / closing cost assistance without the use of taxpayer funds.

## WHAT DOES THAT MEAN????

- We no longer use Mortgage Revenue Bonds (MRB) as the financing vehicle
  - \* **NO** census track information needed
  - \* **NO** targeted / non-target income areas
  - \* **NO** household income calculations
  - \* **NO** 1<sup>st</sup> time homebuyer requirements
  - \* **NO** specific HP income calculations
  - \* **NO** “BUCKET” of available funds
  - \* ..... and more DPA options

# HOME+PLUS Product Summary Matrix

First Mortgage Type	Down Payment / Closing Cost Assistance	Minimum Credit Score	Maximum Borrower(s) Income	Maximum DTI	Maximum LTV/CLTV (*)
FHA	3%, 4%, 5%	640	\$112,785	50%	96.5%
FHA – Manufactured Home	4%, 5%	680	\$112,785	45%	96.5%
FHA – US Military Only	5%	640	\$112,785	50%	96.5%
Freddie Mac HFA Advantage – under 80% AMI	0%, 3%, 4%, 5%	640	(1)	50%	97% / 105%
Fannie Mae HFA Preferred – under 80% AMI	0%, 3%, 4%, 5%	640	(1)	50%	97% / 105%
Fannie Mae HFA Preferred – under 80% AMI Manufactured Home	4%, 5%	680	(1)	45%	95% / 105%
Fannie Mae HFA Preferred – over 80% AMI	3%, 4%	640	\$112,785	50%	97% / 105%
Fannie Mae HFA Preferred – over 80% AMI Manufactured Home	3%, 4%	680	\$112,785	45%	95% / 105%
Fannie Mae HFA Preferred – US Military Only over 80% AMI	5%	640	\$112,785	50%	97% / 105%
VA	3%	640	\$112,785	45%	100%
USDA - RD	2%	640	\$112,785	45%	100%

- FHA, VA, USDA does not have a CLTV limit
- **45.01% - 50.0% DTI requires a 680 credit score**  
(1) varies by County – see pages 6



# AzIDA HOME+PLUS

## HOME+PLUS Product Training

There are three specific **HOME+PLUS** program requirements.

- Borrower(s) Income Limit
  - Minimum Credit Score of 640
  - Pre-purchase home buyer education
- The **HOME+PLUS** follows the respective Agency/GSE guidelines for the underlying
    - (1) FHA
    - (2) Fannie Mae HFA Preferred – a version of HomeReady
    - (3) Freddie Mac HFA Advantage – a version of HomePossible
    - (4) USDA
    - (5) VA
  - Our master servicer, US Bank, may have overlays in addition to the Agency/GSE guidelines.
  - Except for the three noted **HOME+PLUS** program requirements, we would simply follow the Agency/GSE guidelines and any potential USB overlays.

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There are three specific **HOME+PLUS** program requirements.

- **Borrower(s) Income Limit**
- Minimum Credit Score of 640
- Pre-purchase home buyer education

## Borrower(s) Income Limit

### The maximum borrower(s) annual income limit of \$112,785

Applies to (1) FHA, (2) USDA, (3) VA and (4) Fannie Mae – over 80% AMI

### The maximum borrower(s) annual income limit is 80% of the Area Medium Income (AMI) for the County that the property is in

Applies to (1) Fannie Mae – under 80% AMI and (2) Freddie Mac – under 80% AMI

- The income as calculated for the loan approval and disclosed on the final URLA, i.e. your qualifying income for credit is the income figure used against our **borrower income limit**. All calculations should follow Agency / GSE guidance. Income calculations for a non DPA transaction should be no different than your income calculations for a **HOME+PLUS** transaction.
- **HOME+PLUS** doesn't use mortgage revenue bonds (MRB) to finance our DPA program. Some of the unique MRB guidelines, like household income or specific income calculation requirements **do not apply** to **HOME+PLUS**.
- AzIDA fully supports a conservative calculation of income (it makes for an even more sustainable homeowner) however, to materially under calculate income or willfully not disclose a borrowers (or co-borrowers) income violates the rules of the **HOME+PLUS** program.



