



# **Oklahoma County Home Finance Authority 2025 - 2027 Mortgage Credit Certificate Program**

**Administrator Guidelines  
Published 02/11/25  
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**2025 REVISIONS TABLE**

<b>Date</b>	<b>Revision</b>	<b>Page</b>
02-26-25	Added Lender Compensation	21
04-07-25	Added Fraud Report Tips	9
04-24-25	Removed Lender Certification Form	16 & 17
06-03-25	Revised income and purchase price limits	11

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

Question	Option #	email
Lender Training (Program & System)	Option #4	<a href="#">Click here</a>
Lender User Access (Credentials, Disabled Access, etc)	Option #1	<a href="#">Click here</a>
eHPay - Digital Payment of Compliance Fees	Option #3	<a href="#">Click here</a>
Program Eligibility Questions - READ THIS GUIDE FIRST	Option #2	<a href="#">Click here</a>
Deficiencies - To view and upload compliance file deficiencies	View compliance and Servicer DEFI's in <a href="#">eHP FrontPorch</a> 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 <a href="#">eHP FrontPorch</a>	
Credit underwriting questions, refer to their internal UW Department or US Bank	(800) 562-5165	<a href="#">Click here</a>
System Errors - Technical Assistance	Option #6	<a href="#">Click here</a>

**THESE GUIDELINES MAY BE USED FOR A STAND-ALONE MCC. OR AN MCC COMBINED WITH THE OKLAHOMA COUNTY HFA TURNKEY FIRST MORTGAGE. IF USED WITH THE HFA'S FIRST MORTGAGE YOU MUST ALSO VIEW THE FIRST MORTGAGE GUIDELINES. WHICHEVER GUIDE HAS THE MORE STRICT RULES, FOLLOW THE STRICTER RULES.**

## **THE PRODUCT**

### **MORTGAGE CREDIT CERTIFICATES**

The Oklahoma County Home Finance Authority has authorized the issuance of Mortgage Credit Certificates (MCCs). The Program Administrator will be eHousingPlus (the "Administrator").

#### **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 ("MCC") was designed to assist persons of low and moderate income to better afford their own home. 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 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, to maximize the benefit to the MCC applicants, the Mortgage Credit Certificate Rate for the Program is 50%.

As an example, an Applicant with a \$349,000, 30 year, fixed rate mortgage (monthly payment has equal monthly installments of principal and interest) and a 7.125% interest rate could realize the following federal income tax savings (numbers are rounded):

#### **Example of Buyer Benefit (50% Tax Credit)**

- 7.125%, 30-year fixed rate mortgage
- \$349,000 mortgage loan amount
- 50% Tax Credit Rate with a \$2,000 maximum annual cap
- \$24,737 mortgage interest paid in first 12 months
- Multiply MCC Credit Rate of 50% (.50) x Mortgage Interest Paid (\$24,737) = \$12,368
  - \$2,000 is the maximum potential tax credit
  - Of the \$24,737 mortgage interest paid apply as follows on the tax return:
    - \$2,000 may be applied as a Tax Credit (this is a dollar for dollar reduction)
    - \$22,737 will remain as a Tax Deduction

During the first year of the Program, the Applicant in the 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.

The tax credit amount 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 tax credit 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.

Borrowers who receive an 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.

A purchaser of a new or existing single family home may apply for a MCC through any participating mortgage lender at the time he or she applies for a mortgage from the lender. The MCC cannot be issued to a homebuyer who is refinancing an existing mortgage or in connection with a mortgage from a relative. Also, an MCC cannot be used in connection with a bond program.

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. This tax credit recapture is further explained in the Notice of Potential Recapture Tax and in the Recapture Tax brochure provided to an applicant.

It is important that borrowers understand the MCC and consider getting more information from their tax professional or the IRS.

### **What is the lender involvement?**

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 each year in January.

### **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.

**MCC IRS Reporting**

Each January, the Program Administrator will provide the Lender with the required IRS reporting form for each year in which the Lender originates loans with MCC's.

**Term of Program**

MCC Program start date is March 3, 2025. MCC's may be originated but the MCC will not be issued to the borrower until March 17, 2025 or after. MCCs may not be made for loans closing after December 31, 2027. Make certain that loans meet all deadlines that may be imposed on the program. Check with the Program Administrator for further information.

