

*Let's Make Home  
Happen!*

# *Affordable Products Solutions*

*April 21, 2021*

# *Our Mission*

To create affordable housing  
opportunities for North Carolinians  
whose needs are not met  
by the market.

# More than 100,000 home buyers across N.C.



# N.C. Home Advantage Mortgage™

- Helps first-time and MOVE-UP buyers
- Competitive interest rates
- Downpayment assistance available
- Use with Conventional Freddie Mac or Fannie Mae HFA loans and GOVT (FHA, VA, & USDA) loans
- Can be combined with Mortgage Credit Certificates (for first-time buyers)

# Eligible Buyers

- Principal residence in NC
- Annual qualifying income  $\leq \$92,000^*$
- 43% DTI
- Minimum credit scores 640 (660) for new never occupied MFG homes
- Conv. Borrowers  $\leq 80\%$  AMI get CHARTER LEVEL PMI – lower PITIM

**\*Income Limits will change late spring 2021**



NORTH CAROLINA

HOUSING  
FINANCE  
AGENCY

[www.nchfa.com](http://www.nchfa.com)

# Down Payment Assistance

- 3% CONV of loan amount, 3% or 5% GOVT
  - \$8,000 for FTHB with NC 1<sup>st</sup> Home Advantage Mortgage Down Payment
  - Deferred, 0% interest for 15 years
- AND EVEN BETTER!!!---→*
- Completely forgiven at year 15
  - Reduced by 20% per year in years 11-15

# FMAC Conventional HFA Advantage

- Borrowers  $\leq$  80% AMI per Freddie Mac
- Repeat buyers or FTHB
- 97% LTV – available for repeat buyers
- 3% DPA
- CHARTER LEVEL PMI! – Reduces PITIM
- Lower Interest Rate



# Home Possible Income Limit Tool

## Area Median Income - AMI

<https://sf.freddiemac.com/working-with-us/affordable-lending/home-possible-eligibility-map>

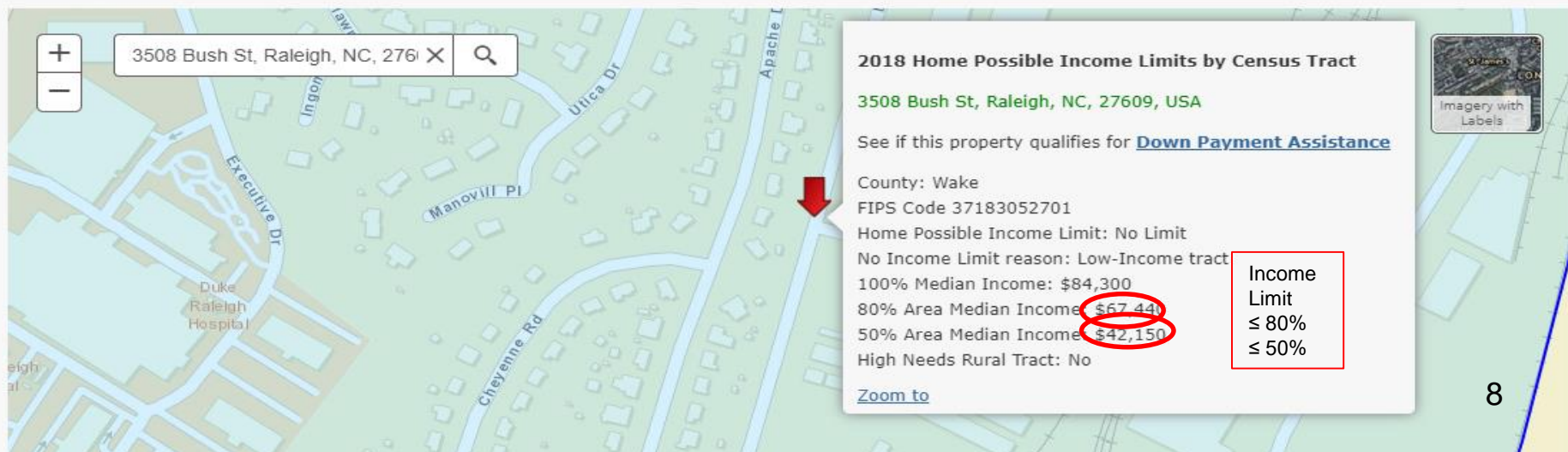
### Home Possible Income and Property Eligibility Tool

 Copy Link

 Email

 Print

Use this tool to verify if a borrower can qualify for a Freddie Mac Home Possible® mortgage based on the property location and the borrowers' qualifying income. For best results, enter the complete property street address.



