



**HOUSING
FINANCE
AUTHORITY**
OF MIAMI-DADE COUNTY



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

Single Family Program and Mortgage Credit Certificate Program

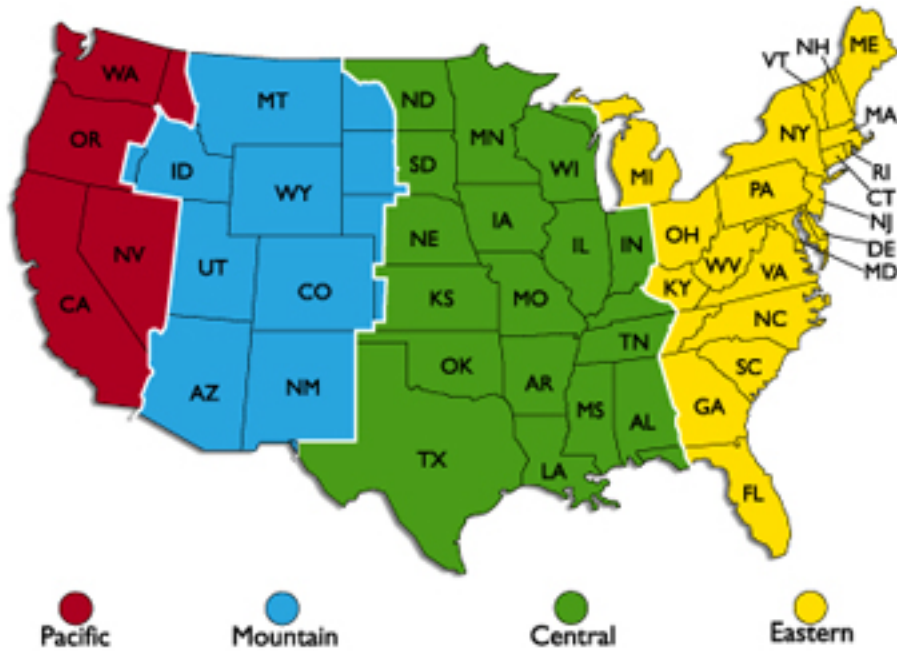
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Updated 01/16/24
Updates are shown on Page 6



Time Zones

eHousingPlus offices are all located in the Eastern Time Zone.

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



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01/16/24	Revised Targeted Area Census Tracts effective 01/08/24	10

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 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.

CONTACT DIRECTORY
954-217-0817 or Toll Free (888) 643-7974
Select Option #2

Question	Option #	email
Lender Training (Program & System)	Option #4	Click here
Lender User Access (Credentials, Disabled Access, etc)	Option #1	Click here
eHPay - Digital Payment of Compliance Fees	Option #3	Click here
Program Eligibility Questions - READ THIS GUIDE FIRST	Option #2	Click here
Deficiencies - To view and upload compliance file deficiencies	View compliance and Servicer DEFI's in eHP FrontPorch using Digital Docs App, Deficient Compliance Files drop down menu.	
Loan Specific Questions - If you have any questions related to a specific loan already reserved/rate locked in the eHPortal.	Post note in Collaboration Station within eHP FrontPorch	
Credit underwriting questions, refer to their internal UW Department or US Bank	(800) 562-5165	Click here
System Errors - Technical Assistance	Option #6	Click here
<p>DU Findings, DTI, Insurance, Collateral and Purchase of the loan questions all need to be addressed by the Servicer directly. eHousingPlus cannot assist you with questions related to these items.</p> <p>Shipping First or Second mortgage closed loan files</p> <p>Questions regarding exceptions on first and second mortgage closed loan files</p> <p>U.S. Bank</p>	(800) 562-5165	Click here

(Revised 10/02/23)

PROGRAM PRODUCTS

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

PLEASE NOTE THAT RATES AND ASSISTANCE 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. (Added 02/21/17)

FIRST MORTGAGE

Rates and assistance are subject to change at any time without notice. [Click here to view the Rates/Offerings chart for allowable FICO, Lock Mortgage Rate and DPA](#) The following mortgage products are offered in this program: FHA, VA, USDA:RD (government loans), Freddie Mac HFA Advantage. The program offers first mortgage financing for qualifying households purchasing residences in Miami-Dade County or the participating jurisdictions. Qualified borrowers will receive a 30-year, fixed rate, fully amortizing first mortgage loan with 360 level monthly payments. (Revised 05/31/23)

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 receive the second mortgage - down payment/closing cost assistance.

Freddie Mac HFA Advantage Conventional Loan - Income at or below 80% AMI

These loans will have lower income limits (determined by Freddie Mac and already calculated in this guide) and receive charter level reduced MI coverage.