## ABOUT THE MCC PROGRAM

**Issuer:** Oklahoma County Home Finance Authority

**EIN:** 52-6258285

**Program Administrator:** eHousingPlus

**Eligible Area:** Oklahoma County, OK

**Tax Credit Rate:** 50%

**Maximum Annual tax credit:** \$2,000

### 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.

### Allowable Loan Products

Lenders choose loans from their own rate sheets and underwrite their own loans.

- FHA, VA, and conventional loans acceptable to Fannie and Freddie that are 30 year, fixed-rate market loans.
- No adjustable rate, balloon, interest only products are permitted. Stated income loans are not permitted.
- MCCs may not be issued for loans funded from a mortgage revenue bond program or for loans made by persons related to the buyer. No interest may be paid to a person related to a buyer.
- Cosigners are allowable in an FHA transaction when meeting the following conditions: (1) a cosigner cannot have any ownership interest in the property (they cannot be on the Deed) and (2) the cosigner cannot reside in the property being purchased. A cosigner will sign only the Note in the transaction. A cosigner's income is not considered for program purposes, tax returns are not required and cosigner's do not sign any program forms. For credit purposes, follow FHA guidelines.

**New Loans.** The loan must be made to acquire a home and may not be used to refinance a home or pay off an existing home/mortgage.

## MCC PROGRAM REQUIREMENTS

### **Regardless of the first mortgage, all loans with MCC's have the following requirements**

- Buyers and spouses must be first-time buyers
- Buyers and spouses must be able to permanently reside in the US.
- Work visas, student visas, any temporary visas do not qualify.
- Buyers must live in the property they purchase as their principal residence.
- All applicants must be considered irrespective of age, race, color, religion, national origin, sex, marital status, military status or physical handicap.
- Buyers must occupy the property purchased within 60 days of closing.

### **First-Time Homebuyer Defined**

A first-time homebuyer means the borrower must have had no ownership interest in a principal residence at any time during the three-year period prior to the date on which the Mortgage Loan is executed, unless the borrower is a Veteran or the subject property is located in a targeted area.

### **VERIFICATION OF FIRST-TIME HOMEBUYER STATUS**

The following evidence is required and must be included with each loan submission file (compliance file) EXCEPT for borrowers utilizing the Veterans Exception or purchasing in a Targeted Area:

**A Fraud Report is required for all borrowers.** Include ALL pages of the Fraud Report. The Lender must CLEARLY identify (using highlight or asterisks) the borrower property current ownership and three year history. On page one of the report, please include notation to identify the Fraud Report page number, without this identification, the file cannot be compliance approved.

**A Real Property Search is required for a Non-Purchasing Spouse (NPS)**, in the county in which the NPS lives. The results of the search must be printed and included as part of the eHousingPlus compliance file submitted post-closing.

### **Fraud Report Tips**

Companies that provide the Fraud Report include Lexis Nexis, Drive (Data Verify) and Fraud Guard (First American Data).

- Make sure that the Fraud Report is a complete report and includes the section for Real Estate Owned. That is something that is not standard and needs to be included.
- MERS only is not acceptable that only shows any registered loans with MERS and not all are.
- If the loan has a NPS, we must have a title search for that NPS in the county where they reside. If they include the NPS on the Fraud Report, that will suffice.
- If NPS is not on report, must go to county website where spouse resides and pull property search there, print and upload. We cannot accept Title Company search or credit report. Credit report only shows residence history, not necessarily ownership.

(Added 04/07/25)

### Veterans Exception

Veterans who meet the qualifications listed in this paragraph are not required to be first-time homebuyers. For this feature, "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 or 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-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 papers which demonstrate discharge or release was other than dishonorable."* Veterans would need to provide a valid DD214 that reflects a discharge status of other than dishonorable to qualify under the Veterans' Exemption.

