



Arizona IDA **Home+Plus** Lender Training

Home+Plus Product Training

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Ver. 05-01-2024

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 nonprofit corporation and political subdivision of the State of Arizona, formed by the Arizona Finance Authority.

- 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-targeted income areas
 - * **NO** household income calculations
 - * **NO** 1st 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, VA & USDA	0%, 2%, 3%, 4%, 5%	640	\$136,609	50%	96.5%
FHA, VA & USDA – Manufactured Home	0%, 2%, 3%, 4%, 5%	660	\$136,609	45%	96.5%
FHA – US Military Only	5%	640	\$136,609	50%	96.5%
Freddie Mac HFA Advantage	0%, 3%, 4%, 5%	640	\$136,609	50%	97% / 105%
Fannie Mae HFA Preferred	0%, 3%, 4%, 5%	640	\$136,609	50%	97% / 105%
Fannie Mae HFA Preferred – Manufactured Home	0%, 3%, 4%, 5%	660	\$136,609	45%	95% / 105%
Fannie Mae HFA Preferred – US Military Only	5%	640	\$136,609	50%	97% / 105%



- **FHA, VA, USDA does not have a CLTV limit**
- **45.01% - 50.0% DTI requires a 680 credit score**

- **Product Summary Matrix - Continued – Manufactured Homes**

Manufactured Homes are eligible properties with the following U.S. Bank overlays:

- o Minimum 680 credit score and maximum 45% DTI
- o FHA and Fannie HFA Preferred ONLY – (95% LTV / 105% CLTV on Fannie)
- o No manual underwritings allowed.
- o **NO singlewide manufactured homes allowed**
- o Must have ALTA 7.1 endorsement.

There is no additional interest rate adjustment for manufactured homes. The interest rate for the respective DPA options will be the same as it is with any **HOME+PLUS** property type.

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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

The **HOME+PLUS** follows the respective Agency 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 guidelines.
- Except for the three noted **HOME+PLUS** program requirements, we simply follow the Agency 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 \$136,609

- Applies to (1) FHA, (2) USDA, (3) VA, (4) Fannie Mae and (5) Freddie Mac
- 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 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.

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- Borrower(s) Income Limit

continued

County Name	FHA	Freddie Mac HFA Advantage	Fannie Mae HFA Preferred	VA	USDA
Apache County	\$136,609	\$136,609	\$136,609	\$136,609	\$136,609
Cochise County	\$136,609	\$136,609	\$136,609	\$136,609	\$136,609
Coconino County	\$136,609	\$136,609	\$136,609	\$136,609	\$136,609
Gila County	\$136,609	\$136,609	\$136,609	\$136,609	\$136,609
Graham County	\$136,609	\$136,609	\$136,609	\$136,609	\$136,609
Greenlee County	\$136,609	\$136,609	\$136,609	\$136,609	\$136,609
La Paz County	\$136,609	\$136,609	\$136,609	\$136,609	\$136,609
Maricopa County	\$136,609	\$136,609	\$136,609	\$136,609	\$136,609
Mohave County	\$136,609	\$136,609	\$136,609	\$136,609	\$136,609
Navajo County	\$136,609	\$136,609	\$136,609	\$136,609	\$136,609
Pima County	\$136,609	\$136,609	\$136,609	\$136,609	\$136,609
Pinal County	\$136,609	\$136,609	\$136,609	\$136,609	\$136,609
Santa Cruz County	\$136,609	\$136,609	\$136,609	\$136,609	\$136,609
Yavapai County	\$136,609	\$136,609	\$136,609	\$136,609	\$136,609
Yuma County	\$136,609	\$136,609	\$136,609	\$136,609	\$136,609



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

Minimum Credit Score of 640

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

- Borrower(s)
Income Limit
 - **Minimum Credit Score of 640**
 - Pre-purchase home buyer education
- 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 (FHA, VA, USDA-RD Freddie Mac HFA Advantage and Fannie Mae HFA Preferred) guidelines for the new underlying first mortgage.

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

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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 course through an AzIDA **HOME+PLUS** approved provider. Completion Certificate required as validation.
 - There are several pre-purchase home buyer education options, including online and in-person. See the next slide for **HOME+PLUS** approved providers.
 - Pre-purchase home buyer education **MUST** be completed prior to the closing.
 - There is no expiration date for the pre-purchase homebuyer education completion certificate.
 - The pre-purchase home buyer education providers may charge a nominal fee for their respective course

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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:

- FinallyHome (with life of loan counseling support) | www.finallyhomecourse.com
- eHomeAmerica | <https://www.ehomeamerica.org/>
- CreditSmart Homebuyer U (with certificate) | <https://creditsmart.freddiemac.com/paths/homebuyer-u/>
- Fannie Mae – HomeView | <https://www.fanniemae.com/education>
- FrameWork Homeownership | <http://www.frameworkhomeownership.org/>
- Hometrek | <https://www.incharge.org/housing/homebuyer-education/hometrek/>

• 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>

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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.

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 2nd mortgage will need to be paid.
- On the borrower's monthly mortgage statement from US Bank the current unforgiven balance of the AzIDA HOME Plus assistance is listed under OTHER BALANCES and labeled as Recoverable Corporate Advance/RCA. On that same mortgage statement, in the TRANSACTION ACTIVITY section, the amount of monthly forgiveness listed as RCA Adjustment.

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- **THE FOLLOWING IS A GUIDELINE FOR THE INPUT OF THE DPA 2nd 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.** The allowable CLTV with a DPA lien is 105%.

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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,
 - (1) monthly borrower paid,
 - (2) upfront borrower paid, and
 - (3) 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.





END