Freddie Mac HFA Advantage Conventional Loan - Income OVER 80% AMI

Effective with new loan reservation 10/16/23

These loans will receive standard MI rates, no Charter Level Reduced MI coverage. (Added 10/17/23)

DOWN PAYMENT ASSISTANCE SECOND MORTGAGE

30 year deferred, 0% second mortgage in an amount up to \$15,000 (Effective 01/27/23)

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 02/01/23)

MORTGAGE CREDIT CERTIFICATE PROGRAM

The HFA has authorized the issuance of Mortgage Credit Certificates (MCCs) -- a federal income tax credit. A borrower may choose to add an MCC to their HFA of Miami-Dade County first mortgage loan. However, if a borrower chooses to add the MCC, they must follow the more strict MCC requirements. Please see the end of this guide for additional requirements. An MCC entitles the recipient 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 the property continues to be their principal residence.

FIRST MORTGAGE and MCC REQUIREMENTS ELIGIBLE BORROWERS

First Mortgage Borrowers with or without Down Payment Assistance and MCC

- Borrowers and their spouse (if applicable) must be first-time buyers.
- Regarding non-permanent residents, follow Agency (FHA, VA, RD, Fannie, Freddie) guidelines.
- Buyers must occupy the property within 60 days of closing.
- Applicants must be considered in concordance with federal Fair Housing, Fair Lending, and ECOA laws.
- Contact eHousingPlus Compliance office with questions regarding eligibility.
- Lender must follow, Agency (FHA, VA, RD, Freddie Mac) guidelines regarding ownership of other property.

(Rev 05/31/23)

FICO SCORE and DTI RATIO (Not applicable for a stand-alone MCC)

The Program requires a minimum FICO credit score for various products, the mid score must be the minimum or above. Minimum FICO by loan product: FHA 660, Freddie Mac HFA Advantage 640, USDA-RD 640, VA 640. If an Agency (FHA, 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 loans, then lenders must use the higher minimum. For home buyers with NO FICO score, participating lenders must comply with U.S. Bank overlays.

(Rev 05/31/23)

DTI Requirement (Not applicable for a stand-alone MCC)

Maximum Debt to Income Ratio

- The program maximum DTI ratio is 45% for all loan products with 640 - 679 FICO.
- The program maximum DTI ratio is 50% for all loan products with a 680+ FICO.
- Lenders must comply with Mortgage Insurance DTI requirements which may limit the maximum DTI for borrowers.

(Rev 03/01/23)

HOMEBUYER EDUCATION

All owners, unless qualifying under a Veteran's Exception or those who are exempt by purchasing a home in a Federally Designated Targeted Area as specified in the this Program Guide, must attend a 6-8 hour homebuyer education course. Acceptable forms of education are:

- HFA of Miami-Dade County online education provided by eHomeAmerica. [Click on this link.](#)
- Face-to-face homebuyer education if provided by a HUD approved counseling agency. [Click on this link](#) for a list of HUD approved education providers in Florida.
- A unit of local government that provides pre-purchase homebuyer education in FL (or a counseling agency designated by a unit of local government to provide homebuyer education on their behalf).
- Online HBE is permitted if provided by a HUD approved agency, a unit of local government that provides pre-purchase homebuyer education in FL or an Agency or GSE sponsored course.
- **NOT ACCEPTABLE:** Education provided by: a Mortgage Insurance Provider, a lender and education over the phone.
- Certificates of completion are acceptable for 2 years from the date of completion.

INCOME LIMIT

FHA, VA, USDA-RD effective with new loan reservations 05/31/23

Freddie Mac effective 06/08/23

Miami-Dade County	FHA, VA, USDA-RD & Freddie Mac 1 - 2 Person Household	FHA, VA, USDA-RD & Freddie Mac 3 or More Person Household	Freddie Mac All Household Sizes 80% AMI and Lower ONLY
Non-Targeted Areas	\$103,200	\$118,680	\$67,600
Targeted Areas	\$123,840	\$144,480	\$67,600

(Rev 05/31/23)

INCOME - HOW TO DETERMINE PROGRAM ELIGIBILITY**FIRST MORTGAGE PROGRAM** - Use the 1003 qualifying income to determine program eligibility.**FIRST MORTGAGE WITH THE MCC PROGRAM** - Use the HOUSEHOLD INCOME to determine program eligibility (Borrower, Spouse (include NPS) and everyone 18 years of age or older who will live in the home).**MCC STAND ALONE PROGRAM** - Use the HOUSEHOLD INCOME to determine program eligibility (Borrower, Spouse (include NPS) and everyone 18 years of age or older who will live in the home).**ACQUISITION LIMITS (SALES PRICE LIMIT)**

Acquisition Limits (this is the Sales Price and is never FHA Acquisition limits) and, must include everything paid by the buyer or on the buyer's behalf.

