



ARIZONA IS HOME

PROGRAM SUMMARY FOR LENDERS

Some information within may resemble the Arizona IDA's **HOME+Plus** program. However, there are a few notable differences between these two programs. Please review and compare each program summary to understand these differences better.



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HOUSING FINANCE AGENCY / PROGRAM SPONSOR

- Arizona Industrial Development Authority (Arizona IDA) - ArizonalDA.com

DESCRIPTION

- The **Arizona Is Home** Homebuyer Down Payment Assistance Program provides first mortgage financing and down payment/closing cost assistance to eligible mortgagors. The down payment/closing cost assistance is in the form of a forgivable second-lien loan to the borrower. Please refer to the Program Guidelines, available in the Lender Portal under “Program Documents”.
- This Program Summary is a complement to and not a substitute for **Arizona Is Home** program guidelines.
- FHA, Freddie Mac HFA Advantage, Fannie Mae HFA Preferred, VA, USDA-RD, and HUD 184 – Tribal, guidelines apply except as modified by this Program Summary for the purpose of this program only.
- The Arizona IDA is QM/ATR exempt.

AVAILABLE MARKETS

- Properties located within the State of Arizona – Except within Maricopa and Pima Counties.
 1. All RURAL Arizona Counties are eligible for the **Arizona Is Home** program.

ELIGIBLE LENDERS

- Lenders must be approved by The Money Source and the Arizona IDA to participate in the **Arizona Is Home** Program. Interested lenders should contact:

Home Plus / Arizona Is Home
Program Operations
Operations@HomePlusAZ.com

MASTER SERVICER & COMPLIANCE AGENT

Master Servicer

The Money Source, Inc.
3138 East Elwood Street
Suite 200
Phoenix AZ 85034

Program Administrator/Compliance Agent

Hilltop Securities Inc.
Attn: Housing Advisory Team
1201 Elm Street, Suite 3500
Dallas, TX 75270

FIRST MORTGAGE PRODUCTS

Purchase money loans for primary residences only.

Product	Amortization Terms
<ul style="list-style-type: none">• Freddie Mac HFA Advantage*<ul style="list-style-type: none">◇ HFA Advantage Program up to 97% LTV◇ CLTV not to exceed 105%	30 years
<ul style="list-style-type: none">• Fannie Mae HFA Preferred *<ul style="list-style-type: none">◇ HFA Preferred Program up to 97% LTV◇ CLTV not to exceed 105%	30 years
<ul style="list-style-type: none">• FHA and VA<ul style="list-style-type: none">◇ Fixed-rate Sections 203(b) and 234(c)	30 years
<ul style="list-style-type: none">• USDA – RD<ul style="list-style-type: none">◇ Rural Housing Guaranteed Loan	30 years
<ul style="list-style-type: none">• HUD 184 - TRIBAL	30 years

*The CLTV includes all applicable subordinate liens. Please refer to Freddie Mac HFA Advantage or Fannie Mae HFA Preferred for the Affordable Seconds requirements.

DOWN PAYMENT ASSISTANCE

DPA PRODUCT	DPA AMOUNT
Freddie Mac HFA Advantage – forgivable DPA lien	4.00%
Fannie Mae HFA Preferred – forgivable DPA lien	4.00%**
FHA, VA, USDA – forgivable DPA lien	4.00%**
HUD 184 TRIBAL – forgivable DPA lien	4.00%**

** Manufactured Housing Allowed – see [page 9](#) “Qualified Residence Requirements” for more information.

- The DPA assistance under the **Arizona Is Home** program is a percentage of the total first mortgage balance rounded up / down to the nearest dollar.
- The DPA assistance under the **Arizona Is Home** program is provided in the form of a second mortgage that is forgivable on the 5th anniversary of the original loan date.
- The **Arizona Is Home** Program will provide DPA Assistance in the form of a second mortgage loan (not a grant or gift) the “**Arizona Is Home** DPA Second Loan”. The **Arizona Is Home** DPA Second Loan will be forgiven on the 5th anniversary of the original loan date. There is no monthly or annual forgiveness before the five-year term. The Arizona IDA lien MUST be in a second lien position (i.e., it cannot be in a third lien position).

The Arizona IDA does not subordinate to accommodate a refinance or provide exceptions to the DPA repayment terms.