### Targeted Areas

Identified as Qualified Census Tracts and Areas of Chronic Economic Distress (if any) which are listed below, a borrower purchasing in home in a targeted area census tract is not required to be a first-time buyer. [Click on this link to look-up the property address](#). Then compare the tract to the allowable targeted area census tracts listed below. If you find a match, the property is located in a targeted area. When reserving funds, choose from the TARGETED AREA rate/offering. Per Rev. Proc. 2024-08, the following census tracts constitute the Targeted Areas for this program:

**Oklahoma County** 1004.00, 1005.00, 1010.00, 1013.00, 1033.00, 1041.00, 1046.00, 1049.00, 1054.00, 1055.00, 1056.00, 1063.01, 1069.12, 1069.17, 1071.03, 1071.04, 1072.15, 1073.02, 1073.03, 1073.06, 1076.01, 1080.03, 1082.08, 1083.09, 1083.21, 1088.03, 1095.00, 1100.00

### Homebuyer Education

All buyers (any person on title to the property) must attend an approved homebuyer education course. All borrowers, except for cosigners and non-occupant co-borrowers, are required to attend, including first-time homebuyers and repeat buyers. Homebuyer education must be conducted PRE-CLOSING and by HUD-approved counseling agencies including online HUD-approved non-profits using eHomeAmerica (Neighborworks based curriculum). A co-signer is not required to attend homebuyer education.

Homebuyer education provided over the phone or by the lender is NOT acceptable. Certificates of completion are acceptable for 2 years from the date of completion.

Helpful links to provide to homebuyers:

#### Approved Face-to-Face education providers:

- Face to face from a [HUD approved education provider](#)

#### Approved Online education providers:

- Online education from eHomeAmerica [www.eHomeAmerica.org](http://www.eHomeAmerica.org)
- Freddie Mac Credit Smart <https://creditsmart.freddiemac.com/paths/homebuyer-u/>
- HomeTREK online education: <https://www.hometrek.org>
- Framework Online Homebuyer Education: <https://hpn.frameworkhomeownership.org>
- MGIC - Finally Home! Homebuyer Education: <https://www.finallyhome.org/en/partners/mgic/>

**Minimum Credit Score - Stand Alone MCC****(1st mortgage being originated is not with the OCHFA Turnkey Program First Mortgage)**

There is no program imposed maximum DTI, follow Agency guidelines.

**Minimum Credit Score - Combined with HFA 1st Mortgage**

See OCHFA Turnkey Program guidelines.

**Maximum Debt to Income Ratio - Stand Alone MCC****(1st mortgage being originated is not with the OCHFA Turnkey Program First Mortgage)**

There is no program imposed maximum DTI, follow Agency guidelines.

**Maximum Debt to Income Ratio - Combined with HFA 1st Mortgage**

See OCHFA Turnkey Program guidelines.

**MCC HOUSEHOLD INCOME CALCULATION**

Include income of borrower(s) and spouse (occupants and non- occupants) and any person who will live in the household who is 18 years of age or older. Bond program income is not averaged. It is annualized. That's different from income used for credit underwriting. More detailed guidance for calculating program income is located in this guide on pages 19-23.

**HOUSEHOLD INCOME LIMITS****MCC PROGRAM**

County	1-2 person household Non-Target	3 or more person household Non-Target	1-2 person household Target	3 or more person household Target
Oklahoma	\$97,700	\$112,355	\$117,240	\$136,780

Effective with new loan reservations 06/03/25. Limits prior to 06/03/25 found on page 22.

**ACQUISITION COST (Sales Price Limits)**

County	Non-Targeted Areas	Targeted Areas
Oklahoma County	\$544,232	\$665,173

Effective with new loan reservations 06/03/25. Limits prior to 06/03/25 found on page 22.

**Principal Residence.** The home must be expected to become the principal residence of the Borrower within 60 days following closing. The MCC will be effective only as long as the home remains the Borrower's principal residence along with the original mortgage issued in conjunction with the MCC.

**Property Qualifications:**

- Allowable in the Program: New or existing, attached or detached, one unit, town-homes, PUD's and condos.
- Acquisition Cost Limits – this is a Program-required purchase price limit based on the Internal Revenue Code requirements and is not an Agency (FHA, etc.) acquisition cost or loan limit. The calculation of Acquisition Cost must include everything paid by the buyer or on the buyer's

behalf as required under the Program rules. See “Acquisition Cost” under Financing Facts for further detail concerning the calculation of the Acquisition Cost under the Program.