Effective with new loan reservations 05/31/23

Number of Units	Non-Target	Targeted
1 Unit	\$568,557	\$694,903
2 Unit	\$727,834	\$889,575
3 Unit	\$879,823	\$1,075,340
4 Unit	\$1,093,383	\$1,336,357

(Rev 05/31/23)

ELIGIBLE AREA

All of Miami-Dade County.

PROPERTY REQUIREMENTS

- New or existing, 1 - 4 units*, detached or attached, condos, town homes.

*Freddie Mac Loans - 1 unit property only

- 1 - 4 unit properties allowable with a 3% minimum contribution from borrower.
- Condos permitted for Freddie Mac loans up to 95% LTV.
- Manufactured homes, 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.

(Rev. 02/21/17)

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

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)

EXCEPTIONS TO FIRST-TIME BUYER REQUIREMENT

#1 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(Co-mortgagor) 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.

#2 TARGETED AREAS

Borrowers purchasing in targeted areas do not need to be first-time buyers. Targeted areas are determined by census tract number provided by HUD specifically for this program. Targeted areas are considered either economically distressed or have very low loan origination. Use this link <http://www.ffiec.gov/Geocode/default.aspx> enter an address and receive the census tract number. Then, compare the census tract to the tract codes listed below to determine if a property is located in a qualified Targeted Area.

FEDERALLY DESIGNATED TARGETED AREAS

(Borrowers Purchasing in Federally Designated Targeted Areas are Exempt from the First Time Homebuyer requirement.) To confirm if property is located in an eligible census tract by locating the Tract Code here. Then check the qualified census tract chart below to determine if the census tract is listed.

Effective with new loan reservations 01/08/24 and after Rev. Proc 2024-08

002.06, 0002.12, 0002.22, 0002.23, 0002.24, 0002.28, 0003.12, 0004.02, 0004.11, 0004.18, 0004.20, 0005.05, 0005.08, 0006.09, 0007.05, 0007.10, 0007.11, 0007.14, 0008.04, 0008.06, 0008.07, 0009.03, 0010.04, 0010.07, 0014.01, 0014.02, 0015.01, 0015.02, 0016.05, 0016.06, 0017.01, 0017.02, 0017.04, 0018.01, 0018.02, 0019.01, 0019.04, 0020.03, 0024.03, 0024.04, 0025.01, 0025.02, 0029.00, 0030.05, 0030.06, 0034.00, 0036.05, 0036.06, 0036.07, 0050.04, 0051.04, 0052.01, 0052.02, 0053.03, 0053.04, 0053.05, 0053.06, 0054.03, 0054.05, 0054.09, 0054.10, 0055.05, 0057.05, 0057.07, 0057.08, 0063.03, 0063.04, 0070.05, 0090.20, 0090.26, 0091.02, 0093.14, 0093.15, 0093.22, 0093.26, 0097.05, 0098.11, 0099.04, 0100.24, 0100.26, 0107.06, 0108.03, 0108.05, 0108.06, 0109.00, 0110.03, 0110.10, 0111.03, 0111.04, 0112.03, 0113.02, 0117.02, 0120.02, 0135.00, 0146.01

SECOND MORTGAGE REQUIREMENTS

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.

Federal 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 TRID forms (Loan Estimate and Closing Disclosure) for these loans. The program will require a DPA Loan Disclosure form to be executed by the borrower at closing (effective for loans closing 03/07/17 and after). The form may only be found within the eHousingPlus lender portal. Rev 03/07/17

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

Lenders should log-in to the eHPortal to view a letter from the HFA, instructions and sample documents. The first mortgage and second mortgage are exempt from documentary stamps. To qualify for the exemption, an affidavit must be recorded IMMEDIATELY PRIOR OR IMMEDIATELY AFTER the first mortgage and the second mortgage as a separate document. The following should be typed at the bottom of the first mortgage: "This mortgage is exempt from documentary stamp tax pursuant to section 159.621(2), F.S."

The second mortgage will pre-print with the Documentary Stamp exemption language. (Effective 07/01/18)

Second Mortgage Intangible Tax Exemption Effective with all loan closings 07/01/18 and after, the second mortgage is exempt from Intangible Tax pursuant to Section 199.183, Florida Statutes. The exemption language appears at the top of the Second Mortgage that is generated from the eHousingPlus lender portal. The first mortgage and note AND second note are NOT exempt from Intangible Tax. (Added 04/10/17)

MORTGAGE CREDIT CERTIFICATES (MCC)

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 are as follows, 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.

Term of the Program

MCCs may not be made for loans closing after December 31, 2024. Make certain that loans meet all deadlines that may be imposed on the program. Check with the eHousingPlus for further information.

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 program funds are not being utilized inappropriately.

