HOMETOWN HEROES

FL HOMETOWN HEROES (HTH) FREQUENTLY ASKED QUESTIONS

Q. Do all borrower(s) have to qualify with an eligible occupation employer?
A. No. Only one occupying borrower must qualify by working full-time for an eligible employer. Consider the employer first to determine eligibility. The employer should be evaluated first to determine eligibility.

Q. Do borrowers have to work full-time to qualify?
A. Yes. Employer must confirm borrower is full-time if not noted on the borrower's paystub. The employer determines the number of hours that are full-time for their employees as some employees may be considered full-time but work less than 40 hours.

Q. Do borrowers have to work at a specific location of a FL-based employer?
A. Yes. Borrowers must work full-time at a specific brick-and-mortar location of their employer located in the State of FL.

Q. What documentation is required to confirm a borrower's employer is a FL-based company?
A. Confirmation may be provided with a VOE or most recent paystub.

Q. Can self-employed (SE) borrowers participate?
A. If a SE borrower is contracted by an eligible FL-based employer and 1099s are provided along with confirmation from their CPA or bookkeeper that they are full-time, yes, borrower may be eligible. Please refer to the SE Borrower Term Sheet on our landing page of the eHousing website at https://www.ehousingplus.com/homeownership/florida-housing-finance-corporation/program-highlights/

Q. What is the reservation to purchase timeline?
A. Loans must be purchased in by 60 days from reservation. Loans must be underwriter certified by day 60 or they will cancel automatically. If loans are not purchased in by day 60, lenders will be permitted ONE 30-day extension only. Late purchase fees will apply and loans not purchased in by 91 days from reservation will be cancelled. **No exceptions so do not ask.**

Q. What is the DTI for HTH?
A. Max 50.49% but MH has a max DTI of 45.49% and manual underwrites have a max of 43%.

Q. Does the borrower have to use any reserves for down payment?
A. No. FL Housing does not have an asset test.

Q. Do you have to use all of the second mortgage funds if they are not needed?
A. Lenders should use the entire amount of eligible subsidy. The eHousing reservation system will auto calculate 5% of the total loan amount for the HTH Second Mortgage.

Q. Is the HTH Second Mortgage a grant?
A. No. The HTH Second Mortgage is not forgiven and must repaid, in full, in the event of sale, refinance, transfer of deed, payoff of the first or if the borrower no longer occupies the property as their primary residence. Otherwise, the funds will be due in full upon maturity of the mortgage. The HTH Second Mortgage is a 30-year, non-amortizing, 0% second mortgage.

Q. Do Veterans still qualify as first-time buyers under the new HTH Program?
A. Yes. Veterans that provide a valid DD214 with a discharge status of other than dishonorable are exempt from the first-time homebuyer requirement. Veterans do not have to work for an eligible HTH employer but must work full-time for a FL-based employer.

Q. Do Veterans now have to work full-time to qualify for HTH?
A. Yes. Veterans must work full-time for a FL-based employer but they do not have to work in one of the occupational categories of HTH.

Q. Do active military personnel or members of the reserves still qualify as a first-time homebuyer under the new HTH Program?
A. If utilizing the BOND HTH Program, active military personnel and Reserve members must qualify as a first-time buyer by providing the last three years' tax returns or transcripts (or a combination of the two) or a VOR or copy of lease BUT if using the TBA HTH Program, active military personnel and reserve members would qualify as a first-time buyer when they provide a copy of their LES or SCRA.

Q. Do members of the FL National Guard or National Guard or reservists have to work full-time for a FL-based employer?
A. Yes. They, like veterans, must work full-time for a FL-based employer but they do not have to work in one of the occupational categories of HTH.

Q. Does HTH consider household income or credit income against income limits?
A. It depends.
BOND considers the annual gross income of all occupants aged 18 and older. Income is annualized.
TBA considers the AUS income. However, please note that TBA requires that all occupying borrower income be used in the AUS unless the Agencies do not permit the use of all, or a portion of the borrower's income. If the income cannot be used in credit underwriting but it is noted that the borrower has income, the underwriter will need to provide an LOX advising why the income is not being used.

