



Administrator's Guidelines Housing Finance Authority of Miami-Dade County

Single Family Programs

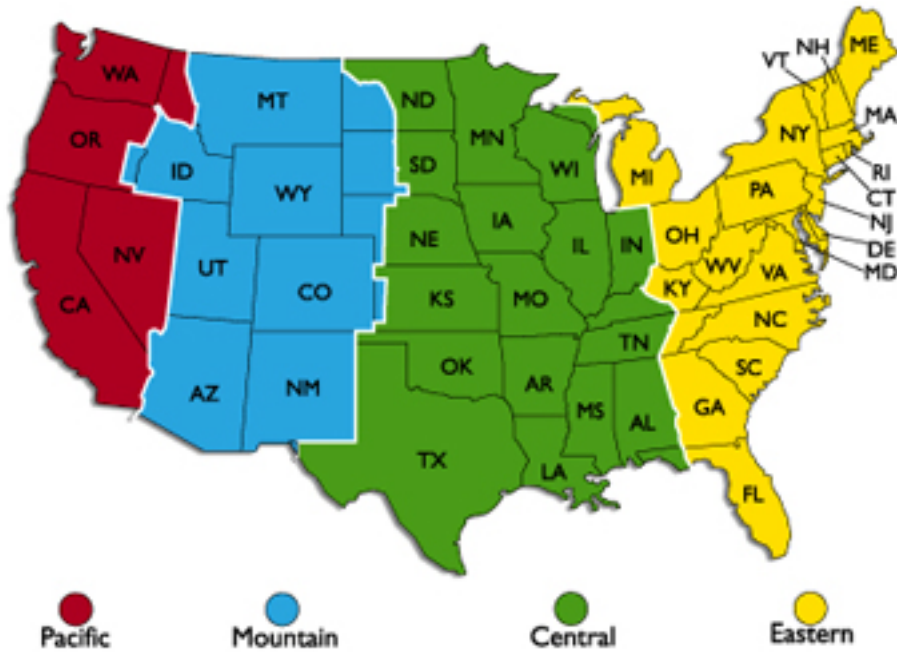
Republished: 9-1-14 (Initially Published on 7-16-11)
Updated 08-22-16
Updates are shown on Page 6



Time Zones

eHousingPlus offices are all located in the Eastern Time Zone.

http://www.timetemperature.com/tzus/time_zone.shtml



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UPDATE CHART

| Date | Update (effective immediately unless otherwise noted) | Page |
|----------|---|----------------------------------|
| 4-7-15 | New Income Limits for new loan apps dated 3-6-15 | 10 |
| 6-11-15 | New Income Limits for new loan apps dated on or after 7-22-15 Second Mortgage and Note must be recorded together as one document Funding of second mortgages reverts back to lender funding Added Non-Traditional Credit language per U.S. Bank Bulletin eff 7-1-15 Qualifying Information Clarified throughout | 10 12, 12, 13,24 22 |
| 7-1-15 | Removed Wire Request Language from Guide.Lenders fund second mortgage beginning 7-1-15. In addition to Gift Letter, a Commitment Approval Letter must also be executed at closing, See Distribution list in Guide. U.S. Bank no longer charging adverse market fee of .25% - see U.S. Bank Bulletin Effective with new loan reservations in the eHousingPlus system, documentary stamp tax and intangible tax are no longer exempt on mortgages and notes as of July 1, 2015 | 25 26 13 |
| 10-1-15 | Funding of second mortgages reverts back to HFA funding at closing Added HFA Preferred Section to Guidelines Added HFA Advantage Section to Guidelines Updated Forms information to detail all forms and added TRID terminology | 8 34 - 40 41 - 47 31 |
| 10-3-15 | Added Who To Contact Directory Added Disclosure Requirements & Funding of HFA's Second Mortgage Revised Compliance Origination Process Added Detailed Fee Information | 6 & 7 11 14 18,32,39,46 |
| 10-5-15 | Elimination of \$250 Processing Fee | 18, 39, 4 |
| 10-12-15 | Mortgage Credit Certificate Program Section | 27 - 33 |
| 10-16-15 | Added eHP fee information & revised US Bank fees | 18, 39, 40, 46,49 |
| 10-16-15 | Added disclaimer regarding not reproducing program forms | 25 |
| 12-1-15 | Revised Minimum FICO | 9 |
| 12-1-15 | Manufactured Housing no longer eligible property & added language regarding Non-Traditional Credit | 10 & 13 & 37 & 38 & 46 |
| 12-1-15 | Language added regarding credit documentation for the Master Servicer | 20 |
| 05-09-16 | Revised income and purchase price limits effective with new loan applications dated 06-14-16 and after | 9, 10, 31, 36, 43 |
| 08-22-16 | Revised conventional loan minimum credit score and removed US Bank overlays Added Freddie Mac eligible borrower requirement Clarified eHousingPlus Fee | 36, 43 43 18, 32, 39 & 46 |

THE HFA OF MIAMI-DADE TEAM



Miami-Dade HFA

Creates the first and, if applicable, down payment assistance or second mortgage program, sets the rate, term and points, assists with funding financing, and may market the program. The HFA also creates and implements a Mortgage Credit Certificate program.

Participating Lenders

Take applications, reserve in their own systems, process, underwrite, approve, fund, close and sell qualified loans to the program. Check with your company on how to reserve a program first mortgage rate in your own system so that you have funds available for closing. Your company may have their own codes. Lenders are responsible for servicing first and, if applicable, amortizing second program loans in accordance with Fannie Mae, Freddie Mac and GNMA requirements until they're purchased by the Master Servicer.

U S Bank

Master Servicer

Provides information on acceptable loan products and delivery and funding, trains, receives all mortgage files, reviews mortgage files, notifies lenders of mortgage file exceptions, approves mortgage files, purchases first mortgage loans, pools and delivers loans, delivers certificate to Trustee.

eHousingPlus

Program Administration

Maintains the program reservation system, websites, and posts guides, forms, training materials, provides training on compliance issues and system, answers compliance questions, receives compliance files, reviews, posts and notifies of exceptions and approves compliance file.

WHO TO CONTACT

| Question | Direct Questions to: | Contact Information |
|--|---|--|
| General Program Compliance Questions Assistance with eHP Lender Portal Assistance with User Credentials for eHP Lender Portal | eHousingPlus(eHP) | Sue Denihan sue@ehousing.cc 813-579-6293 Patt Denihan patt@ehousing.cc 954-430-6072 Joe Athey joe@ehousing.cc 813-579-6294 Jennifer Erwin Jennifer@ehousing.cc 813-579-6295 Vicki Stewart Vicki@ehousing.cc 813-579-6283 |
| Update an Underwriter Certified Loan | eHousingPlus (eHP) | Anyone at eHP Compliance Office services@ehousingplus.com 954-217-0817 |
| Program Training Problems with Training | eHousingPlus (eHP) | Click on this link: http://www.ehpuniversity.com/miami.html Joe Athey joe@ehousing.cc 813-579-6294 |
| System Software Training for eHP Lender Portal | eHousingPlus (eHP) | Click on this link for the once weekly Live Webinar: http://www.ehousingplus.com/ehp-system-trainings/ Or Contact: Jennifer Erwin jennifer@ehousing.cc 813-579-6295 Vicki Stewart vicki@ehousing.cc 813-579-6283 |
| Program Rates | eHousingPlus (eHP) | Click on this link: http://www.ehousingplus.com/available-programs/florida/hfa-of-miami-dade-county-2011-bond-program-2/ Then click on the RATES page. |
| Credit Underwriting questions | Participating Lenders need to refer to internal Underwriting Department or Manager | US Bank does not re-underwriter loans. For general questions, contact US Bank at hfa.programs@usbank.com or 800-562-5165 Option 2 (for general questions) Please note: US Bank answers underwriting questions ONLY from the underwriter of a lender for whom US Bank provides underwriting services. |
| Questions regarding the shipping of closed loan files | eHousingPlus (eHP) for questions regarding the program compliance file US Bank for questions regarding the first mortgage closed loan file | services@eHousingPlus.com 954-217-0817 hfa.programs@usbank.com 800-562-5165 |
| Questions regarding exceptions | eHousingPlus (eHP) for questions regarding exceptions on the program compliance file US Bank for questions regarding exceptions on the first mortgage closed loan file | Debbie Kerr eHP.exceptions@ehousingplus.com 954-217-0817 X216 hfa.communications@usbank.com 800-562-5165 hfa.exceptions@usbank.com |

PROGRAM PRODUCTS

PLEASE NOTE: If something is not addressed in the Guidelines, it is NOT permitted in the program.

FIRST MORTGAGE

All borrowers in this program who receive a first mortgage may also choose to use a Mortgage Credit Certificate. Only those using the first mortgage may apply for the second mortgage - down payment/closing cost assistance.

The program interest rate is shown in the system. PLEASE NOTE THAT RATES ARE SUBJECT TO CHANGE AT ANY TIME. With respect to reserved loans, the rate and assistance will not change as long as loans are delivered according to the timetable included in this Guide.

Borrowers qualifying for the first mortgage may choose to use the second mortgage that provides down payment/closing cost assistance.

Available first mortgage products include FHA, VA, USDA:RD and FannieMae HFA Preferred and FreddieMac HFA Advantage conventional loans. (See FannieMae HFA Preferred Section and FreddieMac HFA Advantage Section)

MORTGAGE CREDIT CERTIFICATES

The HFA of Miami-Dade County has authorized the issuance of Mortgage Credit Certificates (MCCs) -- a federal income tax credit. **See special section in this Guide for detailed information.**

The Program entitles the recipients to take an annual federal income tax credit. A tax credit represents a reduction of actual federal income taxes due. The holder of the MCC may use the credit each year the first mortgage loan is outstanding as long as they continue to live in the home.

DOWN PAYMENT ASSISTANCE SECOND MORTGAGE

30 year deferred, 0% second mortgage in an amount up to \$10,000

Funds may be used ONLY with an HFA first mortgage loan. See discussion of "Program Fees" in these guidelines. Proceeds may be used for down payment, closing costs and **reimbursement** of pre-paid and earnest money deposit to the extent any minimum contribution has been satisfied and that the reimbursement is permitted by Agency guidelines. This is a loan. It is never forgiven. It is never subordinated. See section entitled "Second Mortgage" in these guidelines. It must be repaid at full loan term or including but not limited to when the property is refinanced or ceases to be the borrowers primary residence. **Funding reverts back to the HFA paying at closing. (Rev 10-1-15)**

TAX TRANSCRIPTS

For those using an MCC or HFA First Mortgage Program with down payment assistance

Tax Transcripts (Tax transcripts for the preceding year are due April 15 of the current year.)