- Homes are considered new if never previously occupied.
- Not permitted in the Program: manufactured, mobile, recreational, seasonal or other types of vacation or non-permanent homes
- The remaining economic life of the property may be no less than 30 years.
- Land may not exceed the size required to maintain basic livability.
- Properties purchased in the Program must be residential units.
- No more than 15% of the square footage of the home being purchased may be used in connection with a trade or business including Child Care services (other than incidental rental from eligible multi-unit structures).

### **Federal Recapture Tax**

What is the Federal Recapture Tax?

It's a Federal Tax a Borrower may be required to pay from the net profit received from the sale or disposition of their home. If required, Federal Recapture Tax is due at the time a Federal Tax Return is filed for the year in which the home is sold, or otherwise disposed of. The maximum Federal Recapture Tax is 6.25% of the original principal balance of the first and second loans or 50% of the net profit earned on the sale of the home, whichever is less.

Buyers obtaining a mortgage using the OCHFA 2025 MCC Program may be required to pay a Federal Recapture Tax if they meet every one of the following 3 provisions at the time of sale:

- The home is sold within the first 9 years of the purchase date, and
- A net profit is received from the sale of the home, and
- Household income at the time of sale exceeds the maximum income limit.

Borrowers are not subject to Federal Recapture Tax in the following circumstances:

- The home is transferred to a spouse, or former spouse, in connection with a divorce where no gain is included
- The home is destroyed by a casualty, and is repaired or replaced on its original site within 2 years after the end of the tax year when the casualty occurred
- The home is sold, or otherwise disposed of, as a result of the borrower's death
- The home is refinanced – please note that refinancing does not cancel the recapture tax provision, which may still apply if the home is sold within 9 years.

Borrowers are more likely to pay Federal Recapture Tax in the following circumstances:

- Employed in a field with high growth income potential
- Income is close to the maximum income limit at the time the home is purchased
- Purchasing a home in a high housing inflation environment
- Marital status may change from single at time of purchase to married at time home is sold, or otherwise disposed of.

If Federal Recapture Tax is owed, it is not collected at the time of the sale. The Borrower(s) must complete and file IRS Form 8828 with their Federal Tax Return for the year the home is sold, or otherwise disposed of (regardless of whether the Borrower owes Federal Recapture Tax). The [IRS Form 8828](#) provides instructions to calculate and determine if Federal Recapture Tax is owed. TCHFA recommends consulting with a professional tax advisor to answer Federal Tax questions.

### 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) and Land Home servicer guidelines.

**Acquisition Cost** Is the TOTAL ACQUISITION COST of the property includes all amounts paid previously or in the future, in cash or in kind by the Mortgagor(s) or any other person(s) to or for the benefit of the seller(s); points paid by the seller(s) excluding "usual and reasonable settlement and financing costs," additional amounts paid for fixtures under state law (i.e, light fixtures, window treatments, floor carpeting; capitalized value using discount rate established by the Issuer of ground rent, (leasehold estate); additional amounts to be paid if dwelling is incomplete or unfinished for which a written estimate of completion cost is attached; additional amounts for land purchased separately and not owned by the mortgagor(s) for at least two (2) years prior to the commencement of construction of the residence; and other amounts including any agreements, whether oral or written, property taxes in excess of the mortgagor(s) pro-rata share and settlement and financing costs in excess of the usual and reasonable costs, hook-up, tap-in, site improvements, architectural and builder fees, permits, subcontracted items, construction loan interest and commissions. Apart from any normal real estate agents' commissions, no money is being paid, no promissory note is being delivered, nor is anything else of value (including, without limitation, personal property) being exchanged for or transferred to the seller of the residence or any other persons by me, or to my knowledge, by any other person in connection with the residence except as itemized with the amount of their purchase price that does not exceed their fair market value.

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

**Buydowns** Not allowable.

**Cash Back** Cash back to the borrower is not permitted. Borrowers are permitted a reimbursement of pre-pays and overage of earnest money deposit to the extent any minimum contribution has been satisfied and is permitted by Agency guidelines.

**Co-signers** Permitted to the extent allowed by applicable Agency. The co-signer is a loan guarantor and cannot have any ownership interest in the property (they cannot be on the mortgage/deed/warranty deed) and cannot live in the property. The co-signer does NOT need to be a first-time buyer. A co-signer's information will NOT be entered in the eHPortal.