- The DPA may be used to fund up to 100% of the Borrower’s cash requirement to close, including the down payment, closing costs, pre-paid items, upfront borrower-paid Mortgage Insurance, and other related Mortgage Loan fees and expenses. No portion of the assistance funds can be paid to the Borrower unless the Borrower is being reimbursed for an overage of his/her earnest money deposit and any pre-paid expenses, to the extent the minimum Borrower contribution has been satisfied, if any. Principal reduction is allowed.
- Lenders table fund the DPA at closing, on behalf of the Arizona IDA, and will be reimbursed upon purchase of the **Arizona Is Home** Mortgage by The Money Source.
- The lender must receive a pre-closing compliance approval from the Compliance Agent, Hilltop Securities Inc., in order for closing-related program documents to be generated.

FIRST LOAN INTEREST RATES / LOAN RESERVATIONS

- Hilltop Securities Inc. will post First Mortgage interest rates by 9:00 a.m. Central daily. Current rates can be found at the following website <https://lenders.housing.az.gov>
- The reservation window will be available from 8:00 a.m. to 6:00 p.m. Mountain Standard Time Monday Through Friday except for holidays
- All loans must be delivered and purchased by The Money Source within 60 days of rate lock. A one-time extension is available for a fee applicable to the extension time necessary. The fee will be netted out of the lender SRP upon purchase

7 days	0.06250%
15 days	0.12500%
22 days	0.18750%
30 days	0.25000%

- Rates can be subject to intra-day pricing changes and will be posted in the Lender Portal as well as email notification to those on the daily rate email distribution list.

INCOME LIMITS

- Borrower(s) must have an annual gross household income that is within Program limitations. Income is calculated by taking the borrower(s)'s current gross monthly income, as well as that of anyone else who is expected to live in the Residence and become liable on the Deed of Trust or Mortgage and multiplying that amount by 12. For the maximum Income limitations, see the income Matrix by County below. Verification of the borrower's income is performed by the Lender and the Arizona IDA / Hilltop Securities. All persons whose income must be considered in processing the Program application must also meet all other individual requirements of the Program, including the First-Time Homebuyer requirement (or one of its exceptions), and each such person must execute all applicable Program affidavits and certificates. Unless expressly excluded, the IRS requires that every source of income, taxed or untaxed, be included in the calculation of Income for the Program.
 1. Borrower income is not to exceed 100% of the Area Median Income (AMI) for the county that the Subject Property is located in.
 2. Unlike our other loan programs, the **Arizona Is Home** Mortgage Assistance Program uses Gross Annual Compliance Income for income qualification. Gross Annual Compliance Income encompasses ALL income for people on the note and or title of the home.

3. Omitting a spouse or quitting a job to meet the Program income limits is not considered best practice.
4. Non-Occupant Co-Signors/Co-Borrowers: Non-occupant co-signors/co-borrowers are NOT allowed in the **Arizona Is Home** Program.

Arizona is Home Maximum Annual Income Limits by County:

County Name	FHA	Fannie Mae HFA Preferred	Freddie Mac HFA Advantage	VA	HUD Section 184	USDA
Apache County	\$55,300	\$55,300	\$55,300	\$55,300	\$55,300	\$55,300
Cochise County	\$71,200	\$71,200	\$71,200	\$71,200	\$71,200	\$71,200
Coconino County	\$101,900	\$101,900	\$101,900	\$101,900	\$101,900	\$101,900
Gila County	\$76,100	\$76,100	\$76,100	\$76,100	\$76,100	\$76,100
Graham County	\$81,100	\$81,100	\$81,100	\$81,100	\$81,100	\$81,100
Greenlee County	\$88,400	\$88,400	\$88,400	\$88,400	\$88,400	\$88,400
La Paz County	\$66,700	\$66,700	\$66,700	\$66,700	\$66,700	\$66,700
Maricopa County	<i>Not Available</i>	<i>Not Available</i>	<i>Not Available</i>	<i>Not Available</i>	<i>Not Available</i>	<i>Not Available</i>
Mohave County	\$73,800	\$73,800	\$73,800	\$73,800	\$73,800	\$73,800
Navajo County	\$67,200	\$67,200	\$67,200	\$67,200	\$67,200	\$67,200
Pima County	<i>Not Available</i>	<i>Not Available</i>	<i>Not Available</i>	<i>Not Available</i>	<i>Not Available</i>	<i>Not Available</i>
Pinal County	\$109,600	\$109,600	\$109,600	\$109,600	\$109,600	\$109,600
Santa Cruz County	\$66,100	\$66,100	\$66,100	\$66,100	\$66,100	\$66,100
Yavapai County	\$87,300	\$87,300	\$87,300	\$87,300	\$87,300	\$87,300
Yuma County	\$76,200	\$76,200	\$76,200	\$76,200	\$76,200	\$76,200

Include Gross Annual Compliance Income from the following people:

1. A person who will have title to the property and will sign the mortgage. (i.e., a borrower)
2. A person expected both to live in the residence being financed and to sign the mortgage note (i.e., an occupant co-signer) or be on title.