The past three years tax transcripts are required for borrowers and spouses. Not required for those buying in Targeted Areas or those purchasing under the Veteran's Exception. Requests for Extensions are not acceptable in lieu of tax transcripts.

For those using ONLY the HFA First Mortgage program

Tax returns or tax transcripts are NOT required for program purposes. The 1003 must be checked indicating that the homebuyer qualifies as a first-time homebuyer. However, US Bank will require the past years tax transcript be included in their file post-closing.

FIRST MORTGAGE REQUIREMENTS ELIGIBLE BORROWERS

For First Mortgage Borrowers

First Mortgage Borrowers must be first-time buyers. The 1003 application must be checked appropriately. Tax returns are not required.

For First Mortgage Borrowers using an MCC

Applicants must meet stricter MCC requirements as detailed in the MCC Section of these Guidelines.

Veterans Exception

For the Veterans Exception, "veteran" is defined as "a person who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable." The Mortgagor Affidavit has a checkbox that states: "Mortgagor(Comortgagor) meets the requirements to qualify as a "veteran" as defined in 38 U.S.C. Section 101 and has not previously obtained a loan financed by single family mortgage revenue bonds utilizing the veteran exception to the first-time homebuyer requirement set forth in Section 416 of the Tax Relief and Health Care Act of 2006. Attached hereto are true and correct copies of my discharge or release papers, which demonstrate that such discharge or release was other than dishonorable.

Homebuyer Education

All owners (any person on the Warranty Deed) must attend a 6-8 hour homebuyer education course provided by the Authority online via **eHomeAmerica's online course**.

Minimum Credit Score

Buyers must have a **minimum FICO credit score of 660 for FHA loans and 640 for VA and USDA:RD** (the mid score must be the minimum or above). If an Agency (FHA, VA, etc) has a higher minimum, follow Agency guidelines. If a participating lender has a higher minimum for other loans and wishes to require a higher minimum for bond loans, then lenders must use the higher minimum. **(Rev. 12/1/15)**

Maximum Debt to Income Ratio

The maximum Debt to Income Ratio (DTI) is 45%.

Minimum Borrower Contribution

While the applicable Agency (FHA, etc) may impose a minimum borrower contribution, the HFA of Miami-Dade County does not impose any additional minimum borrower contribution.

Household Income Limits

For 1003 applications dated on or after 06-14-16

| | | |
|--------------|--------------------------------|-------------------------------|
| Non Targeted | 1-2 person families = \$75,736 | 3+ person families = \$87,096 |
| Targeted | 1-2 person families = \$81,240 | 3+ person families = \$94,780 |

Include income of borrower(s) and spouse (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. That's different from income used for credit underwriting. More detailed guidelines for calculating program income are in the Compliance Underwriting section of this Guide.

Acquisition Limits (Sales Price Limits)

The first mortgage program refers to Acquisition Limits - in most cases this is the Sales Price and is never FHA Acquisition limits. Has to include everything paid by the buyer or on the buyer's behalf. The limits for new and existing 1-4 units are the same and are:

For 1003 loan applications dated on or after 06-14-16

Non-Targeted = \$325,301 Targeted = \$397,590

Existing 2, 3 and 4 family must be at least 5 years old and mortgagor must reside in the property as their principal residence

Eligible Area Includes all of **Miami-Dade County**.

TARGETED AREAS

Use this link <http://www.ffiec.gov/Geocode/default.aspx> Enter an address and receive the census tract number.

Qualified Census Tracts

0002.18, 0002.19, 0004.11, 0004.13, 0005.03, 0005.05, 0006.08, 0007.10, 0007.11, 0007.12, 0008.06, 0008.07, 0009.03, 0010.04, 0010.06, 0014.01, 0014.02, 0015.01, 0016.05, 0018.03, 0019.03, 0019.04, 0020.01, 0020.03, 0020.04, 0022.02, 0024.02, 0024.03, 0024.04, 0025.01, 0025.02, 0026.00, 0028.00, 0029.00, 0030.03, 0030.04, 0031.00, 0034.00, 0036.01, 0036.02, 0043.03, 0044.04, 0049.01, 0051.02, 0051.03, 0051.04, 0052.01, 0052.02, 0053.02, 0053.03, 0053.04, 0054.05, 0054.06, 0054.09, 0054.10, 0055.01, 0057.03, 0063.01, 0066.02, 0089.04, 0090.20, 0090.21, 0090.26, 0090.40, 0090.46, 0093.07, 0093.15, 0100.15, 0102.07, 0109.00, 0110.01, 0111.01, 0113.00, 0114.03, 0114.04, 0135.00, 9807.00

About the Property

- New or existing, **one to four unit**, detached or attached, condos, townhomes,

Manufactured Homes - As of December 1, 2015, U. S. Bank will not purchase loans for manufactured housing. U.S. Bank considers manufactured housing: A manufactured home is a mobile home built entirely offsite on a permanent chassis that is pulled on the highway to a permanent location. Modular, panelized or prefabricated homes are not considered manufactured housing. **(Rev 12/1/15)**

- 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 multi-unit structures).

SECOND MORTGAGE

Those using an HFA first mortgage loan must also meet the following requirements: in order to receive a qualified second mortgage.

Use of Second Mortgage Loan Proceeds

Funds may be used ONLY with an HFA first mortgage loan. Proceeds may be used for down payment, closing costs, and **reimbursement** of prepaids and earnest money deposit to the extent any minimum contribution has been satisfied and that the reimbursement is permitted by Agency guidelines. There is no "cash-back" to the borrower. To the extent the funds advanced by the borrower plus **the first and second mortgage amounts are more than required at closing, the Mortgage Lender will reduce the second mortgage amount.**

Owner Occupancy Requirement

The borrower receiving the Down Payment Assistance Loan must occupy the residence for the term of the loan or until the loan is satisfied OR the second must be repaid in full.

Loan Repayment

This loan must be repaid in full on the earlier of 30 years (final repayment date of the first mortgage loan) or upon sale, transfer, rental, other disposition of the property (including any involuntary transfer by or as a result of foreclosure or judicial sale or operation of law), refinance or satisfaction of the first mortgage loan. **This loan must be repaid and is never forgiven.**

Maximum income and purchase price limits

Limits are the same as for the HFA first Mortgage Loans.

Disclosure Requirements The determination has been made that the HFA of MIAMI-DADE County Second Mortgages, as non-amortizing 0%, 30-year deferred subordinate loans, ARE NOT SUBJECT TO TILA or RESPA and lenders may NOT use the new TRID forms (Loan Estimate and Closing Disclosure) for these loans. The program will require a separate HUD-1 settlement statement at closing. (Added 10/03/15)

Hazard and Title Insurance Requirements

The hazard insurance policy, when issued, must name the Housing Finance Authority of Miami-Dade County as an insured second mortgagee. The mortgage title insurance policy, when issued, must include the second mortgage as a valid lien against the property subordinate only to the first mortgage.

Combined Second Mortgage/Note

This pre-printed form may be found in the Lender Portal for a specific borrower.

Recordation Requirements Rev 6-11-15

The first mortgage and second combined mortgage/note must be recorded in the following order: First Mortgage, Assignment of First Mortgage;
Second Mortgage/Note (Marital Status must be noted for all borrowers)

Funding of the HFA's Second Mortgage Oct. 1, 2015 and after - At closing the HFA of Miami-Dade County will table fund the second mortgage funds. Three (3) business days prior to closing, the lender must submit a DPA Funding Request to the HFA of Miami-Dade for approval. Detailed information provided in this Guide. (Added 10/03/15)

Assumption/Subordination The second mortgage loan is not assumable and can't be subordinated.

Refinance of First Mortgage: The second mortgage must be repaid. It can never be subordinated.

Prepayment The second mortgage loan may be prepaid at any time without penalty.

Mortgagee The Mortgagee is the Housing Finance Authority of Miami-Dade County as preprinted in the Note and Mortgage and, therefore, an Assignment is not required.

Documentary Stamp Tax/Intangible Tax The second mortgage and note are **NOT** exempt from Florida Documentary Stamp and Intangible Tax. The deed is not exempt. Tax on the deed must be paid by someone other than the borrower, the borrower's funds or the second mortgage proceeds.

FINANCING FACTS

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

The Appraisal must indicate that the home has at least a 30 year remaining useful life.

Buydowns

FHA only. Limited to 1 or 2 years with a maximum change of 1.00% per year. Cannot be paid by borrower or any of their assistance.

Cash Back

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

Not permitted in the program.

Cosigners

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 program purposes, tax returns are not required and cosigners do not sign any program documents.

Documentary Stamp Tax/Intangible Tax The first mortgage and note and deed are **NOT** exempt from Florida Documentary Stamp and Intangible Tax.

Minimum Loan Amount

There is no minimum loan amount in this program.

Non-Traditional Credit (Manual Underwriting)- See U.S. Bank bulletin 2015-07 but with new reservations as of December 1, 2015, no FHA loans may be manually underwritten. **(Rev 12/1/2015)**

Prepayments

The first mortgage may be prepaid at any time without penalty.

Recapture Tax

Applies only to MCC's"

Refinances of existing mortgage loans

This program is intended for new mortgage financing. Refinances of existing mortgage loans are not permitted. However, temporary, construction or bridge financing with a term of 2 years or less may be taken out with a program loan.

SUMMARY OF THE COMPLIANCE ORINATION FIRST MORTGAGE PROCESS (Rev 10/03/15)

MANDATORY PROGRAM TRAINING

Lender training is mandatory for anyone working with this program. eHousingPlus and US Bank provide program training online 24/7. [To attend click on this link.](#)

eHousingPlus LENDER PORTAL SYSTEM TRAINING

Conducted once a week via live WebEx with the eHousingPlus Compliance Office. We highly encourage anyone who will reserve funds, complete an underwriter certification, print forms or clear exceptions to attend this 30 minute training. [Click here to register to attend](#)

LENDER PORTAL USER CREDENTIALS

Following completion of Program training at eHP University training, an email will be sent to lenders giving directions on how to apply for User Credentials for the lender portal. These instructions are for both new users of system and existing users looking to add programs to their profile.

QUALIFY

Lenders use program requirements to qualify applicants for the program. Buyers must present an executed sales agreement before being entered into the program reservation system.

DISCLOSE

Lenders process the loan normally and consider program requirements - **Notices to Buyers** has been signed and ORIGINAL retained for compliance file. **Remember 15 day lock only extended with Underwriter Certification or loan will cancel automatically.**

RESERVE

To reserve funds in program's online system [click on this link](#). Log in and reserve the first mortgage. You will receive a loan number and a message that you've completed the reservation successfully. Click on "Additional Mortgage" to reserve the Second Mortgage.