It is the responsibility of the lender to follow all program, Agency (FHA, VA, USDA:RD, Freddie Mac) and master servicer guidelines. (Rev. 05/31/23)

Check with your underwriter for updates to information for Freddie Mac HFA Advantage. Such information is provided by third parties (i.e. Freddie Mac, U.S. Bank, etc) who do not provide updated information to eHousingPlus. (Rev. 02/01/23)

[Freddie Mac HFA Advantage Fact Sheet](#)

Appraisal

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

Buydowns

Not allowable. (Rev. 06/16/23)

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 (FHA, VA , USDA;RD)

Permitted by the program subject to the Lender following all applicable loan agency and US Bank guidelines. Cosigners are allowable 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.

Co-signers (Freddie Mac) - Not allowable. (Added 02/21/17)

Documentary Stamp Tax

Lenders should log-in to the eHPortal to view a letter from the HFA, instructions and sample documents. The first mortgage and second mortgage are exempt from documentary stamps. To qualify for the exemption, an affidavit must be recorded IMMEDIATELY PRIOR OR IMMEDIATELY AFTER the first mortgage and the second mortgage as a separate document. The following should be typed at the bottom of the first mortgage: "This mortgage is exempt from documentary stamp tax pursuant to section 159.621(2), F.S."

The second mortgage will pre-print with the Documentary Stamp exemption language. (Effective 07/01/18)

Intangible Tax Exemption

There is NO Intangible Tax Exemption on the First Mortgage, First Note and the Second Note. The second mortgage is exempt from Intangible Tax pursuant to Section 199.183, Florida Statutes. The exemption language appears at the top of the Second Mortgage that is generated from the eHousingPlus lender portal. (Effective 07/01/18)

Lady Bird Deed

The program recognizes that the State of Florida created Lady Bird Deeds. No additional paperwork or identification is required. (Added 07/20/18)

Manual Underwriting

Effective 04/06/20, not allowable for FHA loans. Lenders should reference the US Bank Seller Guide. Contact US Bank at 800-562-5165 to request a copy of the update. (Rev. 06/10/20)

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.

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

There is no Recapture Tax in the First Mortgage program.

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.

Tax Returns/Tax Transcripts

Tax returns or tax transcripts are NOT required when originating a Miami-Dade First Mortgage Program loan without the MCC. The 1003 must be checked indicating that the homebuyer qualifies as a first-time homebuyer.

When originating any loan with the MCC the past 3 years tax returns and/or IRS tax transcripts (any combination) will be required for the borrower and spouse (even a non-purchasing spouse). The previous years tax returns are due for loans closing April 15th and after. Extensions are not acceptable. (Rev 02/01/23)

PROCESS SUMMARY FROM TRAINING TO LOAN PURCHASE

LENDER ONBOARDING

Our On-Boarding process is designed to provide all participating lenders and their staff web-based training related to the Program, Technical and Workflow requirements of each program.

Based on your role, there are certain training requirements prior to adding a new Program and Features. These are determined based on which modules you have completed in the past, and which Programs you want to add to your Portfolio.

Once you have submitted the eHP On-Boarding Registration, the eHP On-Boarding Team will create a specific training program for you based on the role(s) you selected, and you will receive an email confirmation with relevant information. Upon completion, your User Credentials will be created (if you are new User) or updated (if you are a current user) and you will receive a system generated email with this notification.

[Click on this link to register for training.](#)

(Rev 02/09/22)

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.

RESERVE FIRST MORTGAGE FUNDS OR A STAND-ALONE MCC

To reserve funds, use the [eHousingPlus eHPortal](#). Log in and reserve the first mortgage. To reserve funds in the program, the borrower is required to have a signed real estate purchase contract for a specific address. You will need a 1003 and the Real Estate Purchase contract in order to make a reservation. If the reservation is successful, you will receive a loan number and a message that you've completed the reservation successfully.

IMPORTANT - A reservation is for a borrower with a real estate purchase contract for a specific property. If the property needs to change, the loan must be cancelled and re-reserved. The lender is responsible for cancelling the loan within the eHousingPlus Lender Portal. And then, the lender must email (services@eHousingPlus.com) or call the eHousingPlus Compliance office at 954-217-0817 to have the borrower permanently removed from the eHousingPlus Lender Portal. Until this process is complete, the lender will not be able to re-reserve funds for the borrower. (Added 12/12/18)

RESERVE SECOND MORTGAGE ASSISTANCE (NOT APPLICABLE WITH STAND-ALONE MCC)

Immediately following reservation of the first mortgage click on the "Add Additional" button found on the main menu to reserve the second mortgage funds. All fields will populate except for the second mortgage loan amount. Enter the loan amount and then click on the "Update" button to add the second mortgage assistance to the first mortgage loan reservation.

RESERVE MORTGAGE CREDIT CERTIFICATE WITH THE FIRST MORTGAGE

To reserve funds in the MCC program click on the "Add Additional" button found on the main menu to reserve the MCC. Click on the MCC. All fields will populate and then click on the "Update" button to add the MCC to the first mortgage loan reservation.



eHP Tip! *Need a reminder as to how to register a loan, complete the UW Certification, edit a loan or print forms?*

[Log-in to eHP FrontPorch](#), then click on the eHPlaylist to view a short video.

