

Florida Housing Finance Corporation Homebuyer Loan Programs

COMMON UNDERWRITING PITFALLS

Standard Programs (TBA, BOND, PLUS TBA) vs. Hometown Heroes (HTH)

KEY REMINDERS

- All loans must meet Agency, Florida Housing, and Master Servicer requirements
- HTH requirements apply only to HTH loans
- Program guidelines may differ from Agency guidelines

ELIGIBILITY PITFALLS

- Relying on AUS approval alone to determine eligibility
- Applying HTH requirements to Standard (TBA, BOND, PLUS TBA) loans
- Assuming borrower qualifies based on occupation without verifying employer eligibility
- Not confirming borrower meets all three: Agency, Florida Housing, and Master Servicer
- Not verifying borrower meets program-specific requirements (HTH vs. Standard)

INCOME PITFALLS

- Using Household Income for TBA
- Using AUS income for BOND loans
- Not properly annualizing income for BOND loans (annualize forward 12 months)
- Missing required documentation for self-employed borrowers

EMPLOYMENT PITFALLS

- Assuming employment history is required for Standard Programs
- Not verifying borrower is currently employed
- Not confirming full-time employment for HTH borrowers.

DOCUMENTATION PITFALLS

- Missing required tax returns when AUS findings require them
- Submitting incomplete or inconsistent documentation
- Using offer letters as sole documentation when not permitted
- Failing to provide sufficient documentation to support income or employment determinations
- Tax returns are used to verify FTHB but if they aren't required they still need to collect them if AUS requires.

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HOMETOWN HEROES PITFALLS

- Assuming HTH changes income calculation method
- Not applying full-time employment requirement
- Not verifying eligible occupation
- Not confirming borrower is paid directly by qualifying employer
- Allowing remote employees under HTH

TIMELINES AND CERTIFICATION OF LOAN PITFALLS

- Certifying a loan in the eHousing reservation system represents a commitment to the DPA funding. Once a loan is certified, the file is effectively locked. If any changes are needed after certification, you must contact eHousing directly to request that the loan be unlocked in order to make updates.
- Ensure the second mortgage loan has been reserved in the system. Only Hometown Heroes and PLUS TBA loans automatically reserve the second mortgage, as they are based on 5% of the total loan amount.

IMPORTANT:

AUS approval does not guarantee eligibility under Florida Housing or Master Servicer requirements.

HTH follows the income calculation requirements of the underlying loan program (TBA or BOND) and adds employment eligibility requirements.

Remote employees are not eligible under HTH; hybrid employees are eligible.

Lenders are responsible for ensuring loans meet all program requirements prior to closing.