PROCESS

Lenders process the loan as they would normally keeping in mind the program timelines.

UNDERWRITE AND CERTIFY

Lenders underwrite & are responsible for credit decisions of the loans in the program. Servicer does not re-underwrite loans. Following credit approval, **Underwriter completes** the online **Underwriter Certification** form. **THIS STEP MUST BE COMPLETED WITHIN 15 DAYS OF LOAN RESERVATION.** The Underwriter Certification is available within the eHousingPlus Lender Portal.

REQUEST DPA FUNDS

(Rev 10/03/15)

Lenders are required to submit a Wire Transfer Request Form a minimum of three (3) business days prior to any loan closing date. The Wire Transfer Request Form may be found in the secure section of eHousingPlus Web Site. Underwriter Certification must be completed prior to the submission of the Wire Transfer Request Form. (Revised 10/03/15)

After the Underwriter Certification has been completed, and with a scheduled closing date, the Lender's authorized representative must fill out and execute the Down Payment Assistance Funding Request Form available in the system, under LOAN FORMS.

The Request Form must be printed, signed, and scanned in pdf, jpg, tiff or png format.

Three (3) business days prior to funding, the Lender sends a complete, executed pdf or scanned version of the DPA Funds Request Form to the following:

Adela Garcia agarcia@hfamiami.com

Request Form Review

- Anything received by 2 pm EST will be verified that day.
- Requests received after 2 pm EST, will be processed by 12 noon EST the following business day.
- Special Attention will be given to Forms received on Fridays to ensure that they are sent before start of business on Monday.
- Any emails received over the weekend will be processed on Monday and for Holidays on the next business day.

The DPA Funds Request Form is reviewed by the HFA representative for accuracy. Lenders will be contacted if the Form cannot be verified. The HFA will wire funds to the closing agent. Funds are wired directly to the Closing Agent/Title Company and NOT the Lender or Borrower.

Please make sure that instructions are provided to internal Processor/Closer and to the Title Company/Closing Agent.

If the Loan does not close on the Loan Closing Date indicated on the Request Form, Lender agrees to cause the funds to be returned to Wells Fargo Bank, NA for the credit of the Authority's account not later than the close of business on the business day following the Loan Closing Date. Wiring instructions for the return of funds are as follows: Wells Fargo Bank, N.A., ABA # 121000248, Beneficiary Acct. # 0001038377, Acct. Name Corporate Trust Clearing, Attn: Liz Wielenberg.

To further clarify, the Lender will be required to repay the DPA to the HFA if the mortgage loan is not ultimately pooled and sold under the program.

CLOSE

Borrower executes the Affidavit (Mortgagor & Seller/Builder Affidavit & Lender Certificate), Down Payment Assistance Award letter, Second Mortgage and Second Note. IT'S IMPORTANT that lenders have the borrower(s) sign the DPA Award Letter (this meets requirements of 2013-14, appears in the auto-fill Forms available for closing). Lenders retain original, copies in their FHA Case Binder, to borrowers and to U.S. Bank (FOLLOW U.S. BANK requirements per USB002. (Rev 7/29/14)

SHIP / SUBMIT

There are two (2) files shipped post closing:

File #1 is the Compliance File and it is sent to eHousingPlus. The Compliance File Checklist is found within the eHousingPlus Lender Portal in the Loan Forms section.

File #2 is the Mortgage File including Credit Package and it is sent to US Bank. The US Bank Delivery and Funding Checklist is found within the US Bank web site. To locate the US Bank Checklist click on this link: www.mrbp.usbank.com

Click on US Bank Lending Manuals.

Pop-up box will appear, click on Continue.

Web page will be redirected to US Bank All Regs site.

Click on Housing Finance Authority folder.

EXCEPTIONS

Following review of Compliance File by eHousingPlus. if there are exceptions,

Lenders will receive notice from eHousingPlus via email

Exceptions will be posted online. Exceptions may be viewed online in two places

- a. at the loan level and
- b. in an exceptions report

Files with exceptions remain subject to the purchase timelines.

Loans are reviewed weekly by eHousingPlus to assure compliance with timelines.

Questions regarding exceptions should be directed to: services@ehousingplus.com

US BANK also notifies lenders of Exceptions, posts exceptions online and sends a weekly summary of outstanding exceptions.

APPROVALS

Following approval of Compliance File by eHousingPlus, lenders are notified and reminded of the purchase deadline.

PROGRAM TIMELINE

Buyers MUST HAVE A FULLY- EXECUTED SALES CONTRACT FOR A SPECIFIC PROPERTY in order to have funds reserved or be on a waiting list. The contract may be dated prior to the date of

the loan application. **(Buyers may be prequalified. However, if the buyer does not have a contract on a property, PROGRAM FUNDS MAY NOT BE HELD for the buyer until such time as the buyer presents a valid contract.)**

Program funds are locked for a buyer when a reservation is submitted on and accepted by the system and a loan number is obtained.

All loans must be registered through the eHousing Website. Complete the reservation form online and submit it via the Internet. Reservations submitted correctly receive a confirmation that the loan has been accepted and a loan number. If submitted incorrectly, there is instant online feedback identifying non-compliance and/or missing information issues. Lenders may choose to print confirmation from "Loan Detail" screen.

Second Mortgage Loan Reservation

If borrowers choose to utilize a second mortgage loan being provided by the **Miami-Dade HFA** following submission of first mortgage loan, reserve second mortgage loan by choosing "Additional Mortgage". Complete information. Again, system provides instant online feedback identifying non-compliance and/or missing information issues. Lenders may choose to print confirmation from "Loan Detail" screen.

Loan Processing, Delivery and Purchase Timetable

New Construction and Short Sales cannot be reserved until 15 days before closing.

Reservation to Underwriter Certification = 15 days (no extensions)

Reservation to Closed & Delivered First Mortgage Loan = 30 days (no extensions)

Reservation to Exceptions Cleared & 1st & 2nd mortgage Loans Purchased = 60 days

Loans not meeting the timetable cancel automatically without notice. Lenders may not automatically replace a loan in this first-come, first-served program. There is no reinstatement of canceled loans.

Extension requests must be made prior to exceeding 60 days to Purchase. The extension grants up to 20 additional days for loans to be purchased by the Servicer at a cost of \$375. The extension fee will be netted when loans are purchased for loans that are delivered. For loans that are not purchased, the HFA will bill the lender for the fee.

PROGRAM FEES
HFA FIRST MORTGAGE FEES

1.00% origination or discount or combination of both but in total not to exceed 1.00%. Lenders cannot charge any additional points on either first or second but may charge their fees as described below.

First and second mortgages and notes are NOT exempt from Documentary stamp tax and Intangible tax. Deeds are not exempt. Borrowers may not pay this charge (exception: REOs).

eHousingPlus Fee

For first mortgage with or without DPA, the program includes a first mortgage Compliance/Admin Fee of \$225

For first mortgage with or without DPA AND an MCC, the program includes a first mortgage Compliance/Admin Fee of \$275 paid to eHousingPlus. There is also an MCC Application Fee of \$100 retained by the Lender.

There's also a penalty fee of \$100 for files that are chronically deficient. The Compliance/Admin Fee is collected at closing, payable to eHousingPlus and submitted with the Compliance File. ONLY Cashier's or Corporate checks are acceptable and the fee may not be financed. (Rev 10/1/15)

The **Compliance/Admin Fee** is the fee charged by the Program Administrator/Compliance Agent to process the applicant/borrower from Origination to Compliance Approval, and to assess that the lenders originating such loans are following Program guidelines for the benefit of the eligible borrower(s). The Program Administrator/Compliance Agent tracks the loan via its web-based system, and assists the lender in processing the loan ensuring eligibility to the program available offerings, which can include various rate options, and down payment assistance. (Added 5/16/15)

The Compliance/Admin fee includes the review of information and documents delivered in the form of a Compliance File by the originating lender, on behalf of the borrower. Additionally the Compliance review verifies that the lender has charged only the fees allowed by the Program. Contrary to this, approval may be denied and/or fees may have to be reimbursed to the borrower. The compliance file processing consists of required affidavits, application, closing documents, certain non-mortgage documents, tax returns where applicable and other pre-defined Program documents that are disclosed to the potential borrower(s). This is required to ultimately receive Compliance Approval. These documents can support both the first mortgage and any down payment assistance available, and are required to ensure eligibility to the Program, Federal, State and Local requirements, where applicable. The Compliance review verifies that the data and documents submitted meet all requirements, and may include those for first-time homebuyer, income limits, sales price limits, targeted areas, homebuyer education, rate, term, points, fee limits, LTV, FICO score, special state, city, county program requirements for qualified military, first responders, teachers, etc.).(Rev 08/22/16)

US Bank Fees

\$85 Tax Service Fee and \$400 Funding Fee. These fees will be netted out at time of purchase by U.S. Bank. Note: Please do not send separate checks for these fees. (Rev 11/01/15)

LENDER FEES

Lenders are permitted to charge reasonable and customary charges for out of pocket expenses and costs. Other financing costs such as legal fees and underwriting fees may be charged and courier fees may be charged if such fees are normally charged. Lenders may charge the usual and reasonable settlement costs. Settlement costs include titling and transfer costs, title insurance, survey fees or other similar costs. Other allowable fees include doc prep fees, notary fees, hazard, mortgage and life insurance premiums, recording or registration charges, prepaid escrow deposits and other similar charges allowable by the insurer/guarantor. "Junk" fees are not a defined term and may not be charged. Excessive fees are not permitted in the program.

LENDER COMPENSATION

Total allowable points and fees

- 1 - Origination OR Discount Fee OR combination of both but in total not to exceed 1.00%
- 2 - SRP at loan purchase of 1.50%
- 4- MCC Application Fee of \$100 that is retained by the Lender, if applicable
- 5 - Lender fees as detailed in paragraph above

COMPLIANCE UNDERWRITING

Underwriters should remember that CALCULATION OF PROGRAM (COMPLIANCE) INCOME IS DIFFERENT THAN CALCULATION OF INCOME FOR CREDIT PURPOSES. The program requires that underwriters consider the income of borrowers and their spouses (regardless of their address) and all household members 18 years of age or older (related or unrelated). Use the information below as a general guide. Because each case is different, please contact Compliance if you have questions.

Unlike income that is averaged for credit underwriting, the program is concerned with **actual current income**. You should be reviewing the YTD income, the income of the last 4 months and the income shown on previous tax returns for consistency. You should not be averaging income. If there are not inconsistencies in earnings, use the guidelines for each loan type to determine current gross monthly income. Current gross monthly income is multiplied by remaining months in the year to determine "total current annualized income".

For the tax year in which the closing occurs, consider YTD income. Then establish current base income for the balance of the year using the guidelines for each type of income. Then consider any additional income. For assistance, contact the Compliance Office.