SIGN PRE-CLOSING FORMS

The borrower will sign the Program pre-closing documents; Notices to Buyers and give the borrower the Recapture Tax Brochure. Log-in to the [eHousingPlus eHPortal](#) to print the forms.

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 AND WITHIN 15 DAYS OF LOAN RESERVATION, Underwriter completes the online Underwriter Certification found within the [eHPortal](#).

REQUEST DPA FUNDS (NOT APPLICABLE WITH STAND-ALONE MCC)

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 [eHP FrontPorch using the eHPro Forms App](#). The 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: Sue Xiong

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 AND VERIFY - FIRST MORTGAGE AND MCC (IF APPLICABLE)

It's important to provide accurate closing instructions to closing agents. All program documents must be returned to the Lender. The program forms may only be found in [eHP FrontPorch](#) using the eHProForms App. and must be signed by the borrower at closing:

- Affidavit/Certification
- Tax Exempt Rider
- Second Mortgage & Note (do not use with stand-alone MCC)
- DPA Award Letter (do not use with stand-alone MCC)
- DPA Loan Disclosure (do not use with stand-alone MCC)
- First Mortgage Doc Stamp Affidavit (do not use with stand-alone MCC)
- Second Mortgage Doc Stamp Affidavit (do not use with stand-alone MCC)

WHO SIGNS THE PROGRAM DOCUMENTS?

FORM	BORROWER AND CO-BORROWER	NON PURCHASING SPOUSE	CO-SIGNER
Notices to Buyers	Yes	Yes	No
Recapture Brochure (Informational only)	No	No	No
Affidavit/Certification	Yes	Yes	No
Tax Exempt Rider	Yes	Yes	No
Second Mortgage	Yes	Yes	No
Second Note	Yes	No	Yes
DPA Award Letter	Yes	Yes	No
DPA Loan Disclosure	Yes	Yes	No
First Mortgage Doc Stamp Affidavit	Yes	Yes	No
Second Mortgage Doc Stamp Affidavit	Yes	Yes	No

**RECORDING THE FIRST MORTGAGE DOCUMENTARY STAMP AFFIDAVIT
(NOT APPLICABLE WITH STAND-ALONE MCC)**

Within **eHP FrontPorch** a lender may view the instructions and sample forms provided by the HFA in the LOAN FORMS.

The First Mortgage Documentary Stamp Affidavit must be recorded IMMEDIATELY PRIOR or IMMEDIATELY AFTER the first mortgage.

- 1) First Mortgage & Note
- 2) HFA of Miami-Dade County First Mortgage Documentary Stamp Affidavit

**RECORDING THE SECOND MORTGAGE DOCUMENTARY STAMP AFFIDAVIT
(NOT APPLICABLE WITH STAND-ALONE MCC)**

The Second Mortgage Documentary Stamp Affidavit must be recorded IMMEDIATELY PRIOR or IMMEDIATELY AFTER the second mortgage.

- 1) HFA of Miami-Dade County Second Mortgage & Note
- 2) HFA of Miami-Dade County Second Mortgage Documentary Stamp Affidavit

**COMPLIANCE FILE DELIVERY INSTRUCTIONS
ASSEMBLE THE COMPLIANCE FILE**

Compliance Files and Corrections to previously submitted files with erroneous or missing required documents will be managed through **eHP FrontPorch**. This portal provides lenders with all the tools necessary to deliver the required documents for the approval of the originated loan(s) in their respective affordable homebuyer programs. **eHP FrontPorch** is a secure, easy to use and efficient way for lenders to deliver the Compliance File, Correct DEFI's and pay the required Compliance Review Fees via our **eHPay** on-line fee approval, and related tools.

To assemble the compliance file, you will need a checklist. The checklist is specific to this program and used to submit the compliance documents post-closing to eHousingPlus.

[Log-in here and use the eHProForms App](#) to download the program forms.

Items to be uploaded in the compliance file include:

	Miami-Dade First Mortgage	Stand-Alone MCC	Miami-Dade First Mortgage and MCC
Homebuyer Education Certificate	Yes	Yes	Yes
HFA of Miami-Dade Affidavit/Certification	Yes	Yes	Yes
HFA of Miami-Dade Notices to Buyers	Yes	Yes	Yes
Taxes for Borrower(s) & Spouse - 3 years IRS Transcripts or Signed 1040	No	Yes	Yes
Real Estate Purchase Contract	Yes	Yes	Yes
FINAL Signed 1003	Yes	Yes	Yes
FINAL Signed Closing Disclosure	Yes	Yes	Yes
Warranty Deed	Yes	Yes	Yes
Discharge Papers (DD214) only if using Veterans Exception	Yes	Yes	Yes

UPLOAD THE COMPLIANCE FILE TO EHP DIGITAL DOCS

[Log-in here and use the Digital Docs App](#) to upload the compliance file.