**Construction to Perm** Construction to Perm is not permitted in this Program.

**Final Typed Loan Application (1003)** The typed application signed and dated by all parties is required. Loan interviewer must complete and sign page 3 of 4 of the 1003. If this is not possible, then an Officer must sign in place of the interviewer. All persons taking title to the property must execute all Program documents. The income disclosed on the Affidavit must be the same or more than that shown on the 1003. The purchase price, loan amount, and other financial details must be the same as shown on all other documents.

**Minimum Loan Amount** There is no minimum loan amount required in this Program.

**Non-Purchasing Spouse (NPS)** - Must sign all of the MCC Program documents The NPS information will be entered in the eHPortal in order for the MCC Program documents to print with the NPS name.

**Power of Attorney** - Permitted but must satisfy Agency (FHA, USDA-RD, VA). Active duty military personnel must also provide an Alive and Well Letter. Lenders should contact their title company/closing agent for information regarding POA requirements in the State of Oklahoma.

**Prepayment** The second mortgage loan may be prepaid in whole (but not in part) at any time without penalty

**Real Estate Purchase Contract** The full address of the property, full names of all sellers and buyers, total purchase price of the property must be included. If there is not an address for new construction, a lot number and subdivision name are required. All named persons must sign. Include the name and title whenever a representative is signing for a corporation.

**Remaining Reserves**

Remaining reserves are not established by the program. If any, these are determined by the type of financing used (i.e. FHA, VA.).

## SUMMARY OF THE COMPLIANCE ORIGINATION PROCESS

### 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.](#)

### 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 MORTGAGE CREDIT CERTIFICATE

To reserve funds, use the [eHousingPlus eHPortal](#). Log in and reserve the mortgage credit certificate. 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 eHPortal. And then, the lender must email ([services@eHousingPlus.com](mailto:services@eHousingPlus.com)) or call the eHousingPlus Compliance office at 954-217-0817 to have the borrower permanently removed from the eHPortal. Until this process is complete, the lender will not be able to re-reserve funds for the borrower.

The Lender will provide the borrower with the MCC Notices to Buyers and Recapture Tax brochure. These form may only be found with the eHPortal. The Lender will need user access to print the forms.



**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.

### PROCESS

The lender will process the loan as they normally would any other loan. During this time the lender will collect a Fraud Report to evidence a borrower is a first-time buyer, this is also required of a non-purchasing spouse. The fraud report will identify the borrower (and spouse) current ownership and a three year history. The Lender is responsible for the accuracy of information that was entered in the eHPortal. During the processing and credit underwriting phase of loan origination, the Lender should check the accuracy of information in their loan origination system and the eHPortal.

### PRINT PRE-CLOSING MCC PROGRAM FORMS

The program forms may only be found in [eHP FrontPorch using the eHPro Forms App](#). Forms generated from any other source may void the loan making it not purchasable in the program. A lender will need user credentials for the eHPortal to access the forms.

Provide the borrower(s) with the following pre-closing forms:

Form	When Signed	Borrower	Co-Borrower	Non Purchasing Spouse	Co-Signer
MCC - Notices to Buyers	Pre-Closing	Yes	Yes	Yes	No
MCC - Recapture Brochure	Pre-Closing	Informational only, not signed			

### UNDERWRITE AND CERTIFY

The Lenders underwriter is responsible for committing the loan to the Program, this is called the Underwriter Certification. This can be done anytime prior to the 15th day after loan reservation in the eHPortal, but typically done after the loan received a clear-to-close. The underwriter is verifying the loan amount, household income, credit qualifying income, final closing date and purchase price. At this time, if there are any changes they can be made. If the loan is not underwriter certified prior to the loan closing, the loan is subject to cancellation. The Underwriter completes the Underwriter Certification within the [eHPortal](#). If a change needs to occur after the certification is complete, please [log-in to eHP FrontPorch](#) > Collaboration Station and request for the underwriter certification to be removed.

