TDHCA HOMEBUYER PROGRAM

# PROGRAM MATRIX

## TX Combo DPA with Mortgage Credit Certificate (MCC)

FHA · VA · USDA · Conventional

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## GENERAL QUALIFICATIONS

- First Time Homebuyer (FTHB)
- All borrowers must occupy the subject property as principal residence within 60 days of mortgage loan closing
- Subject property must be located within the State of Texas
- Maximum Income and Purchase Price Limits apply, see Texas Mortgage Credit Certificate limits page
- Mortgage loan must conform to the requirements of FHA, VA, USDA, Fannie Mae or Freddie Mac as it relates to non-U.S. citizen applicants
- HUD-Certified Homebuyer Education Course completion required for all borrowers

## FIRST TIME HOMEBUYER ELIGIBILITY

Borrower(s) and non-purchasing spouses using this option are eligible as First Time Homebuyers only if they have not owned and occupied a primary residence during the last three years. All borrowers and Non-Purchasing Spouses shall be vested on title and listed on the Deed of Trust.

**Exemptions from the FTHB Requirement:**

- Borrower or spouse is a qualified veteran, honorably discharged as evidenced by DD-214, and have not previously qualified for and received a mortgage financed through a mortgage revenue bond program by reason of the qualified veteran's exemption for the first-time homebuyer status.
- Subject property located in a Qualified Targeted Census Tract

## FICO & DTI REQUIREMENTS

| | |
|---|---|
| **Minimum Middle Credit FICO** | **620** |
| **Maximum DTI** | Follow AUS Findings for DTI and Reserve Requirements (Except for Manual UW*) |

*Conventional Manual UW is not accepted. Exceptions will not be granted per investor restrictions
*FHA Manual UW allowed with a 45% MAX DTI, and a .25 LLPA will be assessed at settlement.
*VA and USDA Manual UW allowed with a 45% MAX DTI.

## INCOME LIMITS

Income limits apply — Follows Texas Mortgage Credit Certificate limits — see **Income and Purchase Price Limits Table.**

Household income includes the applicant's gross income and that of anyone else who is expected to live in the residence and become liable on the Deed of Trust or Mortgage (including a non-purchasing spouse).

**Income includes but is not limited to:**

| | | | | | |
|---|---|---|---|---|---|
| Annual Wages | Annuities | Commissions | Pensions | Bonuses | Child Support |
| Self-Employment (+ depreciation) | Alimony | Dividends | Public Assistance | Interest | |

## PROGRAM SPECIFIC REQUIREMENTS

- Co-signers are allowed and are required to execute the Cosigner/Guarantor Affidavit, sign the Note, and may NOT be vested on title.
- Co-signers are NOT permitted to occupy the subject property.
- This program may be subject to federal income tax recapture provisions — see Understanding Recapture Tax

## ELIGIBLE PROPERTIES

- New or Existing Single-Family Homes · Condominiums · Planned Unit Developments (PUD)
- Manufactured Homes — must be real property by time of loan purchase; single and double wide acceptable
- Duplexes — one unit must be owner-occupied as principal residence; property must have been residential for at least 5 years prior to closing date (5-year requirement waived for duplexes in a Qualified Targeted Census Tract)

## HOMEBUYER EDUCATION

- **Borrower(s)** must complete a pre-purchase HUD-Certified homebuyer education course — See Lender Guide Section 1.6 for some online options
- Certificate of completion required for each **borrower**; non-occupying co-signers are NOT required to complete homebuyer education and are not subject to the FTHB requirement.

## INSURANCE REQUIREMENTS

- Minimum coverage amount: equal to the replacement cost as determined by the licensed Texas Insurance Company issuing the policy
- Homeowners Maximum Hazard deductible: 2%
- Other perils i.e. Hurricane, Wind, Hail: Maximum deductible 5%
- Flood Insurance: as required by flood certification

## LOAN TYPES · PAYMENTS · TERMS

**Loan structure:** FHA, VA, USDA, FNMA HFA Preferred, FHLMC HFA Advantage — 30-yr fully amortized fixed rate **Available DPA:** 2%–5% of the total loan amount funding permitting. No loan level or discount pricing allowed, except for up to .50% for the required MHU funding fee for all manufactured home loans.

**NO EXCESS CASH BACK** allowed to borrower including gift funds; above and beyond reimbursement for POC items. See Lender Guide 3.3 for more information.