# AzIDA HOME+PLUS

## HOME+PLUS Product Training

- Borrower(s) Income Limit - continued**

County Name	FHA	Freddie Mac HFA Advantage Under 80% AMI	Fannie Mae HFA Preferred over 80% AMI	Fannie Mae HFA Preferred Under 80% AMI	VA	USDA
Apache County	\$112,785	\$41,520	\$112,785	\$41,520	\$112,785	\$112,785
Cochise County	\$112,785	\$53,520	\$112,785	\$53,520	\$112,785	\$112,785
Coconino County	\$112,785	\$61,440	\$112,785	\$61,440	\$112,785	\$112,785
Gila County	\$112,785	\$41,760	\$112,785	\$41,760	\$112,785	\$112,785
Graham County	\$112,785	\$51,280	\$112,785	\$51,280	\$112,785	\$112,785
Greenlee County	\$112,785	\$53,200	\$112,785	\$53,200	\$112,785	\$112,785
La Paz County	\$112,785	\$41,520	\$112,785	\$41,520	\$112,785	\$112,785
Maricopa County	\$112,785	\$63,200	\$112,785	\$63,200	\$112,785	\$112,785
Mohave County	\$112,785	\$44,560	\$112,785	\$44,560	\$112,785	\$112,785
Navajo County	\$112,785	\$41,520	\$112,785	\$41,520	\$112,785	\$112,785
Pima County	\$112,785	\$54,880	\$112,785	\$54,880	\$112,785	\$112,785
Pinal County	\$112,785	\$63,200	\$112,785	\$63,200	\$112,785	\$112,785
Santa Cruz County	\$112,785	\$41,520	\$112,785	\$41,520	\$112,785	\$112,785
Yavapai County	\$112,785	\$51,040	\$112,785	\$51,040	\$112,785	\$112,785
Yuma County	\$112,785	\$41,120	\$112,785	\$41,120	\$112,785	\$112,785



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There are three specific **HOME+PLUS** program requirements.

- Borrower(s)  
Income Limit
- **Minimum Credit Score of 640**
- Pre-purchase home buyer education

## Minimum Credit Score of 640

**Regardless of the AUS findings, the borrower(s) must have a minimum credit score of 640.**

- If a tri-merged credit report is used, the middle score must be the Program minimum or higher.
- If a merged credit report only returns two scores, the lower of the two scores must be the Program minimum or higher.
- One credit score is allowed, follow the respective Agency/GSE (FHA, VA, USDA-RD Freddie Mac HFA Advantage and Fannie Mae HFA Preferred) guidelines for the new underlying first mortgage

**Effective April 6, 2020 and updated on December 15, 2021 – The US Bank overlay on FHA with 640 – 659 credit scores – min. 1-month PITIA reserves.**

**See the “HOME+Plus Summary for Lenders” pdf for more information.**

# AzIDA HOME+PLUS

## HOME+PLUS Product Training

There are three specific **HOME+PLUS** program requirements.

## Pre-purchase home buyer education

- Borrower(s)  
Income Limit
  - Minimum Credit  
Score of 640
  - **Pre-purchase  
home buyer  
education**
- At least one borrower must take **pre-purchase** home buyer education.
  - Pre-purchase home buyer education **MUST** be completed prior to the closing; the completion certificate is good for twelve months.
  - There are several pre-purchase home buyer education options, including online and in-person. See the next slide for **HOME+PLUS** approved providers.
  - The pre-purchase home buyer education providers may charge a nominal fee.



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There are three specific **HOME+PLUS** program requirements.