### PRINT CLOSING MCC PROGRAM FORM

Once the underwriter certification has been completed, the MCC Program closing form may be printed from [eHP FrontPorch using the eHPro Forms App](#). The forms will pre-populate with the borrower information entered in the eHPortal. Forms generated from any other source may void the loan and the borrower will not receive the MCC. A lender will need user credentials to eHP FrontPorch to access the forms. Provide the borrower(s) with the following closing forms:

Form	When Signed	Borrower	Co-Borrower	Non Purchasing Spouse	Co-Signer
MCC - Affidavit	Closing	Yes	Yes	Yes	No

### **SIGNATURES ON MCC FORMS/DOCUMENTS**

No one but the borrower and spouse should be on title and sign the Deed and mortgage. Cosigners cannot live in property, do **NOT** sign MCC documents, take title and cannot be on the Deed. A non-occupant co-borrower is not acceptable in the Program.

### **CLOSE THE LOAN**

The Lender should provide the title company with instructions to return all documents to the Lender post-closing.

### **ASSEMBLE THE COMPLIANCE FILE**

Assemble the Compliance File to be delivered to eHousingPlus post-closing via eHP Front Porch. Compliance Files and Corrections to previously submitted files with erroneous or missing required documents will be managed through the **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.](#)

Items to be uploaded in the OCHFA MCC Program compliance file include:

FINAL SIGNED CLOSING DISCLOSURE (TRID form)

FINAL SIGNED 1003

Homebuyer Education Certificate

OCHFA MCC Program Affidavit Mortgagor, Seller

Fraud Report for Borrower(s) & Spouse

OCHFA MCC Program Notices to Buyers

Real Estate Purchase Contract

Warranty Deed

Discharge Papers (DD214) only if Veteran is qualifying under the Veteran's Exception

### **UPLOAD THE COMPLIANCE FILE TO EHP DIGITAL DOCS**

[Log-in here and use the DigitalDocs 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 eHPDigital 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 App and eHPay.

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 can't be approved without standing deficiencies.

**EHP COMPLIANCE APPROVAL**

Following approval of the compliance file by eHousingPlus, the loan stage will change to Compliance Approved.

**ISSUANCE OF MORTGAGE CREDIT CERTIFICATE**

The Lenders Authorized Officer will receive a "confirmation of approval" secure email with the MCC. eHousingPlus will mail the borrower the MCC.

## Welcome to the Next Generation of eHousingPlus© Solutions



### 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's 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 FrontPorch Helpful Tips

### Collaboration Station

Collaboration Station creates a history of any issue that's 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.

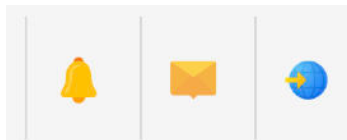
This view can be grouped, filtered, searched and exported.

### 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's 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 pre-qualified. However, if the buyer does not have a contract on a property, Mortgage Credit Certificate funds may not be reserved for the buyer until such time as the buyer presents a valid contract.**

Please DO NOT reserve loans that cannot meet the timetable. This is particularly important with respect to new construction and short sales. Please wait to reserve funds.

### Stand-Alone MCC Loan Processing and Delivery Timetable

**Once a loan is reserved in the eHPortal system and is provided a Mortgage Credit Certificate Loan number, the loan must be;**

- (1) underwriter certified within **15 days** of loan reservation
- (2) delivered to eHousingPlus within **10 days of closing.**

### Combo Turnkey First Mortgage and MCC Loan Processing and Delivery Timeline

[Reference OCHFA Turnkey Plus Grant guidelines](#) > Program Administration Guidelines > Turnkey Plus Guide.

## SUMMARY OF ALLOWABLE PROGRAM FEES

**First Mortgage** - Lenders are permitted to charge their usual, customary and reasonable fees charged to other buyers of similar 15 year or 30 year, fixed-rate products without MCC's.

### eHousingPlus Fee - Stand Alone MCC

The program includes an MCC Compliance/Admin Fee of \$275 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 Fee - Combo Fee (Turnkey Plus First Mortgage and MCC)

The program includes an MCC Compliance/Admin Fee of \$500 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](#).

### Lender MCC Application Fee

The program includes a Lender MCC Application Fee of \$100. The Lender MCC Application Fee is collected at closing and made payable to the Lender.

### Lender Compensation

OCHFA will pay the lender .25bps for each MCC compliance approved. OCHFA will wire the payment each January to the Lender.