The Compliance File should be a PDF file uploaded upright and in a clear legible format, composed of all required documents on the Checklist. Don't upload a compliance file until everything is included in the package. The more complete the file, the quicker the review and approval, and the file AND fee must be received to start the review process. Be aware that Loans will go straight to deficient status if items are missing, or if the fee was not received or properly identified. Once you are ready to upload your documents select eHP Digital Docs and from the drop down menu click on New Upload and follow the prompts.

SUBMIT THE REQUIRED COMPLIANCE REVIEW FEE

The Compliance Review Fee may be submitted separately from the Compliance File.

eHPay is a secure, efficient method for lenders to pay the fees ON-LINE. Loans managed through eHPay are processed faster, without fee errors or other unnecessary delays. The Lenders Accounting Staff can access eHP FrontPorch and process the compliance fees payment easily via the Digital Docs and eHPay apps.

Not sure of the required fee for your loan? Use the **FIND MY FEE** feature and get the instant answer by entering the eHP loan number or by Program. Compliance Files Uploaded are NOT ready for review until the Compliance Review Fee Payment has been received by eHP.

USE **PAYMENT CENTRAL** to determine any loan that may be pending fees, unidentified payments, files pending payment and short payments.

LOANS PENDING FEES lists Compliance Files that have been uploaded successfully, but whose fee payment is still pending. Lenders can monitor this area to ensure their fees have been delivered in a timely manner.

UNIDENTIFIED PAYMENTS are payments received from your company without the proper identification to apply it to the intended loan. Lenders can monitor this area to ensure that payments made are being properly identified with the eHP LOAN NUMBER.

PAID LOAN FILES lists compliance file that have been paid.

SHORT PAYMENTS If an incomplete payment is submitted, it will be displayed indicating the amount paid and the correct fee amount.

CLEAR A DEFICIENT COMPLIANCE FILE

LOAN DEFICIENCIES ARE NOT ACCEPTED VIA EMAIL.

Clearing files deficiencies is critical to your loan being approved and ultimately purchased. In the Deficient Compliance Files drop down, choose View/Upload Corrected DEFIs. This area will assist you in viewing what needs to be corrected, which documents are approved and complete, and you will have the ability to upload the correction and communicate with us in one simple area.

Is very helpful in resolving outstanding issues and having broader visibility for all of your post-closing staff who may need to work on resolving these discrepancies.

Please make sure that you're shipping and post-closing staff is very familiar with this area. Remember your loan cannot be approved with outstanding deficiencies.

EHP COMPLIANCE APPROVAL

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

SUBMIT MORTGAGE FILE & CREDIT PACKAGE TO SERVICER

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 product guidelines and checklist [click on this link](#).

You may need to enable pop-up windows on your web browser. Please contact your IT Department for assistance with this. If you experience any technical difficulty, please contact US Bank HFA Division directly at 800-562-5165. (Rev. 02/01/23)

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

FINAL DOCUMENTS

The recorded mortgage documents, for both the first and second mortgages, should be sent to U.S. Bank.

ISSUANCE OF MORTGAGE CREDIT CERTIFICATE

All MCC's will be issued by eHousingPlus following compliance approval.

eHP FrontPorch Helpful Tips

Our new eHP FrontPorch graphical menu lets you access all apps and tools with one click. These apps were designed to assist you with the program requirements and workflow. In addition, eHP FrontPorch introduces new innovative tools such as Collaboration Station, Quick Tips, the eHPlaylist, and the Alerts and Notifications area. These NextGen Lender Platform tools have been designed to help you complete your tasks quick and easy.

eHProForms

eHProForms is our newly designed forms generation app where a lender will access all program related documents. Using a search feature to quickly access the loan file, it provides all of the program forms that are required for your specific loan.

The forms are now organized by purpose leading with compliance related forms which will be part of the compliance package you sent to eHousingPlus, the closing second lien assistance and other similar forms you will submit to the servicer and their package and two additional areas for special forms and documents that may apply to your loan. The forms instantly generate from your loan record so it's essential to make sure that you review the information for accuracy.

If something needs to be updated you can log into the eHPortal, edit the loan and you come back to eHP FrontPorch and regenerate the forms. It is easy and you can create forms as many times as you need with just one click. If your loan record has not been updated, your loans will be incorrect, and your file will be placed in deficient status.

Clicking the waffle menu at the top of the page is an easy way to get back to the main menu.

eHP Front Porch Helpful Tips

Collaboration Station

Collaboration Station creates a history of any issue that has been communicated regarding a specific loan and provides certain status alerts.

In collaboration station you can create a note to save to the loan file or you can send a message to anyone in our compliance team.