Gross monthly income is the sum of monthly gross pay; any additional income from overtime, part-time employment, bonuses, income from self-employment, dividends, interest, royalties, pensions, VA compensation and net rental income, other income (such as alimony, child support, public assistance, sick pay, social security benefits, unemployment compensation, income received from trusts, and income received from business activities or investments, continuation of which is probable based on foreseeable economic circumstances based upon the Mortgagor's Affidavit (to such effect), all as computed at the time of application for a mortgage loan and confirmed at the time of closing. We will check information with respect to gross monthly income obtained from the reservation form, Underwriter's Certification and applicable certificates and affidavits executed the date of the Closing of the Mortgage Loan, provided that any gross monthly income not included for credit underwriting purposes must be included in determining gross monthly income. The limit is the limit and any amount over the limit is not acceptable. Include the income of non-borrower co-habitants who will reside in the property. However, do not include (1) dependents that are claimed on tax returns but who will not permanently reside in the home the majority of the time and (2) co-signers. The Affidavit, executed by the borrower(s), and certified by the lender, must include the total verified annual household income.

This program considers HOUSEHOLD INCOME not income of the borrower. Household income includes the income of borrower, spouse. Remember if persons are not divorced they are married. We count the income of the spouse whether they reside in property or not. Also include the income of all who will reside in the home 18 years of age or older (children, parents on social security, etc).

Questions regarding the calculation of income for program purposes should be directed to the Compliance office at services at ehousingplus.com or 954-217-0817. There are many variables and the Compliance office will be pleased to assist.

The Servicer requires the complete closing and credit documentation as identified on their specific loan delivery checklists. Lenders may rely on the same documentation for program compliance purposes. Although mentioned in this section of the guidelines, VOE's and VOD's, current pay stubs which delineate "current period", W-2's, for all borrowers from all employers, and bank statements to

verify assets may be included to the extent required by the Servicer for their purposes. Figures shown on all documents should be consistent. **(Rev 12/1/2015)**

Because a program qualifier is "income", even if not required for credit purposes (i.e. automated underwriting), you should be seeking the two most current paystubs with YTD. Do not include in the compliance file, keep copies for your records.

Although reference is made to the last 4 to 6 weeks income, Underwriters should be reviewing the income tax returns submitted to verify that there are no unexplained and/or unacceptable differences current income to past income.

Examples below not intended to serve as exclusive methodology. Please contact the Compliance office 954-217-0817 with questions regarding individual cases.

Please note that the income reported for program income calculation CAN NEVER BE LOWER THAN THE INCOME USED TO QUALIFY FOR CREDIT PURPOSES.

Hourly Employees

For the tax year in which the loan is closing, use the Year to Date base income. If consistent, utilize the base to determine the balance of the year by

1. Using last 4 to 6 weeks' pay stubs, identify hourly rate of pay and average number of regular hours worked per week. Multiply hourly rate times regular weekly hours. Multiply result times number of weeks for balance of year and add to YTD for an annualized base salary.
2. If the person has no other sources of income (for example: overtime, bonus, commissions, second jobs, interest, dividends, child support, alimony, public assistance), this will be the Current Total Annual Income.
3. Compare the total annual income in #2 above to Paystubs, VOE's, previous year's income per W2's and tax returns. You should not find significant differences. In some cases, the Current Total Annual Income will be higher than the previous year's income. Variances should be attributable to increases/decreases in pay or number of hours worked.

You should not find significant differences. In some cases, the Current Total Annual Income will be higher than the previous year's income. Variances should be attributable to increases/decreases in pay or number of hours worked.

Salaried Employees

1. Using last 4 to 6 weeks' pay stubs, identify weekly (or other frequency) rate of pay. Multiply rate times the number of regular pay periods in the year (52 weeks, 12 months, 24 semi-months)
2. If the person has no other sources of income (for example: overtime, bonus, commissions, second jobs, interest, dividends, child support, alimony, public assistance), this will be the Current Total Annual Income.
3. Compare the total annual income in #2 above to Paystubs, VOE's, previous year's income per W2's and tax returns. You should not find significant differences. In some cases, the Current Total Annual Income will be higher than the previous year's income. Variances should be attributable to increases/decreases in pay or number of hours worked

Business, Self Employment

1. Use the quarterly tax returns and financial statements to identify the current NET year to date income. 2. Divide the year to date income by the number of months during which it was earned and multiply times remaining number of months in year. Add to actual YTD. **ADD DEPRECIATION.**
3. If the person has no other sources of income (for example: overtime, bonus, commissions, second jobs, interest, dividends, child support, alimony, public assistance), this will be the Current Total Annual Income.
4. Compare the total annual income in #2 above to the previous year's income per W2's and tax returns.

You should not find significant differences.

Verified Termination of Overtime, Commission, Bonus, Seasonal, Periodic, One Time Overtime, Bonus, Commissions

Using last 4 to 6 weeks' pay stubs, identify the year to date total earnings of the borrower. Subtract the Current Total Base Income (see above) to arrive at the total year to date extraordinary income. If verification of termination of overtime, commission or bonus is provided in writing (i.e. a letter from an employer) or such termination is due to a change of employment, use the current YTD overtime, commission or bonus, do not annualize and add as a lump sum to the Current Total Annual Income.

Regular Overtime, Bonus, Commissions

1. Using last 4 to 6 weeks' pay stubs, identify the year to date total earnings of the borrower. Subtract the Current Total Base Income (see above) to arrive at the total year to date extraordinary income.
2. Divide the year to date extraordinary income by the number of pay periods during which it was earned (to obtain an average). Multiply times the appropriate factor (Balance of year weeks, months, semi- months, etc.) for balance of year figure and add to actual YTD extraordinary income for annual income.
3. If the person has no other sources of income (for example: second jobs, interest, dividends, child support, alimony, public assistance), this will be the Current Total Annual Income.
4. Compare the total annual income in #2 above to Paystubs, VOE's, previous year's income per W2's and tax returns. You should not find significant differences. In most cases, the Current Total Annual Income will be higher than the previous year's income. It will also generally be higher than the annualized year to date income. The variances should be attributable to increases/decreases in pay.

Interest, Dividends

1. Use current earnings statements issued by the bank, investment broker or agent. Identify the year to date interest or dividend earnings. Divide by the investment term year to date (for an average) and multiply times appropriate factor to annualize the earnings.
2. If statements are not available, and the terms of the investment agreement are available, multiply the principal amount of the asset times the annual interest yield factor for a projected interest earnings amount.
3. If neither are available, use the previous year's earnings statements or tax returns to identify total annual interest and dividend income. If the assets are still invested in the same instruments, use the previous year's figure.
4. Add the result of the computation in either #1, #2 or #3 above to the Current Total Annual Income.

Alimony, Child Support

1. Use the monthly amount appearing in the divorce decree, separation agreement or other support document.
2. If the borrower receives more than the amount stipulated in the agreements, use the monthly figure that the borrower declares and can be verified.
3. If the borrower receives less than the amount stipulated in the agreements and there is a verifiable history of the underpayments for at least 2 years (as evidenced by Court records), then use the past 2 years' historical monthly earnings. If there is no such history that can be verified, use the amount stipulated in #1 above.
4. Multiply the monthly amount of alimony or child support times 12. Add to the Current Total Annual Income (plus any other income sources).

Pensions, Temporary Payments

1. Use the benefits statement issued by the benefits provider (pensions, workers compensation, disability compensation, social security, AFDC, etc.) to identify the amount of the benefit, payment frequency and expected term of the benefit.
2. Multiply the amount of the benefit times the payment frequency for the balance of year and add to actual YTD for an annualized amount. Add to the Current Total Annual Income (plus any other income sources).
3. If the benefit is absolutely not payable to the recipient beyond a given date (that means a complete and permanent stop of benefits without extensions, exceptions, waivers or other conditions) and such date is within 12 calendar months of the anticipated closing date, then calculate the benefits expected through the end of the benefits term. That will be the total annual income amount from the specific benefits source. Add to the Current Total Annual Income (plus any other income sources).

Boarder's Income and Rental Income in One Unit Properties

The Boarder's wages/income and rental income paid to the borrower must be included in the program calculation of income.

Rental Income from 2-4 Unit Properties

Anticipated rental income from the property being purchased is not included in the program calculation of income but may be treated as detailed in Agency (FHA, VA, Freddie, etc) guidelines. If the borrower's own other rental property from which income is derived, that income must be included in the program calculation of income.

PROGRAM FORMS

This topic addresses the specific program forms required for originating, processing, closing and loan delivery.

All program forms are auto-fill. If specific information is not collected for a few items, those blanks are interactive -- the lender completes the information for the blank prior to printing. You simply place your cursor on the blank and complete.

A complete Mortgage package must include all FHA, RD or VA forms. The Mortgage File is delivered to US Bank, Master Servicer.

The simple rule of who signs program forms – if the person is named on the Mortgage/Deed, they sign the forms. If they are not on the Mortgage/Deed, they do not sign the forms. Also, remember cosigners cannot live in property, do not sign program documents or take title. Having people sign documents who should not sign is as incorrect as not having all sign who should. Under no circumstances may a cosigner's name appear on title or warranty deed. Only those on credit sign the 1003 and the Closing Disclosure (TRID).

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.

ORIGINATING COMPLIANCE FORMS

Forms have been revised to be used for First Mortgage loans with or without an MCC and for MCC's alone.

In addition to all the standard disclosures, the program has specific disclosures all contained in the **Notices to Buyers*** that is executed at the time of loan application. If the borrower is using a MCC, to the borrower's copy attach the two-page **Recapture Brochure**. The **Original** of the Notices to Buyers should be included in the package that goes to the Underwriter and is ultimately delivered in the Compliance File to eHousingPlus. An **Extension Request** is available at ehousingplus.com Remember that the form must be submitted BEFORE the 60th day.

CLOSING FORMS*

- Affidavit/Certifications *
- Second Note and Mortgage (Must be recorded together as one document. Rev 6-11-15)
- DPA Gift LETTER for government loans

POST CLOSING

- Compliance File Checklist is available online.
- Compliance/Admin Fee must be included in the Compliance File.

