

CAFA First Home Program Income Limits

PROGRAM HOUSEHOLD QUALIFYING INCOME

Program qualifying income considers the income of borrowers and their spouses (regardless of spouse's occupancy of the primary residence and whether or not a party to the loan) AND all household members 18 years of age or older (related or unrelated). See the last page of this document for income calculation guidance.

CAFA Bond Income Limits	Government and Conventional loan limits (Conventional loans over 80% AMI) Effective 04/01/24				Conventional loans only Effective 05/20/24
	Non-Target	Non-Target	Targeted	Targeted	All areas
Parishes	1 - 2 Person HH	3 or more Person HH	1-2 Person HH	3 or more Person HH	80% AMI limits
Acadia	77,400	89,010	89,010	108,360	\$59,840
Ascension	77,400	100,510	100,510	122,360	\$69,440
Assumption	77,400	89,010	89,010	108,360	\$69,440
Avoyelles	77,400	89,010	89,010	108,360	\$47,520
Beauregard	87,600	100,740	100,740	122,640	\$70,080
Bienville	77,400	89,010	89,010	108,360	\$47,520
Bossier	77,400	89,010	89,010	108,360	\$60,160
Caddo	77,400	89,010	89,010	108,360	\$60,160
Calcasieu	79,000	90,850	90,850	110,600	\$63,200
Caldwell	77,400	89,010	89,010	108,360	\$57,200
Cameron	79,000	90,850	90,850	110,600	\$63,200
Catahoula	77,400	89,010	89,010	108,360	\$54,160
Claiborne	77,400	89,010	89,010	108,360	\$47,520
Concordia	77,400	89,010	89,010	108,360	\$47,520
E. Baton Rouge	87,400	100,510	100,510	108,360	\$69,440
E. Carroll	77,400	89,010	89,010	108,360	\$47,520
East Feliciana	87,400	100,510	100,510	122,360	\$69,440
Evangeline	77,400	89,010	89,010	108,360	\$47,520
Franklin	77,400	89,010	89,010	108,360	\$47,520
Grant	77,400	89,010	89,010	108,360	\$59,360
Iberia	77,400	89,010	89,010	108,360	\$59,840
Iberville	77,400	89,010	89,010	108,360	\$69,440
Jefferson Davis	77,400	89,010	89,010	108,360	\$60,800

Lafourche	79,600	89,010	89,010	108,360	\$63,680
LaSalle	79,100	89,010	89,010	108,360	\$63,280
Lincoln	77,400	89,010	89,010	108,360	\$49,760
Livingston	87,400	89,010	89,010	108,360	\$69,440
Madison	77,400	89,010	89,010	108,360	\$47,520
Morehouse	77,400	89,010	89,010	108,360	\$51,360
Natchitoches	77,400	89,010	89,010	108,360	\$52,320
Ouachita	77,400	89,010	89,010	108,360	\$51,360
Pointe Coupee	87,400	89,010	89,010	108,360	\$69,440
Rapides	77,400	89,010	89,010	108,360	\$59,360
Red River	77,400	89,010	89,010	108,360	\$48,320
Sabine	77,400	89,010	89,010	108,360	\$49,120
St. Bernard	86,800	99,820	99,820	121,520	\$69,680
St. Charles	86,800	99,820	99,820	121,520	\$69,680
St. Helena	87,400	100,510	100,510	122,360	\$69,680
St. James	89,300	102,695	102,695	125,020	\$69,680
St. John the Baptist	86,800	99,820	99,820	121,520	\$69,680
St. Landry	77,400	89,010	89,010	108,360	\$47,520
St. Martin	85,000	97,750	97,750	119,000	\$59,840
St. Mary	77,400	89,010	89,010	108,360	\$53,600
St. Tammany	86,800	99,820	99,820	121,520	\$69,680
Tangipahoa	77,400	89,010	89,010	108,360	\$61,040
Tensas	77,400	89,010	89,010	108,360	\$47,520
Terrebonne	79,600	91,540	91,540	111,440	\$63,680
Union	77,400	89,010	89,010	108,360	\$51,360
Vermilion	77,400	89,010	89,010	108,360	\$59,840
Vernon	77,400	89,010	89,010	108,360	\$55,520
Washington	77,400	89,010	89,010	108,360	\$47,520
Webster	77,400	89,010	89,010	108,360	\$47,520
W. Carroll	77,400	89,010	89,010	108,360	\$53,840
Winn	77,400	89,010	89,010	108,360	\$48,880

CALCULATING INCOME

Program qualifying income considers the income of borrowers and their spouses (regardless of spouse’s occupancy of the primary residence and whether or not a party to the loan) AND all household members 18 years of age or older (related or unrelated). When calculating Program Eligibility Income, there are two types of income to consider – income from an employer and income from all other sources. **Include all income unless specifically listed as excluded in this guide.**

Calculating Income from an Employer

Determine whether the Borrower receives **base pay only** or a combination of **base pay and additional income** from an employer.