(Added 02/26/25)

Household Income prior to 06/03/25

County	1-2 person household Non-Target	3 or more person household Non-Target	1-2 person household Target	3 or more person household Target
Oklahoma	\$90,945	\$104,587	\$107,400	\$125,300

Sales Price prior to 06/03/25

County	Non-Targeted Areas	Targeted Areas
Oklahoma County	\$510,939	\$624,481

## 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 – Part 1

#### Base Pay

Definition/Inclusions	Exclusions
<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  <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.	Income no longer available
Guidance	
<ul style="list-style-type: none"> <li>Borrowers can't manipulate income (quit job, etc.) to become eligible.</li> <li>Include all income, including sick, holiday and vacation pay.</li> <li>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.</li> <li>Income documentation is required, and could include, but is not limited, to, paystubs, VOE, tax returns, W-2's, etc.</li> <li>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"> <li>1099s, tax returns, and/or verification from unemployment office to verify unemployment benefits</li> </ul> </li> </ul>	

#### 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"> <li>Documentation of additional pay could include, but is not limited to, paystubs, VOE, etc.</li> <li>Annualize current YTD earnings total, if available, (or provide documentation and explanation to support not using the prior year's earnings).</li> <li>Annualize 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).</li> <li>Include all income that is included in the YTD Earnings Total on a paystub or on a VOE.</li> <li>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.</li> </ul>	

**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"> <li>• Determine gross annual income.</li> <li>• Use a two-year average from the most recent federal income tax returns.</li> <li>• Self-employment income documentation is required, and may include, but is not limited, to: <ul style="list-style-type: none"> <li>○ Tax form Schedule C, most recent two years</li> <li>○ YTD Profit &amp; Loss Statement</li> <li>○ Tax form Schedule K-1 (Form 1120S)</li> </ul> </li> <li>• Request additional supporting documentation (i.e., current balance sheet and income statement) when necessary.</li> <li>• Deduct out-of-pocket business expenses such as office rent, telephone, etc., which are generally tax-deductible items.</li> <li>• 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.</li> <li>• If a net loss, use \$0. Do not subtract the loss from the Program Eligibility Income calculation.</li> <li>• 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.</li> </ul>

**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"> <li>• One-time lump sum payments</li> <li>• Investments in retirement accounts (IRAs, VIPs, 403(b)'s, 401(k)'s)</li> <li>• Any cash withdraws from retirements accounts</li> </ul>	<ul style="list-style-type: none"> <li>• Always check tax returns for income from financial assets.</li> <li>• Include average of periodic payments, including recurring, lump-sum payments.</li> <li>• 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.</li> </ul>

**Insurance or Benefit Payments**

Definition/Inclusions	Exclusions	Guidance
Periodic payments derived from: <ul style="list-style-type: none"> <li>• Long-term care insurance</li> <li>• Disability insurance</li> <li>• Pensions</li> <li>• Death benefits</li> </ul>	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"> <li>• Retirement benefits</li> <li>• Disability benefits</li> <li>• Income maintenance benefits</li> <li>• Pensions</li> <li>• Veterans benefits</li> </ul>	<ul style="list-style-type: none"> <li>• Food stamps</li> <li>• Government-paid child care paid directly to the provider</li> <li>• Foster care income</li> <li>• Section 8 vouchers</li> </ul>	<ul style="list-style-type: none"> <li>• Include all sources of this income at current level. Do not gross up (If a lender chooses to gross up SSA income for credit underwriting income this is allowable, however, that same income must be included to determine program eligibility).</li> </ul>
<ul style="list-style-type: none"> <li>• Federal education &amp; training assistance</li> <li>• Public assistance</li> <li>• Worker's Compensation</li> <li>• Social Security benefits</li> <li>• Unemployment insurance compensation</li> </ul>		

**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"> <li>• Monthly Gross Rent - Vacancy Loss = Gross Adjusted Rent</li> <li>• 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.</li> </ul>

**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"> <li>• Use average of actual support received.</li> <li>• Review divorce/child support agreement.</li> <li>• Check with county social service agency to determine whether any payment adjustments have been made since the original payment schedule.</li> <li>• Cross-check payment schedule with bank statements, etc.</li> </ul>

### 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"> <li>Do not include any car, cell phone, travel per-diem, etc.</li> </ul>	

### 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"> <li>529 plans</li> <li>Accounts where someone other than the parents are named as custodian.</li> <li>Unearned income of adult dependents age 21 or older</li> </ul>	Include all custodial account income.

### Other Sources of Income

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