*** PLEASE NOTE: A CERTIFIED TRUE COPY IS ACCEPTABLE IN PLACE OF AN ORIGINAL.**

OTHER DOCUMENTS REQUIRED FOR COMPLIANCE FILE

The program forms are generated directly from the eHousingPlus Lender Portal at the loan level. The program forms **MUST** be printed from the Lender Portal. It is not acceptable to re-create program forms. (Added 10/16/15)

For those using only the HFA First Mortgage program

The 1003 must be checked indicating that the homebuyer qualifies as a first-time homebuyer

For first mortgage loan applications dated PRIOR to 10-3-15

Real Estate Purchase Contract

FINAL Typed Loan Application (1003)

HUD-1 Settlement Statement

Warranty Deed

Homebuyer Education Certificate (for all named on Warranty Deed)

Discharge or Release Papers for those using the Veterans Exception

For first mortgage loan applications dated 10-3-15 and after

Real Estate Purchase Contract

FINAL Typed Loan Application (1003)

Closing Disclosure (TRID)

Warranty Deed

Homebuyer Education Certificate (for all named on Warranty Deed)

Discharge or Release Papers for those using the Veterans Exception

US BANK WEB SITE INFORMATION

Down Payment Assistance Funding Verification Form - USB002, manuals, U.S. Bank fees, delivery checklists, bulletins and training materials may be found on the US Bank ALL Regs web site.

Click on this link: www.mrbp.usbank.com

Click on **US Bank Lending Manuals**

Pop-up box will appear, click on **Continue**

Web page will be redirected to US Bank All Regs site.

Click on **Housing Finance Authority** folder

Click **Florida**

Click **HFA of Miami-Dade County**

**MORTGAGE CREDIT CERTIFICATES (MCC)
(WITH OR WITHOUT AN HFA FIRST MORTGAGE)**

The HFA of Miami-Dade County has authorized the issuance of Mortgage Credit Certificates (MCCs) -- a federal income tax credit.

The Program entitles the recipients to take an annual federal income tax credit. A tax credit represents a reduction of actual federal income taxes due. The holder of the MCC may use the credit each year the loan is outstanding as long as they continue to live in the home.

TAX DISCLAIMER

This material is not intended or written to be used, and it cannot be used, by any taxpayer for the purpose of avoiding tax penalties that may be imposed on the taxpayer. This material may be used to support the promotion or marketing of the matter discussed herein. The taxpayer should seek advice from an independent tax advisor regarding the matter set forth herein based on the taxpayer's particular circumstances.

What is a Mortgage Credit Certificate?

A mortgage credit certificate (an "MCC") is an instrument designed to assist persons of low and moderate income to better afford individual ownership of housing. The procedures for issuing MCCs were established as an alternative to the issuance of single family mortgage revenue bonds. As distinguished from a bond program, in a MCC program no bonds are issued so lenders may offer the HFA program first mortgage or may offer their own 30 yr fixed rate mortgage products that are acceptable to HFA, VA, RD or Fannie/Freddie conventional loans. However, the mortgagor may take a tax credit in an amount equal to the annual amount of interest paid on the mortgage loan multiplied by the Mortgage Credit Certificate Rate. Currently, the Mortgage Credit Certificate Rate for the Program is 50%. (However, if the loan is in an amount where the mortgage interest in the first full year will be 12,000 or more the Lender should notify the Administrator so that the credit amount can be adjusted.)

| Example | |
|----------------------------------|-----------|
| Mortgage Amount | \$115,000 |
| Interest Rate | 4.25% |
| Monthly P & I | \$566 |
| Total Interest Paid First 12 mos | \$4,850 |
| Mortgage Credit Rate | 50% |
| Maximum First Year Credit Amount | \$2,000 |

During the first year of the Program, the Applicant in this example would be eligible for a tax credit of up to \$2,000 if not limited by tax liability. The Applicant would be able to file a revised W-4 withholding form taking into consideration the anticipated tax credit and have approximately \$166 per month in additional disposable income in the first year. Applying that savings to the monthly payment, decreases the payment to \$400. Additionally, taxpayers who file itemized returns may continue to take a deduction equal to the amount on Line 3 of Form 8396. Because the credit rate is greater than 20%, the amount of MCC is capped at \$2,000.

In the example, 100% of the mortgage interest paid is \$4,850 so 50% of the mortgage interest paid is \$2,425. Because the credit rate is 50%, the amount that may be claimed as a credit is capped at \$2,000. According to IRS instructions on Form 8396, the amount of allowable mortgage interest deduction on Schedule A is determined by reducing by the amount on Line 3 of Form 8396 (\$2,000). So the total mortgage interest paid in the first 12 months was \$4,850, subtract \$2,000 and the remaining \$2,850 may continue to be used as a deduction.

The tax credit amount of \$2,000 may be used as a tax credit after all other deductions and credits have been applied and to the extent there is tax liability. If not all of the \$2,000 can be used because there is not enough tax liability, it may be carried forward for up to three years. However, it cannot be added to the allowable mortgage interest deduction.

If 50% of the mortgage interest paid was \$1,000, then \$1,000 would be shown on Line 3 on Form 8396 and \$4,850 less the \$1,000 credit amount means \$3,850 becomes the amount of a mortgage interest deduction on Schedule A.

Borrowers who receive a MCC and who continue to own and occupy the financed home will be eligible for a tax credit each year for the term of the loan.

The amount of the credit actually claimed on the MCC holder's federal income tax return cannot exceed the amount of federal income taxes due after other credits and deductions have been taken into account. For example, if after taking into account other tax credits and deductions, a borrower only owes \$1,000, he or she cannot use the MCC tax credits in an amount in excess of \$1,000. Any unused MCC related tax credit can be carried forward up to three years to be applied against future income tax liability.

A purchaser of a new or existing single family home may apply for a MCC through any mortgage lender (who is willing to sign a no cost agreement with the HFA) at the time he or she applies for a mortgage from the lender. Any lender is eligible to participate in the Program by entering into a Participation Agreement and complying with Program requirements. A MCC cannot be issued to a homebuyer who is refinancing an existing mortgage or in connection with a mortgage from a relative. Also, a MCC cannot be used in connection with a bond/MRB first mortgage.

It's important to note that all or a portion of the MCC related tax credit may be subject to recapture if the Residence is sold within the first full nine years of purchase. The conditions of repayment. 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. This tax credit recapture is further explained in the Notice of Potential Recapture Tax and in the Recapture Tax brochure provided to an applicant.

What is the lender involvement?

Simply follow the guidelines for the first mortgage.

Also, the Lender is responsible for filing a form with the IRS in each year in which they originate loans for which MCCs are issued, and for keeping certain records regarding the MCCs. For participating lenders, the annual form will be forwarded via email by the Program Administrator for execution and filing by the Lender.

MCC Homebuyer Benefit

The MCC can reduce the amount of federal income taxes; however, the tax benefit cannot exceed the amount of federal taxes owed for the year after other credits and deductions have been taken. But unused credit may be carried forward for up to three years.

Borrowers will have to adjust federal income tax withholding in order to receive the MCC benefit on a monthly basis. This adjustment is accomplished by the borrower speaking to their payroll department at their place of work. By reducing monthly withholding, they will have more disposable (after tax) income with which to make mortgage payments. The benefit of the MCC program continues for the term of the mortgage as long as the holder of the MCC continues to own and occupy the home under the mortgage for which the MCC was issued.

What does the Homeowner have to do to claim the benefit with the IRS?

Each year the homeowner files Form 8396 with their federal income tax return. The form is available on the IRS website.

Special Rules

There are special rules regarding refinancing of the loan for which a MCC was issued. The borrower should contact the Program Administrator when and if refinancing the loan for which this MCC is issued before choosing a lender for the refinance.

Different Agencies (FHA, Fannie, etc) have different policies regarding using the benefit of the MCC to qualify borrowers. It's important that lenders consider the rules of the Agency, their own company requirements and consider any requirements imposed by Warehouse providers.

To Reserve An MCC WITH OR WITHOUT the HFA FIRST MORTGAGE see the following pages.

STEP BY STEP PROCESS
HOW TO ORIGINATE LOANS WITH MORTGAGE CREDIT CERTIFICATES
(With or without an HFA first mortgage)

There are requirements imposed by the IRS and the Issuer that are reviewed for compliance with the program guidelines. The Administrator reviews the Compliance File.

You follow your normal procedures and review program documents to originate loans that meet the requirements modified to include the following program qualifiers:

STEP 1 - QUALIFY THE BORROWER(S)

Buyers and their spouses (borrowing and non-borrowing) must be first-time buyers must provide the past three years tax transcripts (regardless if party to transaction) and must be able to permanently reside in the US. Tax Transcripts (Tax transcripts for the preceding year are due April 15 of the current year.) Requests for extensions do not replace TaxTranscripts.

- Work visas, student visas, any temporary visas do not qualify.
- Those with **permanent asylum do qualify** and should provide an I-9.
- The past three years federal income tax returns are **NOT** required for Targeted Area buyers or those qualifying for the Veteran's Exception.

Homebuyer Education

All buyers (any person on the Note other than cosigners) must attend a HUD approved face-to-face homebuyer education course OR the approved online course.

The MCC program itself does not offer down payment assistance. If using the HFA first mortgage program with the MCC, DPA is available.

Buyers must occupy the property purchased within 60 days of closing.

STEP 2 - QUALIFY THE HOUSEHOLD INCOME

- Income used for credit qualifying a borrower is different from income used for MCC program purposes. Follow the requirements listed in **UNDERWRITERS MCC COMPLIANCE INCOME CALCULATION GUIDE** found in these Guidelines.

The program requires that the income of spouses regardless of where they live and of all other persons residing in the household (related or unrelated) must be included in the calculation of income for program purposes. Unlike income that is averaged for credit underwriting, the program is concerned with actual current income. Current gross monthly income is multiplied by 12 to determine "total current annualized income". Gross monthly income is the sum of monthly gross pay; any additional income from overtime, part-time employment, bonuses, income from self-employment, dividends, interest, royalties, pensions, VA compensation and net rental income, other income (such as alimony, child support, public assistance, sick pay, social security benefits, unemployment compensation, income received from trusts, and income received from business activities or investments, continuation of which is probable based on foreseeable economic circumstances based upon the Applicant's Affidavit (to such effect), all as computed at the time of application for a Mortgage Loan, adjusted per Underwriter review and confirmed at the time of Closing. Information with respect to gross monthly income may be obtained from the applicable certificates and affidavits provided and executed during the 4-month period ending on the date of the Closing of the Mortgage Loan, provided that any gross monthly income not included for credit underwriting purposes must be included in determining gross monthly income.

- The total annual income from all sources of spouses (regardless of where they will live) and of all persons 18 years of age or older residing in the household cannot exceed the maximum allowable income. The limit is the limit and any amount over the limit is not acceptable. Count all persons who will permanently reside in the home being purchased. Include the income of non-borrower co-habitants who will reside in the property. However, do not include (1) dependents that are claimed on tax returns but who will not permanently reside in the home the majority of the time and (2) co-signers.
- The Affidavit, executed by the borrower(s), and certified by the lender, must include the total verified annual household income.