Calculate “Base Pay from an Employer”

Regular Hours/Pay

1. Determine frequency of income - weekly, bi-weekly, semi-monthly, etc.
2. Identify documentation needed to support payment frequency and calculation.
3. Apply Calculation - *(Base Wage x Hours Worked in a Pay Period) x (# of Pay Periods Per Year)*
4. This should approximate the annualized YTD on VOE or paystubs. If not, check for additional pay, such as overtime, bonus, shift differential, etc. (Employers don't always break this out on the VOE).
5. See additional guidance on calculating base pay from an employer.

Hourly pay	Bi-weekly pay	Semi-Monthly pay
Multiply the pay per hour by the number of hours worked per week. Multiply total by 52 weeks a year.	Multiply the bi-weekly pay by 26.	Multiply the semi-monthly pay by 24.
<i>Example:</i> 1. \$15 per hour x 40 hours a week = \$600 2. \$600 x 52 weeks a year = \$31,200 3. \$31,200 / 12 = \$2,600 gross monthly base pay	<i>Example:</i> 1. \$1,200 every two weeks x 26 pay periods a year = \$31,200 2. \$31,200 / 12 months = \$2,600 gross monthly base pay	<i>Example</i> 1. \$1,300 semi-monthly pay x 24 pay periods a year = \$31,200 2. \$31,200 / 12 months = \$2,600 gross monthly base pay

Irregular Hours/Pay

1. Annualize YTD Earnings total.
2. Average prior year’s earnings total, if available, (or provide documentation and explanation to support not using the prior year’s earnings.) Divide the resulting number by the number of months and days worked, and then multiply that number by 12 months to get total average pay from an employer.
3. See additional guidance on calculating base pay from an employer.

Calculate “Additional Pay from an Employer”:

1. In the Earnings section of paystub or VOE, look for additional income earned that is not included in **base**. (Sick, vacation, holiday, etc. is generally included in **base**.)
2. Add up all additional income that is included in the YTD Earnings Total and not part of **base**.
3. Average prior year’s earnings total, if available, (or provide documentation and explanation to support not using the prior year’s earnings.). Divide the resulting number by the number of months and days worked, and then multiply that number by 12 months to get an average of **additional pay from an employer**.
4. See additional guidance on calculating additional pay from an employer.

TYPES OF INCOME

Determine if there are other sources of income, apart from wages from an employer.

Wages from an Employer	
Base Pay	
Definition/Inclusions	Exclusions
<p><u>Regular Hours/Pay:</u> Borrower is scheduled for the same number of hours per pay period. Gross salary or wage income from part-time, full-time, or seasonal work with regular hours/pay</p> <p><u>Irregular Hours/Pay:</u> Variable hours, seasonal work, etc., such as nursing, restaurant, construction, retail or part-time work with varied hours or pay.</p>	Income no longer available
Guidance	
<ul style="list-style-type: none"> • Borrowers can't manipulate income (quit job, etc.) to become eligible. • Include all income, including sick, holiday and vacation pay. • Average current YTD and prior year's earnings total, if available, (or provide documentation and explanation to support not using the prior year's earnings.). The most recent federal income tax return may also be used for this purpose. • Income documentation is required, and could include, but is not limited, to, paystubs, VOE, tax returns, W-2's, etc. • Seasonal work requires the same documentation for variable pay as outlined above, but should also include any unemployment benefits, if applicable. <ul style="list-style-type: none"> ○ 1099s, tax returns, and/or verification from unemployment office to verify unemployment benefits 	
Additional Income from an Employer	
Definition/Inclusions	Exclusions
Income over and above base pay, such as overtime, shift differential, bonuses, profit-sharing, tips, commissions, etc.	One-time (non-recurring) income; i.e., income received once that does not have a history and is unlikely to reoccur in the future.
Guidance	
<ul style="list-style-type: none"> • Documentation of additional pay could include, but is not limited to, paystubs, VOE, etc. • Average current YTD and prior year's earnings total, if available, (or provide documentation and explanation to support not using the prior year's earnings). • Always use an average for overtime (unless employer and income history verifies OT was for one-time, special project, etc.), commissions, bonuses, shift differentials, and sick/vacation/holiday pay (if not already included in base pay). • Include all income that is included in the YTD Earnings Total on a paystub or on a VOE. • Any income that is determined to not be included in YTD Earnings Total (for example, employer-paid benefits or matches, such as an HSA match) does not have to be included in the Program Eligibility Income calculation. 	