PURCHASE PRICE LIMITS

- Follow any Agency / Insurer guidelines for acquisition limits on all loans.
- The maximum purchase price for all eligible counties is \$481,176.

BORROWER ELIGIBILITY

- **Arizona Is Home** eligible borrowers must be First-Time homebuyers. See program guidelines for potential exemptions for Qualified Veteran or Purchase in a Targeted area.
- Non-occupant co-signors/co-borrowers are NOT allowed in the **Arizona Is Home** Program.

FREDDIE MAC HFA ADVANTAGE

- The borrower(s) **MUST** be at 80% of AMI or lower to obtain the reduced charter minimum MI premiums. The 80% AMI income limit can vary by the County the subject property is located in. The Lender should always follow the LPA findings.

FANNIE MAE HFA PREFERRED

- The borrower(s) **MUST** be at 80% of AMI or lower to obtain the reduced charter minimum MI premiums. The 80% AMI income limit can vary by the County the subject property is located in. The Lender should always follow the DU findings.

HOMEBUYER EDUCATION

- For all loan products
 1. At least **ONE** borrower on each loan **MUST** complete a homebuyer education course **BEFORE** closing. Completing the course post-closing will result in a non-saleable transaction.
 2. The education requirement may be met by taking an **Arizona Is Home** approved pre-purchase online course or face-to-face counseling. All approved HBE options can be found on the **Arizona Is Home** Homebuyer Down Payment Assistance Program website.

QUALIFIED RESIDENCE REQUIREMENTS

NEW OR EXISTING SINGLE-FAMILY HOMES

FREDDIE MAC HFA ADVANTAGE AND FANNIE MAE HFA PREFERRED LOANS

- SFR, condominiums, townhomes, and PUDs
- Maximum DTI – Per AUS Findings
- Minimum FICO – 620
- Manufactured Homes do not qualify for Freddie Mac
- No manual underwrite

FANNIE MAE HFA PREFERRED ONLY – INCLUDING MANUFACTURED HOMES

- Maximum DTI – Per AUS Findings
- Minimum FICO – 620
- Maximum LTV for Manufactured Homes – 95%
- No manual underwrite

GOVERNMENT LOANS

- SFR, condominiums, townhomes, and PUDs.
- 2 Unit (Duplex) One unit must be occupied by the eligible borrower as their principal residence.
- Manufactured housing is allowed
- Maximum DTI – Per AUS Findings
- Minimum FICO – 620
- No manual underwrite on FHA, VA, USDA
- Manual UW permitted on HUD-184 only

PROPERTIES NOT ALLOWED IN ANY LOAN PRODUCT:

- **Co-ops**
- **Manufactured housing with Freddie Mac HFA Advantage**
- **3–4-unit properties**
- **Vacation Homes / Second Homes**
- **Mobile / Recreational**

CONDOMINIUMS

- The Money Source may have additional overlays.
 1. The Arizona IDA does not have or maintain an approved condominiums project list for the **Arizona Is Home** program.
 2. Follow FNMA, Freddie Mac, FHA, and VA Project Eligibility Guidelines.
 3. Please check with The Money Source for additional details.

INTERESTED PARTY CONTRIBUTIONS

- Determined by the respective agency/insurer guidelines for the underlying **First Mortgage** program selected.

UNDERWRITING CRITERIA

CONVENTIONAL LOANS

LTV	Min. FICO	Max. DTI	AUS
UP TO 97.00%	620	Per AUS Findings	DU, LPA --- NO Manual UW

1. **Fannie Mae HFA Preferred Loans** – must have a DU finding of approve/eligible and meet Agency Guidelines, and **Arizona Is Home** Program Guidelines.
2. **Freddie Mac HFA Advantage Loans** – must have an LPA finding of accept and meet Agency Guidelines, and **Arizona Is Home** Program Guidelines.