For 1003 applications dated on or after 06-14-16

| | | |
|--------------|--------------------------------|-------------------------------|
| Non Targeted | 1-2 person families = \$75,736 | 3+ person families = \$87,096 |
| Targeted | 1-2 person families = \$81,240 | 3+ person families = \$94,780 |

STEP 3 - QUALIFY THE PROPERTY

- The home purchased in the program may be a one-to-four unit residence. If a 2-4 unit dwelling, the buyer must occupy one of the units as their principal residence and the home must be at least 5 years old. A home may be detached, a townhouse or condominium unit. Land may not exceed that necessary to maintain basic livability. Homes are considered new if never previously occupied. Mobile, recreational or vacation homes are not eligible under the program.
- An important requirement is that program funds are used for the purpose of acquiring, not refinancing, owner-occupied single family homes. Temporary, construction or bridge financing with a term of 2 years or less may be refinanced.
-

STEP 4 - MAKE SURE THE PROPERTY SALES PRICE QUALIFIES

The sales price of the home must be at or below the Program Acquisition Limit that is not to be confused with FHA Acquisition Limits. The Total Program Acquisition Limit is the total amount paid in cash or in kind to the seller by the buyer or on behalf of the buyer and does not include financing costs.

For 1003 loan applications dated on or after 06-14-16

Non-Targeted = \$325,301 Targeted = \$397,590

STEP 5 - REVIEW ALLOWABLE LOAN PRODUCTS

First mortgages may be 30 yr, fixed rate FHA, VA, USDA:RD, government loans or may be (check with your underwriter) Fannie Mae HFA Preferred or Freddie Mac HFA Advantage conventional loans.

STEP 6 - SIGN AND DATE THE NOTICES TO BUYERS

Have the Borrower signs and date the Notices to Buyers. Please attach a copy of the "Recapture Brochure" found online to the borrower's copy of the Notice. These forms and all other program forms are found on the Website. Retain the original of the Notices to Buyers. The original will be sent to the Program Administrator in the Compliance File that is submitted following closing. A Recapture Brochure is not signed and not sent in the Compliance File. It serves simply as a more complete disclosure.

STEP 7 - RESERVE THE MCC ONLINE

The screen will ask you for an entry as follows:

Username

Password

Enter information and then Submit. Complete screens and receive online confirmation with a MCC number that may be printed.

Each time income or property changes are made to the reservation, the changes are checked by the system. Should any changes made not be within the allowable income or acquisition limits of the program, the system will post an error and will not let the change update the loan file. After a loan has been Underwriter Certified, it cannot be changed. A lender will need to contact the Compliance staff to request any other changes and will be given direction for any other necessary steps

STEP 8 - UNDERWRITER CERTIFICATION

Process the loan and typically after the loan receives final underwriting approval an underwriter must complete the Underwriter Certification screens found within the eHousingPlus Lender Portal within 10 days of reservation.

STEP 9 - PREPARE THE AFFIDAVITS/CERTIFICATION FORM FOR CLOSING

Form is found in Lender Portal within the eHousingPlus system.

STEP 10 - REVIEW THE PROGRAM FEES

At Closing, Lenders charge an MCC Application Fee of \$100 that is retained by the lender and Compliance/Admin fee of \$275 to be submitted to the Program Administrator with the Compliance File. The interest rate on the mortgage loan shall be comparable to the rate on similar loans not receiving an MCC. Lenders fees on the first mortgage can be no more than those charged on loans without MCC's.

For HFA first mortgage with or without DPA AND an MCC OR an MCC only, the program includes a \$100 MCC Application Fee that is retained by the lender. There's also a penalty fee of \$100 for files that are chronically deficient. The Compliance/Admin Fee of \$275 is collected at closing, payable to eHousingPlus and submitted with the Compliance File. ONLY Cashier's or Corporate checks are acceptable and the fee may not be financed. (Rev 10/1/15).

The **Compliance/Admin Fee** is the fee charged by the Program Administrator/Compliance Agent to process the applicant/borrower from Origination to Compliance Approval, and to assess that the lenders originating such loans are following Program guidelines for the benefit of the eligible borrower(s). The Program Administrator/Compliance Agent tracks the loan via its web-based system, and assists the lender in processing the loan ensuring eligibility to the program available offerings, which can include various rate options, and down payment assistance.

The **Compliance/Admin fee** includes the review of information and documents delivered in the form of a Compliance File by the originating lender, on behalf of the borrower. Additionally the Compliance review verifies that the lender has charged only the fees allowed by the Program. Contrary to this, approval may be denied and/or fees may have to be reimbursed to the borrower. The compliance file processing consists of required affidavits, application, closing documents, certain non-mortgage documents, tax returns where applicable and other pre-defined Program documents that are disclosed to the potential borrower(s). This is required to ultimately receive Compliance Approval. These documents can support both the first mortgage and any down payment assistance available, and are required to ensure eligibility to the Program, Federal, State and Local requirements, where applicable. The Compliance review verifies that the data and documents submitted meet all requirements, and may include those for first-time homebuyer, income limits, sales price limits, targeted areas, homebuyer education, rate, term, points, fee limits, LTV, FICO score, special state, city, county program requirements for qualified military, first responders, teachers, etc.). (Rev

08/22/16)

STEP 11 - CLOSE THE LOAN AND HAVE THE AFFIDAVITS/CERTIFICATION FORM EXECUTED. THE BORROWERS EXECUTE THE FIRST SECTION, THE SELLER OR BUILDER EXECUTES THE SECOND SECTION AND THE LENDER CERTIFICATION SECTION IS COMPLETED BY THE LENDER. Federal law requires that this form be completed at closing – not before.

STEP 12 - USE THE COMPLIANCE FILE CHECKLIST

Submit all items listed on the Compliance File Checklist to eHousingPlus.

STEP 13 - CHECK THE STATUS OF LOANS - CHECK FOR EXCEPTIONS.

You will receive an email if there are any exceptions in the Compliance File. Exceptions must be cleared in order for the MCC to be issued to the borrowers. Check the online system for status.

STEP 14 - MCC & FINAL RECAPTURE NOTICE ISSUE

eHousingPlus will mail the MCC and Final Recapture Notice once all fees have been paid and the file is approved, to the borrower at the property address once the compliance file is approved.

The Program Administrator will provide the Lender with the required IRS reporting form for each year in which the Lender originates loans with MCC's.

FANNIE MAE HFA PREFERRED CONVENTIONAL LOAN

Fannie Mae Reference Material links:

Fannie Mae Home Page: <https://www.fanniemae.com/singlefamilyhousing>

Eligibility Matrix: https://www.fanniemae.com/content/eligibility_information/eligibility

MCM Product Matrix: https://www.fanniemae.com/content/fact_sheet/mcm-product-matrix.pdf

The program imposes requirements of the HFA of Miami-Dade County, U.S. Bank and FANNIE MAE. It is important that lenders are familiar with all three sets of requirements.

IMPORTANT: THERE ARE NO LLPA OR ADVERSE MARKET FEES THAT APPLY TO FANNIE MAE PREFERRED LOANS. There's no per loan fee for using DU.

Only one unit properties permitted

Ownership of other property is not permitted.

All loans are subject to a DU Approval.

Only Approve/Eligible findings are permitted, no exceptions.

For all Conventional Loans

All Lenders should follow the normal Fannie Mae and HFA underwriting guidelines.etc.

FANNIE MAE HFA PREFERRED Training Link

Lender Training

Part 1: <http://www.brainshark.com/USBankMRBP/vu?pi=zGQz1254yJz4ZaHz0>

Part 2: <http://www.brainshark.com/USBankMRBP/vu?pi=zHjzLLmayz4ZaHz0>

Part 3: <http://www.brainshark.com/USBankMRBP/vu?pi=zI2zitHakz4ZaHz0>

HFA PREFERRED LOAN PRODUCTS

PLEASE NOTE THAT RATES AND ASSISTANCE GRANT AMOUNTS ARE SUBJECT TO CHANGE AT ANY TIME. With respect to reserved loans, the rate and assistance will not change as long as loans are delivered according to the timetable included in this Guide.

Funds are available in a first-come, first-served revolving pool that provides continuous funding.

FIRST MORTGAGE

All borrowers in this program who receive a first mortgage may also choose to use a Mortgage Credit Certificate. Only those using the first mortgage may apply for the second mortgage - down payment/closing cost assistance.

The program interest rate is shown in the system. PLEASE NOTE THAT RATES ARE SUBJECT TO CHANGE AT ANY TIME. With respect to reserved loans, the rate and assistance will not change as long as loans are delivered according to the timetable included in this Guide.

Borrowers qualifying for the first mortgage may choose to use the second mortgage that provides down payment/closing cost assistance.

MORTGAGE CREDIT CERTIFICATES

To use this program, it must be permitted by FannieMae for use with the HFA Preferred product. Please consult your underwriter. If permitted, see the section entitled Mortgage Credit Certificates in this Guide for detailed information.

DOWN PAYMENT ASSISTANCE SECOND MORTGAGE

30 year deferred, 0% second mortgage in an amount up to \$10,000

Funds may be used ONLY with an HFA first mortgage loan. See discussion of "Program Fees" in these guidelines.

Proceeds may be used for down payment, closing costs and reimbursement of prepaids and earnest money deposit to the extent any minimum contribution has been satisfied and that the reimbursement is permitted by Agency guidelines.

This is a loan. It is never forgiven. It is never subordinated. See section entitled "Second Mortgage".

It must be repaid at full loan term or including but not limited to when the property is refinanced or ceases to be the borrower's primary residence.

HFA PREFERRED REQUIREMENTS

Eligible Borrowers

First Mortgage Borrowers must be first-time buyers. The 1003 application must be checked appropriately. Tax returns are not required.

Homebuyer Education

All owners (any person on the Warranty Deed) must attend a 6-8 hour homebuyer education course provided by the Authority online via eHomeAmerica's online course.

Minimum Credit Score

Minimum FICO 640

(Rev 08/22/16)

Maximum Debt to Income Ratio

The maximum Debt to Income Ratio (DTI) is 45%.

Household Income Limits

For 1003 applications dated on or after 06-14-16

| | | |
|--------------|--------------------------------|-------------------------------|
| Non Targeted | 1-2 person families = \$75,736 | 3+ person families = \$87,096 |
| Targeted | 1-2 person families = \$81,240 | 3+ person families = \$94,780 |

Include income of borrower(s) and spouse (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. That's different from income used for credit underwriting. More detailed guidelines for calculating program income are in the Compliance Underwriting section of this Guide.