- Borrower(s)  
Income Limit
- Minimum Credit  
Score of 640
- **Pre-purchase  
home buyer  
education**

## Pre-purchase home buyer education – continued

### • ONLINE Providers:

- Finally Home (with life of loan counseling support)
  - [www.finallyhomecourse.com](http://www.finallyhomecourse.com)
- eHomeAmerica
  - <https://www.ehomeamerica.org/>
- FrameWork Homeownership
  - <http://www.frameworkhomeownership.org/>
- Hometrek
  - <https://www.incharge.org/housing/homebuyer-education/hometrek/>
- CreditSmart (with certificate)
  - <http://www.freddiemac.com/creditsmart/>

### • IN-PERSON Providers:

- Simply click on the following link and call the Counseling Agency to reserve your space at their next in-person pre purchase / homebuyer counseling class.
- <https://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search&searchstate=AZ>



# AzIDA HOME+PLUS

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The DPA assistance under the **HOME+PLUS** program is provided in the form of a second mortgage with a forgivable term.

The non-forgivable DPA is also labeled as “life of loan”.

AzIDA does not subordinate or provide exceptions to the DPA repayment terms.

### • **FORGIVABLE DPA**

- Three-year, no interest, no payment, deferred soft second mortgage, forgiven monthly at a rate of 1/36 over the term of the lien. The DPA second mortgage is fully forgiven after the 36 months (3-years).
- The homeowner can choose to refinance or sell at any time, however, if a refinance or sale occurs within the first 36 months, the unforgiven balance on the DPA 2<sup>nd</sup> mortgage will need to be paid.

### • **NON-FORGIVABLE DPA – limited product offering, no longer active**

- Life of loan second mortgage: no interest, no payment, deferred soft second mortgage with no forgiveness.
- The DPA second mortgage will need to be paid in full upon refinance or sale of the property.
- It was only available in Maricopa, Pinal and Pima Counties



## HOME+PLUS Product Training

The following is a guideline for the input of the DPA 2<sup>nd</sup> lien in Total Scorecard, DU & LPA. (Each lender's internal AUS system set up might have some slight variation).

- **FHA - Our DPA lien is considered secondary financing.** AzIDA (Arizona Industrial Development Authority) is an instrumentality of Government (State of Arizona) and our EIN # 81-3526584.
- **Fannie Mae HFA Preferred** - Our DPA lien falls under **Community Lending Product Special Feature Code (SFC) 118 – Community Second and effective 9/21/2019 new (SFC) 782 “HFA Preferred (State HFA)” will replace (SFC) 741.** Select community lending and community second box and from the drop down for community seconds repayment structure select - 02 Payments deferred five years or more years, fully forgiven. The allowable CLTV with a DPA lien is 105%.
- **Freddie Mac Home Possible Advantage for HFA –** Our DPA lien under LPA is labeled **Offering Identifier 251 Home Possible Advantage for HFA's.** Since LPA does not have a community second type function like DU, you must treat our DPA 2<sup>nd</sup> lien as a grant / gift. If the DPA 2<sup>nd</sup> lien is input as subordinate financing in LPA, it will recognize the DPA lien as a HELOC and limit the CLTV to 100%. The allowable CLTV with a DPA lien is 105%.
- **For DU/LPA “quick steps”** contact [Dirk@HomePlusAZ.com](mailto:Dirk@HomePlusAZ.com)

## Conventional Mortgage Insurance

A secondary benefit to the homebuyer under the **HOME+PLUS** program, when using a conventional mortgage (Fannie Mae HFA Preferred lower-income or Freddie Mac HFA Advantage), is the lower charter minimum mortgage insurance premiums.

This feature is unique to Housing Finance Agencies and the charter minimum requirements are lower than standard Fannie Mae and Freddie Mac, and even lower than Fannie Mae HomeReady and Freddie Mac HomePossible.

HOME+PLUS Conventional Mortgage Insurance Coverage:			
LTV	Fannie Mae HFA Preferred under 80% AMI	Freddie Mac HFA Advantage under 80% AMI	
95.01 - 97%	18%	18%	
90.01 - 95%	16%	16%	
85.01 - 90%	12%	12%	
80.01 - 85%	6%	6%	

- The permitted MI structures under the **HOME+PLUS** program are,
  - monthly borrower paid,
  - upfront borrower paid, and
  - split premium.
 Upfront premiums can be financed or paid with **HOME+PLUS** DPA proceeds.
- Home buyers with down payment funds can use the **HOME+PLUS** Zero DPA Options to access these lower mortgage insurance premiums.