CAFA Single Family Mortgage Revenue Bond Program Administrator Guidelines

Self-Employment/Business Income

Definition/Inclusions	Guidance
<p>Individuals who earn their income through conducting a trade or business that they directly operate instead of working for an employer who pays them a salary or a wage.</p>	<ul style="list-style-type: none"> • Determine gross annual income. • Use a two-year average from the most recent federal income tax returns. • Self-employment income documentation is required, and may include, but is not limited, to: <ul style="list-style-type: none"> ○ Tax form Schedule C, most recent two years ○ YTD Profit & Loss Statement ○ Tax form Schedule K-1 (Form 1120S) • Request additional supporting documentation (i.e., current balance sheet and income statement) when necessary. • Deduct out-of-pocket business expenses such as office rent, telephone, etc., which are generally tax-deductible items. • Include all entertainment and travel expenses, private retirement contribution plans, and property or equipment depreciation. These items are generally tax-deductible, but must be added back for the Program Eligibility Income calculation if starting with the net income amount. • If a net loss, use \$0. Do not subtract the loss from the Program Eligibility Income calculation. • Use caution with large variations in income (whether increase or decrease) when averaging two years' income. The determination in these cases should be documented and supported by the underwriter.

Income from Financial Assets

Definition/Inclusions	Exclusions	Guidance
<p>Income from: trusts, annuities, dividends, royalties, interest earned from non- retirement accounts (savings, checking, money market, investments, mutual funds, etc.)</p>	<ul style="list-style-type: none"> • One-time lump sum payments • Investments in retirement accounts (IRAs, VIPs, 403(b)'s, 401(k)'s) • Any cash withdraws from retirements accounts 	<ul style="list-style-type: none"> • Always check tax returns for income from financial assets. • Include average of periodic payments, including recurring, lump-sum payments. • Where assets after closing exceed \$5,000, calculate interest income based on the greater of actual income or imputed income based on the current passbook savings rate, as determined by HUD.

CAFA Single Family Mortgage Revenue Bond Program Administrator Guidelines

Insurance or Benefit Payments		
Definition/Inclusions	Exclusions	Guidance
Periodic payments derived from: <ul style="list-style-type: none"> • Long-term care insurance • Disability insurance • Pensions • Death benefits 	Do not include one-time, lump-sum payments.	Include periodic insurance or benefit payments at current level.

Government Transfer Payments		
Definition/Inclusions	Exclusions	Guidance
Government transfer payments involve payments for which no current services are performed and are a component of personal income.	<ul style="list-style-type: none"> • Food stamps • Government-paid child care paid directly to the provider • Foster care income • Section 8 vouchers 	<ul style="list-style-type: none"> • Include all sources of this income at current level. Do not gross up.
<ul style="list-style-type: none"> • Retirement benefits • Disability benefits • Income maintenance benefits • Pensions • Veterans benefits 	<ul style="list-style-type: none"> • Federal education & training assistance • Public assistance • Worker's Compensation • Social Security benefits • Unemployment insurance compensation 	

Investment Property Net Rental Income		
Definition/Inclusions	Exclusions	Guidance
Income from an Investment Property	Potential roommate income or rental income of future duplex or accessory dwelling unit	Calculate investment property net rental income <ul style="list-style-type: none"> • Monthly Gross Rent - Vacancy Loss = Gross Adjusted Rent • Gross Adjusted Rent – PITI and maintenance costs = Net Rental Income. If rental income is negative, enter \$0. In addition, an operating statement may be used in lieu of using the above-referenced formula.

Child/Spousal Support		
Definition/Inclusions	Exclusions	Guidance
Child support, child care, medical support, alimony, spousal maintenance	Court-ordered support not received; must document support was not received	<ul style="list-style-type: none"> • Use average of actual support received. • Review divorce/child support agreement. • Check with county social service agency to determine whether any payment adjustments have been made since the original payment schedule. • Cross-check payment schedule with bank statements, etc.

CAFA Single Family Mortgage Revenue Bond Program Administrator Guidelines

Regular Cash Contributions

Definition/Inclusions	Exclusions	Guidance
Regular cash contributions from non-resident(s)		Check bank statements for regular cash contributions. Include all regular cash contributions from non-residents.

Employee Allowances

Definition/Inclusions	Exclusions	Guidance
Car, cell phone, per diems, etc.	<ul style="list-style-type: none"> Do not include any car, cell phone, travel per-diem, etc. 	

Custodial Account Income

Definition/Inclusions	Exclusions	Guidance
Unearned income paid to children age 20 or younger, who live with the Borrower(s) 50% of the time or more	<ul style="list-style-type: none"> 529 plans Accounts where someone other than the parents are named as custodian. Unearned income of adult dependents age 21 or older 	Include all custodial account income.

Other Sources of Income

Definition/Inclusions	Exclusions	Guidance
<ul style="list-style-type: none"> Contract-for-deed interest income Any other sources of income as identified or represented in the loan file and applicable documentation. 	<ul style="list-style-type: none"> Loans; scholarships; grants and tuition reimbursement; Earned Income Tax Credit refund payments; health insurance premium reimbursements (deducted from gross pay) and any out-of-pocket expense (co-pays, etc.) reimbursements One-time lump sum (non-reoccurring) payments from: <ul style="list-style-type: none"> Inheritances Insurance settlements Lottery winnings Gambling winnings Capital gains Liquidation of assets Settlements for personal loss 	<ul style="list-style-type: none"> Always include other sources of income not specifically excluded. For contract-for-deed interest income, include interest portion of payments per the terms of the agreement/contract.