Acquisition Limits (Sales Price Limits)

The first mortgage and MCC programs refer to Acquisition Limits - in most cases this is the Sales Price and is never FHA Acquisition limits. Has to include everything paid by the buyer or on the buyer's behalf. The limits for new and existing are the same and are:

For 1003 loan applications dated on or after 06-14-16

Non-Targeted = \$325,301 Targeted = \$397,590

Eligible Area Includes all of Miami-Dade County.

TARGETED AREAS

Use this link <http://www.ffiec.gov/Geocode/default.aspx> Enter an address and receive the census tract number.

Qualified Census Tracts

0002.18, 0002.19, 0004.11, 0004.13, 0005.03, 0005.05, 0006.08, 0007.10, 0007.11, 0007.12, 0008.06, 0008.07, 0009.03, 0010.04, 0010.06, 0014.01, 0014.02, 0015.01, 0016.05, 0018.03, 0019.03, 0019.04, 0020.01, 0020.03, 0020.04, 0022.02, 0024.02, 0024.03, 0024.04, 0025.01, 0025.02, 0026.00, 0028.00, 0029.00, 0030.03, 0030.04, 0031.00, 0034.00, 0036.01, 0036.02, 0043.03, 0044.04, 0049.01, 0051.02, 0051.03, 0051.04, 0052.01, 0052.02, 0053.02, 0053.03, 0053.04, 0054.05, 0054.06, 0054.09, 0054.10, 0055.01, 0057.03, 0063.01, 0066.02, 0089.04, 0090.20, 0090.21, 0090.26, 0090.40, 0090.46, 0093.07, 0093.15, 0100.15, 0102.07, 0109.00, 0110.01, 0111.01, 0113.00, 0114.03, 0114.04, 0135.00, 9807.00

About the Property

- New or existing, **one unit**, detached or attached, condos, townhomes,
- **Manufactured Homes** - As of December 1, 2015, U. S. Bank will not purchase loans for manufactured housing. U.S. Bank considers manufactured housing: A manufactured home is a mobile home built entirely offsite on a permanent chassis that is pulled on the highway to a permanent location. Modular, panelized or prefabricated homes are not considered manufactured housing. **(Rev 12/1/15)**
- 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 multi-unit structures).

Buyers cannot own another property at closing.

FannieMae Loan Level Price Adjustment and Adverse Market Fees

These fees have been **waived** by Fannie Mae.

HFA PREFERRED 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. Unless otherwise indicated, lenders follow FANNIE MAE HFA PREFERRED guidelines.

Unless otherwise directed, Lenders are responsible for assuring that loans meet the strictest of FannieMae, U.S. Bank and/or program guidelines with respect to income and sales price limits.

AN IMPORTANT RULE — If a topic is not mentioned or detailed in these guidelines, IT IS NOT PERMITTED IN THE PROGRAM. Contact the Compliance office (services@ehousingplus.com) with questions.

eHousingPlus is not responsible for updates to FANNIE MAE HFA PREFERRED information or overlays of others. Lenders are advised to check with their underwriters.

Appraisal must indicate that the home has at least a 30 year remaining useful life.

Buydowns are not permitted.

Cash Back to the borrower is not permitted. However, borrowers are permitted a reimbursement of prepaids and overage of earnest money deposit as permitted by Agency guidelines and to the extent any minimum contribution, if any, has been satisfied.

Construction-to-perm is not permitted.

Cosigners are not permitted.

Documentary Stamp Tax/Intangible Tax The first mortgage and note and deed are **NOT** exempt from Florida Documentary Stamp and Intangible Tax.

Loan proceeds - (first and second) may not be used to payoff other debt.

Minimum Loan Amount - There is no minimum loan amount in this program.

Non-Traditional Credit (Manual Underwriting) See U.S. Bank bulletin 2015-07. **(Rev 12/1/2015)**

Prepayments - First mortgage loans may be prepaid at any time without penalty.

Recapture Tax - There is NO RECAPTURE TAX FOR FIRST MORTGAGE PROGRAM LOANS.

Refinances - Refinances are not permitted in this program.

Seller Contributions - Follow Fannie Mae HFA Preferred guidelines.

FANNIE MAE HFA PREFERRED PROGRAM PROCESS SUMMARY

See area of guide titled "SUMMARY OF THE COMPLIANCE ORIGINATION PROCESS"

FANNIE MAE HFA PREFERRED PROGRAM TIMELINE

See area of guide titled "PROGRAM TIMELINE"

FANNIE MAE HFA PREFERRED PROGRAM FEES

IMPORTANT: THERE ARE NO LLPA OR ADVERSE MARKET FEES THAT APPLY TO FANNIE MAE PREFERRED LOANS. There's no per loan fee for using DU.

FANNIE MAE HFA PREFERRED FIRST MORTGAGE FEES

1.00% origination or discount or combination of both but in total not to exceed 1.00%
Lenders cannot charge any additional points on either first or second but may charge their fees as described below..

First and second mortgages and notes are NOT exempt from Documentary stamp tax and Intangible tax. Deeds are not exempt. Borrowers may not pay this charge (exception: REOs).

eHousingPlus Fee

For first mortgage with or without DPA, the program includes a first mortgage Compliance/Admin Fee of \$225

For first mortgage with or without DPA AND an MCC, the program includes a first mortgage Compliance/Admin Fee of \$275 paid to eHousingPlus. There is also an MCC Application Fee of \$100 retained by the Lender.

There's also a penalty fee of \$100 for files that are chronically deficient. The Compliance/Admin Fee is collected at closing, payable to eHousingPlus and submitted with the Compliance File. ONLY Cashier's or Corporate checks are acceptable and the fee may not be financed. (Rev 10/1/15)

The **Compliance/Admin Fee** is the fee charged by the Program Administrator/Compliance Agent to process the applicant/borrower from Origination to Compliance Approval, and to assess that the lenders originating such loans are following Program guidelines for the benefit of the eligible borrower(s). The Program Administrator/Compliance Agent tracks the loan via its web-based system, and assists the lender in processing the loan ensuring eligibility to the program available offerings, which can include various rate options, and down payment assistance. (Added 5/16/15)

The Compliance/Admin fee includes the review of information and documents delivered in the form of a Compliance File by the originating lender, on behalf of the borrower. Additionally the Compliance review verifies that the lender has charged only the fees allowed by the Program. Contrary to this, approval may be denied and/or fees may have to be reimbursed to the borrower. The compliance file processing consists of required affidavits, application, closing documents, certain non-mortgage documents, tax returns where applicable and other pre-defined Program documents that are disclosed to the potential borrower(s). This is required to ultimately receive Compliance Approval. These documents can support both the first mortgage and any down payment assistance available, and are required to ensure eligibility to the Program, Federal, State and Local requirements, where applicable. The Compliance review verifies that the data and documents submitted meet all requirements, and may include those for first-time homebuyer, income limits, sales price limits, targeted areas, homebuyer education, rate, term, points, fee limits, LTV, FICO score, special state, city, county program requirements for qualified military, first responders, teachers, etc.).

(Rev 08/22/16)

US Bank Fees

\$85 Tax Service Fee and \$300 Funding Fee. These fees will be netted out at time of purchase by U.S. Bank. Note: Please do not send separate checks for these fees. As of November 1, 2015 and after for new loan reservations, the Funding Fee will increase to \$400. (Rev 10/16/15)

LENDER FEES

Lenders are permitted to charge reasonable and customary charges for out of pocket expenses and costs. Other financing costs such as legal fees and underwriting fees may be charged and courier fees may be charged if such fees are normally charged. Lenders may charge the usual and reasonable settlement costs. Settlement costs include titling and transfer costs, title insurance, survey fees or other similar costs. Other allowable fees include doc prep fees, notary fees, hazard, mortgage and life insurance premiums, recording or registration charges, prepaid escrow deposits and other similar charges allowable by the insurer/guarantor. "Junk" fees are not a defined term and may not be charged. Excessive fees are not permitted in the program.

LENDER COMPENSATION

Total allowable points and fees

- 1 - Origination OR Discount Fee OR combination of both but in total not to exceed 1.00%
- 2 - SRP at loan purchase of 1.50%
- 4- MCC Application Fee of \$100 that is retained by the Lender, if applicable
- 5 - Lender fees as detailed in paragraph above

FANNIE MAE HFA PREFERRED PROGRAM FORMS

See area of guide titled "PROGRAM FORMS" and "OTHER DOCUMENTS REQUIRED FOR THE COMPLIANCE FILE"

IMPORTANT: THIS IS A CONVENTIONAL LOAN AND DOES NOT REQUIRE THE HUD GIFT LETTER.

US BANK WEB SITE INFORMATION

Down Payment Assistance Funding Verification Form - USB002, manuals, U.S. Bank fees, delivery checklists, bulletins and training materials may be found on the US Bank ALL Regs web site.

Click on this link: www.mrbp.usbank.com

Click on **US Bank Lending Manuals**

Pop-up box will appear, click on **Continue**

Web page will be redirected to US Bank All Regs site.

Click on **Housing Finance Authority** folder

Click **Florida**

Click **HFA of Miami-Dade County**

FREDDIE MAC HFA ADVANTAGE CONVENTIONAL LOAN

The program imposes requirements of the HFA of Miami-Dade County, U.S. Bank and Freddie Mac. It is important that lenders are familiar with all three sets of requirements.

Product Descriptions

Click on this link: www.mrbp.usbank.com

Click on US Bank Lending Manuals

Pop-up box will appear, click on Continue

Web page will be redirected to US Bank All Regs site.

Click on Housing Finance Authority folder

Click Florida

Click HFA of Miami-Dade County

Select information of interest

Click

Freddie Mac HFA Advantage

Freddie Mac HFA Advantage Training Link

<http://www.brainshark.com/USBankMRBP/vu?pi=zlezlrLknz53vmz0&tx=1234>

FREDDIE MAC HFA ADVANTAGE LOAN PRODUCT

PLEASE NOTE THAT RATES AND ASSISTANCE GRANT AMOUNTS ARE SUBJECT TO CHANGE AT ANY TIME. With respect to reserved loans, the rate and assistance will not change as long as loans are delivered according to the timetable included in this Guide.

Funds are available in a first-come, first-served revolving pool that provides continuous funding.

FIRST MORTGAGE

All borrowers in this program who receive a first mortgage may also choose to use a Mortgage Credit Certificate. Only those using the first mortgage may apply for the second mortgage - down payment/closing cost assistance.

The program interest rate is shown in the system. **PLEASE NOTE THAT RATES ARE SUBJECT TO CHANGE AT ANY TIME.** With respect to reserved loans, the rate and assistance will not change as long as loans are delivered according to the timetable included in this Guide.

Borrowers qualifying for the first mortgage may choose to use the second mortgage that provides down payment/closing cost assistance.