Click the message icon and a menu of eHousingPlus staff will appear at the top with their role for you to make the appropriate selection. You may include your team members who have user credentials to eHP FrontPorch that may assist in expediting solutions for your loans.

In Collaboration Station, you can also find the Servicer notes and exceptions that need to be addressed with them. By providing this view to you it gives you transparency to any problem that has to be resolved related to the mortgage or collateral submitted to the Servicer.

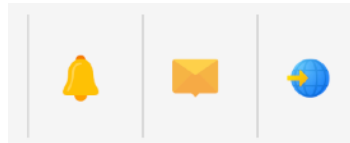
This view can be grouped, filtered, searched, and exported.

Quick Tips

Quick Tips is a library of useful tips to give you simple quick how to answers on common topics related to the process. It is a way to have short simple tips at your fingertips by roller subject where you can catch up and get you up to speed fast. These Quick Tips are a great place to search for frequent questions, concerns, or simply to educate yourself on a variety of topics.

eHPlaylist

The eHPlaylist is a newly created video platform with tutorials on where to perform tasks best practices and how-to's, all created to assist you with important information. Visual content is easy to access and understand and our playlist has a library of short concise and process-based learning topics. The video library has various categories and brief descriptions to easily build learning tools for your team. Together with Quick Tips, the eHPlaylist will provide you and your team with continuous learning resources to help you keep up to date with any platform or process changes.



Alerts and Notifications

The Alerts and Notifications area (bell and envelope icons) has been designed to provide you notifications of notes and messages related to your loans, with additional notification of status changes based on your role. When you send and receive messages using this app, you will receive a notification alert so you can easily see what's happening with your loans.

The last area on the notification panel (world icon) is made available to help you navigate to any of the program pages, guidelines, eHPUniversity and to view eHP News.

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

(Rev 02/21/17)

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

Reservation to Underwriter Certification = 15 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.

Loan Purchase Extension

Any loan not purchased within 60 days will automatically receive a one-time only 30-day extension. The cost of the extension is \$500. The \$500 extension fee is due whether or not loans are ultimately delivered and/or purchased. The \$500 will be netted by the Servicer when loans are purchased. The extension fee will be netted by the Servicer when loans are purchased. If the loan is not purchased, the originating lender will be billed for the extension fee. Any outstanding fees owed by the Lender may result in that Lender becoming ineligible to participate in the program.

At 91 days, a loan that hasn't been delivered is cancelled. Reinstatement is not guaranteed and, if allowed, is subject to additional penalties in addition to the extension fee. Any loan not purchased within the approved timeframe may become the liability of the originating lender, including any down payment assistance provided at closing.

To the extent that Assistance is advanced on loans that do not close, are not purchased by the Servicer under the program or are to be repurchased by the lender prior to being pooled into a mortgage-backed security, the lender will be required to reimburse the Authority with respect to such Assistance so advanced.

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.

eHousingPlus First Mortgage Fee (without the MCC)

The program includes a first mortgage Compliance/Admin Fee of \$225 and a penalty fee of \$100 for files that are chronically deficient. The Compliance/Admin Fee is submitted with the Compliance File via eHP [FrontPorch using the eHPay App](#).

eHousingPlus First Mortgage with the MCC or Stand-Alone MCC Fee

The program includes an MCC Compliance/Admin Fee of \$275 and a penalty fee of \$100 for files that are chronically deficient. The MCC Compliance/Admin Fee is collected at closing, payable to eHousingPlus and submitted with the Compliance File.

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 (Not applicable for stand-alone MCC)

\$84 Tax Service Fee and \$400 Funding Fee. These fees will be netted out at time of purchase by US Bank. (Rev 07/17/22)

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%
- 3 - Lender fees as detailed in paragraph above

CALCULATING INCOME WHEN USING THE MORTGAGE CREDIT CERTIFICATE

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.

Calculating Income from Other Sources

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. 	

Other Sources of Income

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.

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.

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.

**Federally Designated Targeted Areas Rev. Proc 2014-14
For Loan Reservations prior to Jan. 8, 2024
DO NOT USE THE BELOW FOR ANY LOAN RESERVATION AFTER JAN. 8, 2024**