Q. Can borrowers change lenders after HTH funds have been reserved for them by a lender?
A. If a borrower chooses to change lenders, FL Housing and eHousing will NOT cancel the initial reservation so new lender can reserve. The initial lender must cancel the reservation. A new reservation cannot be made until the first reservation has been cancelled. Also, if a borrower changes lenders, the initial timeline of 60 days from reservation to purchase will still apply and there may be repricing costs. A borrower may not improve their interest rate by changing lenders.

Q. Can brokers request exceptions from FL Housing or eHousing?
A. No. TPOs must work directly with the approved Wholesaler.

Q. Can a reservation be cancelled so the loan may be reserved under another program and rate?
A. No. If a loan is cancelled, lenders must wait 60 days to reserve again. If a lender cancels and wishes to reinstate a loan so they can retain the funds and rate, a repricing cost may apply AND funding may not be available.

Q. Can a reservation be moved between BOND and TBA and vice-versa?
A. Yes. Lender should cancel the reserved BOND or TBA loan then request, from eHousing, that they clear the loan so lender can reserve a new loan. Lenders can email services@ehousingplus.com for assistance.

Q. Do you allow originators to participate in HTH if they are located in another state?
A. No. Originators must work and live in FL in order to participate.

Q. Can a buyer who is retired qualify for HTH?
A. No. Borrowers must work full-time with a FL-based employer to qualify.

Q. What does an originator need to do to appear on FL Housing's website of approved loan officers?
A. Originators are required to have 4 PURCHASED loans within a 6-month period. FL Housing updates their website every January and July.

Q. Does the HTH Program require three years' tax returns to validate first-time buyer status?
A. Yes and no.
YES. If using the **BOND HTH** Program, all borrowers (including the spouse, even if not on the loan) must provide confirmation of first-time eligibility through their last three years' tax returns or transcripts (or a combination of the two) or a VOR or copy of lease. Transcripts are preferred.
NO. If using the **TBA HTH** Program, the borrowers must complete the Declarations Section of the 1003 accordingly.

Q. Does FL Housing allow co-signors for HTH?
A. Co-signors are permitted with FHA, Fannie Mae's HFA Preferred and Freddie Mac's HFA Advantage only.
Co-signors income will NOT be considered in household income for the **BOND HTH** Program since they do not occupy the property. (BOND considers household (HH) income.)
Co-signor income IS considered in the **TBA HTH** Program since co-signor income is considered in the AUS approval. (TBA considers the AUS income.)

Q. If my borrower(s) income exceeds the 80% AMI limits on a CONV HFA Preferred or HFA Advantage loan does that mean my borrower(s) does not qualify for HTH?
A. No. The 80% AMI income limits determine if a borrower(s) is eligible for reduced cost mortgage insurance. Refer to the HTH income limits to determine borrower(s) meet income limits for HTH.

Q. Why are there separate rates for the 80% and below AMI and the above 80% AMI conventional HTH TBA products?
A. Borrower(s) that have income that is at or below Fannie Mae and Freddie Mac's 80% AMI limits (which are used in determining borrower's eligibility for reduced rate mortgage insurance), would qualify for charter MI coverage AND a lower first mortgage rate on a TBA loan. There is no adjustment for rate on a Bond loan.
Borrower(s) income that exceeds 80% AMI would receive standard MI and a higher first mortgage rate on a TBA loan. There is no adjustment for rate on a Bond loan. Remember: lower AMI (80% AMI or below) = lower first mortgage rate and lower MI costs. Higher AMI (80% AMI and above) = higher first mortgage rate and higher MI costs.

Q. Is Manufactured Housing permitted in HTH?
A. Yes, MH is permitted with FHA, VA, RD, FNMA's HFA Preferred (Bond Only) and FHLMC's HFA Advantage.