GOVERNMENT LOANS – FOLLOW FIRST LIEN AGENCY GUIDELINES FOR LTV

Product	Min. FICO	Max. DTI	AUS
FHA, VA, USDA, HUD 184 TRIBAL	620	Per AUS Findings	GUS, DU, LPA --- Manual UW HUD 184 ONLY

ALLOWABLE LENDER COMPENSATION & PROGRAM FEES

- In addition to the standard fees allowed by each Agency and normally charged to the borrower (i.e. Appraisal Fee, Credit Report Fee, Flood Certification, Underwriting, Document Preparation, etc.), the following origination fee may also be included as shown in the chart below. Discount points are NOT allowed.

Type	Amount	Service Provider
Lender SRP All Programs	1.50%	Lender
Origination Fee	Up To 1.00%	Lender
MHU Funding Fee	.50% for Manufactured Homes	Lender
Funding Fee	\$319.00	Lender Fee to TMS
Servicing Fee	\$125.00	Lender Fee to TMS
Tax Service Fee	\$80.00	Lender Fee to TMS
Fee, If Applicable:	.50 LLPA MHU Funding Fee - On Total Loan Amount for Manufactured Homes	Lender Fee to TMS
Fee, If Applicable:	\$20 Fraud Prevention (if not included in the file)	Lender Fee to TMS
Fee, If Applicable:	\$15 Life of Loan Flood (if not ServiceLink or CoreLogic)	Lender Fee to TMS
DPA Compliance Fee	\$250.00	Hilltop Securities Inc.

- The master servicer fees are netted from the Lenders Proceeds upon purchase of the mortgage by the master servicer. Since this is a secondary market transaction, these fees should NOT be made payable to The Money Source on the LE/CD. The Lender can charge these fees as their own and disclose these fees as their own to offset the charge upon purchase.
 - Hilltop Securities (ACH) Payment Program (HilltopPay) offers a secure way to process compliance fee payments easily, efficiently, and at no cost to our participating Lender Partners by identifying fees due and providing instant access to authorize payments.
 - The benefits of HilltopPay for lenders include:
 - Eliminates costly wire payment processing fees
 - Eliminates duplicate payments resulting in refunds
 - Speeds up approval of loan compliance files
 - Provides accurate account identification
 - Uses same Lender Portal (Lender Online) user credentials

For more information on HilltopPay please email: homeplushelp@hilltopsecurities.com

MORTGAGE INSURERS (MI)

- The following MI Companies are approved:
 1. Arch, Essent, Genworth, MGIC, National, and Radian.
- Mortgage Insurers (MI) rates, pricing, and guidelines may differ among the participating Mortgage Insurers and are subject to change. Lenders should consult the current Housing Finance Agency MI guidelines at each MI company to determine the terms and conditions by which such loans will be insured. **These Program Guidelines do not supersede, nor are they a substitute for, the guidelines in place with each Mortgage Insurer at the time the loan is underwritten.**

MI ACTIVATION

- The lender is responsible for activating any MI policy and remitting any MI payments due to the Mortgage Insurer prior to the sale of the loan to The Money Source. The Lender is also responsible for transferring the MI policy to The Money Source after the loan sale.

MORTGAGE INSURANCE / COVERAGE AMOUNT

- Freddie Mac HFA Advantage – under 80% AMI and Fannie Mae HFA Preferred – under 80% AMI:

LTV Range	MI Charter - Minimum Coverage Amount
>95.01% and ≤ 97%	18%
>90.01% and ≤ 95%	16%
>85.01% and ≤ 90%	12%
>80.01% and ≤ 85%	6%

- Payment Options All LTV's:
 1. Borrower Paid – monthly with annual renewal
 2. Upfront borrower paid Premium
 3. Split Premium
 4. Seller Paid mortgage insurance is acceptable
- Borrowers whose income is over 80% AMI ARE NOT eligible for reduced MI coverage, and standard MI coverage applies.

MERS ASSIGNMENTS

- Lender will be required to register and assign the First Mortgages using MERS to The Money Source.

LOAN FUNDING & CLOSING

- Lenders must fund the First Mortgage Loans at loan closing. In addition, Lenders fund the DPA assistance at closing, on behalf of the Arizona IDA, and will be reimbursed upon purchase of the qualified loan by The Money Source.