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

Archived Revisions Table 2015 - 2023

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

Date	Update (effective immediately unless otherwise noted)	Page
02-21-17	Added program rate and offering chart Revised first-time buyer requirements as a bulleted list, Added manual underwriting language to FICO score, Added manual underwriting chart Revised Homebuyer Education requirements Added Fannie Mae & Freddie Mac overlays to Property Requirements Added Exceptions to First-Time Buyer Requirement Added Fannie Mae and Freddie Mac Fact Sheet links, Added Freddie Mac Co-signer overlay Revised Program Timeline & Extension Request Moved MCC Guideline Moved MCC Compliance Underwriting Guideline	8 9 9 & 29 10 & 30 11 14 19 25 34
03-07-17	Revised Federal Disclosure Requirements for second mortgage loans Removed requirement for HUD-1 with second mortgage loans	12 23 & 33
05-02-17	Corrected Down Payment Assistance Second Mortgage Amount to \$15,000 Revised US Bank Fees Revised US Bank Web Site link	7 20 24
06-05-17	Removed Mortgage Insurance Provider homebuyer education as acceptable Revised education requirement for borrower's utilizing FHLB subsidy	9 9
07-20-17	Revised income and purchase price limits	10, 30, 31
04-24-18	Corrected max DTI ratio for Freddie Mac HFA Advantage conventional loan Revised US Bank Tax Service Fee, effective 04/30/18	9 20
05-30-18	Revised minimum FICO for USDA;RD and VA loans to 640	8
06-13-18	Revised income limits, effective 06-13-18	11
07-10-18	Revised Second Mortgage Documentary Stamp and Intangible Tax Revised Financing Facts Documentary Stamp and Intangible Tax Added pages 17-22 regarding Doc Stamp and Intangible Tax Exemption Corrected MCC Income Limits Effective 06-13-18	14 15 17-22 37
07-20-18	Added the Affordable Income Subsidy (AIS) Grant information Added Lady Bird Deed information	9, 11, 23, 24, 26 16
09-20-18	Doc Stamp Instructions Revised	
12-12-18	Changed eHousingPlus Lender Portal to, eHPortal Removed screen shots of eHPortal for AIS Grant reservation Added language for a lender to contact Agency (FHA, VA, RD, Freddie Mac) regarding ownership of other property Added Mortgage Insurance language under DTI requirement Added First Mortgage Doc Stamp Affidavit & Second Mortgage Doc Stamp Affidavit Added eHP Digital Docs	Throughout 10 10 20 17-24, 27, 29, 37-38
04-23-19	Revised Purchase Price limits effective 04-23-19	11
07-19-19	Revised Income Limits Effective 07-19-19 Revised AIS Grant Income Limit Effective 07-28-19	11 & 35 11
09-02-19	Added Fannie Mae HFA Preferred Update Revised Rates/Offerings Chart Revised Income Limit chart to include Fannie Mae 80% AMI and less Revised Compliance Process to include HFA Preferred tips	8 10 12 & 36 18 & 19

Date	Update (effective immediately unless otherwise noted)	Page
10-29-19	Revised MCC Section of guide to reflect 2019 - 2021	
01-06-20	Added Special Note for Freddie Mac HFA Advantage loans Revised income limits effective 01/06/20 Revised Manual Underwriting Guidance Revised US Bank Web Site information Added note to timeline regarding Freddie Mac HFA Advantage loans Added Archived Revisions Table 2014 - 2018	7, 8, 16, 17 10, 35 15 24 26 43
06-10-20	Removed references to AIS Grant from guidelines Freddie Mac temporarily suspended Revised contact directory Added US Bank COVID Guidance, revised FICO & DTI Revised Income & Purchase Price Limits Revised Manual Underwriting guidance	7 6 9 10, 35, 36 15
07-19-20	Revised Fannie Mae & Freddie Mac Income Limits	10 & 35
08-15-20	Revised MCC Reservation Process	17
10-20-20	Removed Fannie Mae & Freddie Mac 80% and lower income limits from guide	10, 35
05-18-21	Revised Contact Directory Revised Income and Purchase Price limits effective 05/18/21	6 10, 35, 36
02/09/22	Added Term of Program	33
02/18/22	Updated Compliance Income Calculation guidance	39 - 43
05/09/22	Updated income and purchase price limits	10
06/05/22	Updated Freddie Mac 80% AMI income limits	10, 35, 36
07/06/22	Updated Contact Directory and Non-Target and Targeted 1-2 Income Limits	6 & 10

Date	Update (effective immediately unless otherwise noted)	Page
02/01/23	Removed reference to Fannie Mae HFA Preferred throughout guide Added reference to MCC where applicable throughout guide Revised DPA Amount Added: Income - How to determine program eligibility Renamed Compliance Process to: Process Summary from Training to Loan Purchase Added Who Signs Program Documents Added Compliance File Checklist Revised US Bank web site	- - 7 9 18 20 21 23
03/01/23	Updated Fair Housing language Revised FICO and DTI for VA and USDA-RD loan products	8 8
04/12/23	Added 2 - 4 unit sales price limit	9
05/31/23	Added Fannie Mae HFA Preferred loan product Revised income and purchase price limits effective 05-31-23	7, 8, 16 9

Date	Update (effective immediately unless otherwise noted)	Page
06/16/23	Removed Buydowns	16
10-02-23	Revised contact directory Added eHP FrontPorch	6 Various
10-17-23	Included Freddie Mac over 80% AMI loan product Removed Fannie Mae HFA Preferred from Guidelines	7 & 9 Various pages