Q. What is the max CLTV for HTH?
A. FHA and VA do not have a max CLTV when using down payment assistance from a governmental entity like FL Housing. Fannie Mae and Freddie Mac have a max 105% CLTV. For max CLTV on USDA RD, refer to USDA-RD's maximum CLTV requirements.

Q. Can borrower(s) receive their EMD back at closing?
A. No. The only cash back permitted to borrower(s) would be any funds that were provided as gift funds. Be sure to obtain a copy of gift letter. Otherwise, any cash back of $2,000.00 or less should be applied as a principal reduction to the first mortgage. Any cash back exceeding $2,000.00 should be applied to the loan amount to reduce the borrower's monthly housing obligation.

Q. Is the 203k or 203ks permitted in HTH?

A. The standard 203k is not permitted but the streamline 203k is permitted. However, the 90 days from reservation to purchase timeline applies and if loan is not purchased by 91 days from reservation, it will be cancelled. No exceptions.

Q. Do all borrower(s) have to attend homebuyer education in the HTH Program?
A. Only one OCCUPYING borrower must attend homebuyer education. Veterans have an exemption to the FTHB requirement and HBE when providing a valid DD214 for GOVT loans only, not conventional.

Q. What are the fees for HTH?
A. First mortgage loans originated under the HTH Program allow lender to charge their usual and customary origination fees, capped at $1750, but are NOT permitted to charge a 1% Origination.

The HTH First Mortgage Fees are not included in the $1750 cap.

- $400 Investor Funding Fee (payable to Master Servicer)
- $275 Compliance Fee (payable to eHousing)
- $85 Tax Service Fee (payable to Master Servicer)
- $10 Flood Certification Transfer Fee
- **The HTH Second Mortgage allows a recording fee only.** No other fees are permitted.

Q. Does the HTH Program require specific training?
A. No. However, all lenders that participate and work with the HTH Program must attend mandatory program and system training. www.ehpuniversity.com. Click on this link to view a recording of the HTH Lender training.

Q. Where do we obtain a copy of the HTH Certification Form that the buyer must sign?
A. The HTH Certification Form is available in eHP Front Proch for lenders to pull at time of closing.

Q. If a borrower(s) no longer occupies the property and chooses to rent out the property, is the HTH Second Mortgage required to be repaid?
A. Yes, the HTH Second Mortgage is required to be repaid, in full, upon the sale, refinance, transfer of deed, payoff of the first mortgage or if the borrower(s) no longer occupy the property as their primary. A demand letter would be issued to the borrower(s) if any of the above occur.

Q. Can the HTH Second Mortgage be subordinated in the event of refinance (cash out or rate reduction)?
A. No.

Q. Can the HTH Second Mortgage be used to bridge the gap between the purchase price and the appraised value or to repay borrower debt?

A. No. FL Housing down payment funds cannot be used to bridge the gap between the purchase price and the appraised value and cannot be used to pay off borrower(s) debt. It also cannot be used to pay broker fees.

Q. Does the HTH Program allow down payment funds from another agency?
A. Yes. Subsidy provided by other agencies is permitted BUT it must be stand-alone DPA and it must take third lien position behind FL Housing's second mortgage.

Q. Are remote workers eligible under HTH?
A. No.

Q. Are hybrid workers eligible?
A. Yes. Hybrid workers must work at least three days a week in a brick-and-mortar physical location of an eligible employer.

Q. Are offer letters acceptable?
A. No. Borrower(s) must work full-time with an eligible employer at time of reservation.

Q. Can a borrower work two or more part-time jobs to satisfy the full-time requirement?
A. No. Borrower must work full-time for one eligible employer.

Q. What if a borrower is paid by an eligible employer but does not work at a brick-and-mortar location of their employer?
A. The borrower would not be eligible if borrower does not work at a brick-and-mortar location of their employer.