



Arizona IDA DPA Program Lender Training

## Home+Plus Product Training

Questions?

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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 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. 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????

- \* **NO** census track information needed
- \* **NO** targeted / non-targeted income areas
- \* **NO** household income calculations
- \* **NO** 1<sup>st</sup> time homebuyer requirements
- \* **NO** specific HP income calculations

# HOME+PLUS Product Summary Matrix

First Mortgage Type	Down Payment / Closing Cost Assistance	Minimum Credit Score	Lender SRP	Maximum Borrower(s) Income	Debt-to-Income Ratio	Maximum LTV/CLTV (*)
FHA	0%, 2%, 3%, 4%,	620	1.50%	\$136,609	per AUS Findings	96.5%
VA, USDA	0%, 2%, 3%, 4%,	620	1.50%	\$136,609	per AUS Findings	100%
HUD 184 – Tribal	4%	620	1.50%	\$136,609	per AUS Findings	97.75%
FHA - Manufactured Home	0%, 2%, 3%, 4%,	620	1.50%	\$136,609	per AUS Findings	96.5%
VA, USDA – Manufactured Home	0%, 2%, 3%, 4%,	620	1.50%	\$136,609	per AUS Findings	100%
HUD 184 – Tribal Manufactured Home	4%	620	1.50%	\$136,609	per AUS Findings	97.75%
Fannie Mae – HFA Preferred Manufactured Home	0%, 3%, 4%,	620	1.50%	\$136,609	per AUS Findings	95% / 105%
Fannie Mae - HFA Preferred	0%, 3%, 4%,	620	1.50%	\$136,609	per AUS Findings	97% / 105%
Freddie Mac - HFA Advantage	0%, 3%, 4%,	620	1.50%	\$136,609	per AUS Findings	97% / 105%

- **FHA, VA, USDA does not have a CLTV limit**

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

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.

# Arizona IDA HOME+PLUS

## HOME+PLUS Product Training

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

- Borrower(s) Income Limit
- Minimum Credit Score of 620
- 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
- (6) HUD Section 184

- Except for the three noted **HOME+PLUS** program requirements, we simply follow the Agency guidelines.

# Arizona IDA HOME+PLUS

## HOME+PLUS Product Training

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

- **Borrower(s) Income Limit**
- Minimum Credit Score of 620
- 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 (6) HUD Section 184.

- 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.
- 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.
- If the respective mortgage type has a lower income limit and or a specific borrower income calculation method, it must be adhered to.

# Arizona IDA HOME+PLUS

## HOME+PLUS Product Training

- 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



# Arizona IDA HOME+PLUS

## HOME+PLUS Product Training

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

## Minimum Credit Score of 620

Regardless of the AUS findings, the borrower(s) must have a minimum credit score of 620.

- Borrower(s)  
Income Limit
  - **Minimum Credit Score of 620**
  - 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.



# Arizona IDA 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 620
  - **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

# Arizona IDA HOME+PLUS

## HOME+PLUS Product Training

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

- Borrower(s)  
Income Limit
- Minimum Credit  
Score of 620
- **Pre-purchase  
home buyer  
education**

## Pre-purchase home buyer education – continued

### • ONLINE Providers:

- FinallyHome (with life of loan counseling support) | [www.finallyhomecourse.com](http://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>

# Arizona IDA HOME+PLUS

## HOME+PLUS Product Training

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.**

## Terms of the DPA 2<sup>nd</sup> Lien

- The Program will provide down payment assistance (DPA) in the form of a second mortgage loan (the “DPA Second Loan”).
- The DPA Second Loan will have a five-year term, a 0% interest rate, no monthly payment and be subject to a second mortgage lien; the principal of the DPA Second Loan will be forgiven after the 60-month anniversary of the original date of the loan. The Arizona IDA lien **MUST** be in a second lien position.

# Arizona IDA HOME+PLUS

## 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.** The allowable CLTV with a DPA lien is 105%.

# Arizona IDA HOME+PLUS

## HOME+PLUS Product Training

### 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**