### 30-Year Deferred Repayable DPA

- 0% Interest
- No required monthly payments; voluntary payments allowed
- Due in full upon sale, refinance, transfer, or payoff of 1st lien
- No costs other than recording fees associated with the 2nd lien
- No pre-payment penalties

### 3-Year Deferred Forgivable DPA

- 0% Interest
- No required monthly payments; Fully forgivable after 36-month maturity if current on 1st lien and property remains principal residence
- Due in full upon sale/refinance/payoff of 1st lien (if not yet forgiven)
- No costs other than recording fees associated with the 2nd lien
- No pre-payment penalties

## PROGRAM FEES (TMS FEES WILL BE NETTED OUT AT LOAN PURCHASE)

| Fee | Amount | Payable To |
|---|---|---|
| Funding Fee | $319 | Lender → TMS (netted) |
| Tax Service Fee | $80 | Lender → TMS (netted) |
| Fraud Prevention (if not already in file) | $20 | Lender → TMS (netted) |
| Life of Loan Flood (if not ServiceLink/CoreLogic) | $15 | Lender → TMS (netted) |
| MHU Funding Fee (Manufactured Housing only) | 0.50% | Lender → TMS (netted) LLPA Adjustment on total loan amount |
| Compliance Review Fee | $225 | Lender → Hilltop Securities (ACH via HilltopPay) |
| MCC Issuance Fee (if applicable) | $400 | Lender → Hilltop Securities (ACH via HilltopPay) |

### Lock Extension Costs (if applicable)

| Extension Period | Fee Rate |
|---|---|
| 7 days | 0.0625% |
| 15 days | 0.125% |
| 22 days | 0.1875% |
| 30 days | 0.250% |

Loans not purchased within the 60-day deadline will incur extension fees and will be netted out of the lender SRP upon loan settlement by TMS. Lock extension form required — see Lender Guide Section 6.5.

## EXCLUSIVE TDHCA ADDITIONAL BONUS ASSISTANCE — HFC GIFT FUND OPTIONS (SUBJECT TO AVAILABILITY, FIRST COME FIRST SERVED)

Must be combined with a TDHCA product. Provided in the form of a gift — no repayment required.

| HFC Partner | Eligible Service Area | Amount | Eligible With |
|---|---|---|---|
| Capital Area HFC | Bastrop, Blanco, Burnet, Caldwell, Fayette, Lee, Llano ($7,500) · Hays, Williamson ($2,500) | $2,500–$7,500 | MFTH, TX Combo DPA w/ MCC, No DPA 1st lien, MCTH |
| McKinney HFC | City of McKinney, TX (income limits based on Collin County) | $5,000 | MFTH, TX Combo DPA w/ MCC, and No DPA 1st lien ONLY (NOT eligible w/ MCTH) |

| REQUIRED PROGRAM DOCUMENTS | APPLICABLE PARTY SIGNATURES |
|---|---|
| Underwriter's Certification Form | |
| FINAL URLA(s) | |
| FINAL CD(s) | |
| Warranty Deed | Seller |
| Real Estate Purchase Contract | |
| Notice to Buyers | Borrower, Co-Borrower, NPS |
| Notice of Potential Recapture | No signature required |
| Applicant Affidavit – Tax Exempt | Borrower, Co-Borrower, NPS |
| Affidavit of Co-signer (if applicable) | Co-signer(s) |
| Tax-Exempt Rider | Borrower, Co-Borrower, NPS |
| Affidavit of Seller | Seller |
| Certificate of Lender | Lender |
| Disclosure of Second Mortgage Loan Terms | Borrower, Co-Borrower, NPS |
| Final – Second Lien DPA Note | Borrower, Co-Borrower, Co-signor |
| Final – Second Lien DPA Deed of Trust | Borrower, Co-Borrower, NPS |
| Legally Enforceable Obligation Letter (FHA only) | Borrower, Co-Borrower, NPS |
| 3 years IRS Transcripts or Signed Tax Return Copies for all borrowers including NPS | Borrower, Co-Borrower, NPS |
| Homebuyer Education Certificate for all borrowers | |
| DD-214 discharge papers (only if veteran and waiving FTHB requirement) | |
| Additional Gift Funds Letter (if applicable) | Borrower, Co-Borrower, NPS) |