LOAN PURCHASE AND SERVICING

- The Money Source will purchase the first mortgage loan at a rate and price reflected on the Mortgage Commitment confirmation, less any fees, plus the applicable Service Release Premium.
- All loans will be sold to The Money Source and should be submitted electronically.

Loan Delivery	Collateral Packages
<p>All loans must be delivered electronically via KISS</p> <p>Sellers may reference TMS's "How to Navigate KISS" tutorial for step-by-step instructions or contact our Help Desk for delivery support at: Support@TheMoneySource.com</p>	<p>The Money Source, Inc.</p> <p>ATTN: Correspondent Lending</p> <p>1800 Walt Whitman Road Suite 130 Melville, NY 11747</p>

NOTES:

- It is recommended to submit closed credit files to The Money Source no later than the 35th day from reservation. Extension fees may be incurred if not purchased by day 60 (sixty).
- The first mortgage loan will not be purchased by The Money Source until the Post-Closing documents have been uploaded, reviewed and cleared by Hilltop Securities.

QUICK GUIDE - FOR RESERVATION-TO-PURCHASE PROCESS

- Lenders must fund the First Mortgage Loans and DPA forgivable 2nd lien at loan closing. All loans will be reserved (locked) and all required program documents are found in the “pdf docs” icon and will be uploaded into the:

Arizona IDA **Arizona Is Home** Lender Portal lenders.housing.az.gov

PROCESS

1. Reserve (Lock) Loan

- a) After the loan application, the executed contract, and borrower eligibility have been determined.
- b) All **Arizona Is Home** transactions require a pre-closing compliance review by Hilltop Securities (HTS).

2. Review and approval by HTS is required before all the embedded closing documents within the Emphasys Lender Online system are made available.

- a) Upload/Submit **PRE-CLOSING** Required Documentation -
 1. **Pre-close** Checklist
 2. Final AUS
 3. Credit report **OR** Fraud Report **OR** VOR
 4. About Recapture Tax Document
 5. 92900-LT or 1008
 6. Initial 1st lien URLA
 7. Purchase Contract
 8. Arizona IDA Income Worksheet
 9. Homebuyer Education Certificate
 10. Extension Request (if applicable)
- b) Once the lender successfully uploads the **Arizona Is Home** Pre-closing compliance package into the Lender-Online system, it is the lender’s responsibility to log into the system and follow up on the transaction for any updates, pending notices, etc.
- c) Be sure to check back into the transaction within 24-48 hours to view any potential conditions or stipulations.
- d) When the pre-closing compliance review is complete and the transaction receives the approval / clear-to-close from HTS, the “stage” status will reflect “Commitment.” At this time, all the closing documents will be available for the lender to generate.

- e) Please reference the “Where to obtain & how to generate HOME+Plus closing documents” PDF for information on generating the **Arizona Is Home** closing documents.
 - o https://homeplusaz.com/home_plus_lender_training/

f) While the Arizona Is Home program has different closing documents than the HOME Plus program, the process and procedures to create the respective documents are the same.

3. Close and Fund Loan and DPA

- a) Closing Agent or Lender to wire \$250 compliance review fee payable to Hilltop Securities. Please reference borrower and/or our loan reservation number. Wire instructions found on closing package checklist.

4. Upload/Submit Post-Closing Documentation

- a) **Arizona Is Home** Mortgagor Certificate
- b) Arizona IDA Truth in Lending (TIL) Disclosure Form
- c) Legally Enforceable Obligation Letter (complies with ML 19-06)
- d) Arizona IDA DPA PA Second Loan Deed of Trust
- e) Arizona IDA DPA Second Loan Promissory Note
- f) Notice of Potential Recapture Tax
- g) Final 1st Lien CD
- h) Final 1st Lien URLA
- i) Post-Closing Compliance File Checklist
- j) Extension Request Form (if applicable)
- k) Form DD214 (if applicable)

5. Check Lender Portal 24 hours After Submission.

- a) Click **VIEW** icon for DPA Compliance Package Approval or Conditions.

**END OF
ARIZONA IS HOME
PROGRAM SUMMARY FOR LENDERS**

**FOR QUESTIONS REGARDING EITHER THE HOME+PLUS
OR THE ARIZONA IS HOME PROGRAMS, PLEASE CONTACT**

Operations@HomePlusAZ.com