MORTGAGE CREDIT CERTIFICATES

To use this program, it must be permitted by Freddie Mac for use with the HFA Advantage product. Please consult your underwriter. If permitted, see the section entitled Mortgage Credit Certificates in this Guide for detailed information.

DOWN PAYMENT ASSISTANCE SECOND MORTGAGE

30 year deferred, 0% second mortgage in an amount up to \$10,000

Funds may be used **ONLY** with an HFA first mortgage loan. See discussion of "Program Fees" in these guidelines.

Proceeds may be used for down payment, closing costs and **reimbursement** of prepaids and earnest money deposit to the extent any minimum contribution has been satisfied and that the reimbursement is permitted by Agency guidelines.

This is a loan. It is never forgiven. It is never subordinated. See section entitled "Second Mortgage"

It must be repaid at full loan term or including but not limited to when the property is refinanced or ceases to be the borrowers primary residence.

FREDDIE MAC HFA ADVANTAGE PROGRAM REQUIREMENTS

Eligible Borrowers

First Mortgage Borrowers must be first-time buyers. The 1003 application must be checked appropriately. Tax returns are not required. A borrower may not own other property at the time of closing of the HFA of Miami-Dade County single family program loan. (Added 08/22/16)

Homebuyer Education

All owners (any person on the Warranty Deed) must attend a 6-8 hour homebuyer education course provided by the Authority online via eHomeAmerica's online course.

Minimum Credit Score

Minimum FICO 640

(Rev 08/22/16)

Maximum Debt to Income Ratio

The maximum Debt to Income Ratio (DTI) is 45%.

Household Income Limits

For 1003 applications dated on or after 06-14-16

| | | |
|--------------|--------------------------------|-------------------------------|
| Non Targeted | 1-2 person families = \$75,736 | 3+ person families = \$87,096 |
| Targeted | 1-2 person families = \$81,240 | 3+ person families = \$94,780 |

Include income of borrower(s) and spouse (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. That's different from income used for credit underwriting. More detailed guidelines for calculating program income are in the Compliance Underwriting section of this Guide.

Acquisition Limits (Sales Price Limits)

The first mortgage and MCC programs refer to Acquisition Limits - in most cases this is the Sales Price and is never FHA Acquisition limits. Has to include everything paid by the buyer or on the buyer's behalf. The limits for new and existing are the same and are:

For 1003 loan applications dated on or after 06-14-16

Non-Targeted = \$325,301 Targeted = \$397,590

Eligible Area Includes all of Miami-Dade County.

TARGETED AREAS

Use this link <http://www.ffiec.gov/Geocode/default.aspx> Enter an address and receive the census tract number.

Qualified Census Tracts

0002.18, 0002.19, 0004.11, 0004.13, 0005.03, 0005.05, 0006.08, 0007.10, 0007.11, 0007.12, 0008.06, 0008.07, 0009.03, 0010.04, 0010.06, 0014.01, 0014.02, 0015.01, 0016.05, 0018.03, 0019.03, 0019.04, 0020.01, 0020.03, 0020.04, 0022.02, 0024.02, 0024.03, 0024.04, 0025.01, 0025.02, 0026.00, 0028.00, 0029.00, 0030.03, 0030.04, 0031.00, 0034.00, 0036.01, 0036.02, 0043.03, 0044.04, 0049.01, 0051.02, 0051.03, 0051.04, 0052.01, 0052.02, 0053.02, 0053.03, 0053.04, 0054.05, 0054.06, 0054.09, 0054.10, 0055.01, 0057.03, 0063.01, 0066.02, 0089.04,

0090.20, 0090.21, 0090.26, 0090.40, 0090.46, 0093.07, 0093.15, 0100.15, 0102.07, 0109.00, 0110.01, 0111.01, 0113.00, 0114.03, 0114.04, 0135.00, 9807.00

About the Property

- New or existing, one unit, detached or attached, condos, townhomes,
- Manufactured homes not permitted.
- 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 multi-unit structures).

Buyers cannot own another property at closing.

**FreddieMac Loan Level Price Adjustment and Adverse Market Fees
These fees have been waived by Freddie Mac.**

FREDDIE MAC HFA ADVANTAGE 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. Unless otherwise indicated, lenders follow FREDDIE MAC HFA ADVANTAGE guidelines.

Unless otherwise directed, Lenders are responsible for assuring that loans meet the strictest of FreddieMac, U.S. Bank and/or program guidelines with respect to income and sales price limits.

AN IMPORTANT RULE — If a topic is not mentioned or detailed in these guidelines, IT IS NOT PERMITTED IN THE PROGRAM. Contact the Compliance office (services@ehousingplus.com) with questions.

eHousingPlus is not responsible for updates to FREDDIE MAC HFA ADVANTAGE information or overlays of others. Lenders are advised to check with their underwriters.

Appraisal must indicate that the home has at least a 30 year remaining useful life.

Buydowns are not permitted.

Cash Back to the borrower is not permitted. However, borrowers are permitted a reimbursement of prepaids and overage of earnest money deposit as permitted by Agency guidelines and to the extent any minimum contribution, if any, has been satisfied.

Construction-to-perm is not permitted.

Cosigners are not permitted.

Documentary Stamp Tax/Intangible Tax The first mortgage and note and deed are **NOT** exempt from Florida Documentary Stamp and Intangible Tax.

Loan proceeds - (first and second) may not be used to payoff other debt.

Minimum Loan Amount - There is no minimum loan amount in this program.

Non-Traditional Credit (Manual Underwriting) - See U.S. Bank bulletin 2015-07.(Rev 12/1/2015)

Prepayments - First mortgage loans may be prepaid at any time without penalty.

Recapture Tax - There is NO RECAPTURE TAX FOR FIRST MORTGAGE PROGRAM LOANS.

Refinances - Refinances are not permitted in this program.

Seller Contributions - Follow Freddie Mac HFA Advantage guidelines.

HFA ADVANTAGE PROGRAM PROCESS SUMMARY

See area of guide titled "SUMMARY OF THE COMPLIANCE ORIGINATION PROCESS"

HFA ADVANTAGE PROGRAM TIMELINE

See area of guide titled "PROGRAM TIMELINE"

HFA ADVANTAGE PROGRAM FEES

IMPORTANT: THERE ARE NO LLPA OR ADVERSE MARKET FEES THAT APPLY TO FREDDIE MAC HFA ADVANTAGE LOANS.

FREDDIE MAC HFA ADVANTAGE FIRST MORTGAGE FEES

1.00% origination or discount or combination of both but in total not to exceed 1.00%
Lenders cannot charge any additional points on either first or second but may charge their fees as described below..

First and second mortgages and notes are NOT exempt from Documentary stamp tax and Intangible tax. Deeds are not exempt. Borrowers may not pay this charge (exception: REOs).

eHousingPlus Fee

For first mortgage with or without DPA, the program includes a first mortgage Compliance/Admin Fee of \$225

For first mortgage with or without DPA AND an MCC, the program includes a first mortgage Compliance/Admin Fee of \$275 paid to eHousingPlus. There is also an MCC Application Fee of \$100 retained by the Lender.

There's also a penalty fee of \$100 for files that are chronically deficient. The Compliance/Admin Fee is collected at closing, payable to eHousingPlus and submitted with the Compliance File. ONLY Cashier's or Corporate checks are acceptable and the fee may not be financed. (Rev 10/1/15)

The **Compliance/Admin Fee** is the fee charged by the Program Administrator/Compliance Agent to process the applicant/borrower from Origination to Compliance Approval, and to assess that the lenders originating such loans are following Program guidelines for the benefit of the eligible borrower(s). The Program Administrator/Compliance Agent tracks the loan via its web-based system, and assists the lender in processing the loan ensuring eligibility to the program available offerings, which can include various rate options, and down payment assistance. (Added 5/16/15)

The Compliance/Admin fee includes the review of information and documents delivered in the form of a Compliance File by the originating lender, on behalf of the borrower. Additionally the Compliance review verifies that the lender has charged only the fees allowed by the Program. Contrary to this, approval may be denied and/or fees may have to be reimbursed to the borrower. The compliance file processing consists of required affidavits, application, closing documents, certain non-mortgage documents, tax returns where applicable and other pre-defined Program documents that are disclosed to the potential borrower(s). This is required to ultimately receive Compliance Approval. These documents can support both the first mortgage and any down payment assistance available, and are required to ensure eligibility to the Program, Federal, State and Local requirements, where applicable. The Compliance review verifies that the data and documents submitted meet all requirements, and may include those for first-time homebuyer, income limits, sales price limits, targeted areas, homebuyer education, rate, term, points, fee limits, LTV, FICO score, special state, city, county program requirements for qualified military, first responders, teachers, etc.). (Rev 08/22/16)

US Bank Fees

\$85 Tax Service Fee and \$300 Funding Fee. These fees will be netted out at time of purchase by U.S. Bank. Note: Please do not send separate checks for these fees. As of November 1, 2015 and after for new loan reservations, the Funding Fee will increase to \$400. (Rev 10/16/15)

LENDER FEES

Lenders are permitted to charge reasonable and customary charges for out of pocket expenses and costs. Other financing costs such as legal fees and underwriting fees may be charged and courier fees may be charged if such fees are normally charged. Lenders may charge the usual and reasonable settlement costs. Settlement costs include titling and transfer costs, title insurance, survey fees or other similar costs. Other allowable fees include doc prep fees, notary fees, hazard, mortgage and life insurance premiums, recording or registration charges, prepaid escrow deposits and other similar charges allowable by the insurer/guarantor. "Junk" fees are not a defined term and may not be charged. Excessive fees are not permitted in the program.

LENDER COMPENSATION

Total allowable points and fees

- 1 - Origination OR Discount Fee OR combination of both but in total not to exceed 1.00%
- 2 - SRP at loan purchase of 1.50%
- 4- MCC Application Fee of \$100 that is retained by the Lender, if applicable
- 5 - Lender fees as detailed in paragraph above

HFA ADVANTAGE PROGRAM FORMS

See area of guide titled "PROGRAM FORMS" and "OTHER DOCUMENTS REQUIRED FOR THE COMPLIANCE FILE"

IMPORTANT: THIS IS A CONVENTIONAL LOAN AND DOES NOT REQUIRE THE HUD GIFT LETTER.

US BANK WEB SITE INFORMATION

Down Payment Assistance Funding Verification Form - USB002, manuals, U.S. Bank fees, delivery checklists, bulletins and training materials may be found on the US Bank ALL Regs web site.

Click on this link: www.mrbp.usbank.com

Click on **US Bank Lending Manuals**

Pop-up box will appear, click on **Continue**

Web page will be redirected to US Bank All Regs site.

Click on **Housing Finance Authority** folder

Click **Florida**

Click **HFA of Miami-Dade County**