**2018 Home Possible Income Limits by Census Tract**

**3508 Bush St, Raleigh, NC, 27609, USA**

See if this property qualifies for [Down Payment Assistance](#)

County: Wake  
FIPS Code 37183052701  
Home Possible Income Limit: No Limit  
No Income Limit reason: Low-Income tract

100% Median Income: \$84,300  
80% Area Median Income: **\$67,441**  
50% Area Median Income: **\$42,150**  
High Needs Rural Tract: No

[Zoom to](#)

**Income Limit**  
≤ 80%  
≤ 50%

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# Eligible Properties



- New or previously owned single-family homes (stick built or modular)
- New manufactured homes with 660 credit score (FHA, VA, USDA only)
- Townhouses, investor approved condos
- Duplexes – buy both sides – FHA only

NORTH CAROLINA

HOUSING  
FINANCE  
AGENCY

[www.nchfa.com](http://www.nchfa.com)

# FLASH QUIZ

**Borrower MUST be a First Time Homebuyer to use the NC Home Advantage Mortgage.**

**FALSE!**

**Qualifying Income includes income from ALL occupants.**

**FALSE!**

# CPLP – Community Partners Loan Pool

- CPLP – provides up to 20% DPA, prefers new construction (max \$30,000)
- Borrowers must use family income  $\leq$  80% AMI
- Can only be referred through a Partner
- <https://www.nchfa.com/homeownership-partners/community-partners/current-community-partners>
- 8 hours HBE required
- Allow 6 days from approval to close.
- Experts at NC Housing Finance Agency – Josh or Rich  
[jdburton@nchfa.com](mailto:jdburton@nchfa.com) or [rylee@nchfa.com](mailto:rylee@nchfa.com)

# NC 1<sup>st</sup> Home Advantage Down Payment (\$8,000)

- Family Income compliant – Varies by County & Family size\*
- Sales Price Limit \$290,000\* – will change late spring
- First Time Homebuyer or meets exceptions\*
- Cannot be used with MCC\*
- CAN be used to help pay closing expenses
- OR Pay off Conv Mortgage Insurance



**\*Applies only to the NC 1<sup>st</sup> Home Advantage Mortgage**

# Mortgage Credit Certificates

- UNBELIEVABLE help for FTHBs!!!
- Allows homeowner to claim 30% of mortgage interest – up to \$2,000 – per year as CREDIT on federal taxes (up to 50% for new homes!)
- Can still claim remaining 70% (or 50%) as deduction
- Can be used for qualifying
- Do NOT have to itemize to get credit

# FLASH QUIZ

- ONLY FTHB are eligible for the NC 1<sup>st</sup> Home Advantage \$8,000 and the NC Home Advantage Tax Credit (MCC).

**TRUE**

- You Can combine the MCC and the NC 1<sup>st</sup> Home \$8,000.

**FALSE**



# *Our programs are easier than ever!*



- Statewide lender network – Borrowers apply through approved lenders
- Quick approvals, quick closings

NORTH CAROLINA

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[www.nchfa.com](http://www.nchfa.com)

# *Learn more...*

**Go to [www.nchfa.com](http://www.nchfa.com) - click on Lenders**

## **Contact us:**

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# Leading the Future of Home

Affordable Products Solutions hosted by NC REALTORS

April 21, 2021

**ALL FOR HOME**

Freddie Mac  
Single-Family



# Speaker Introduction



Email: [James\\_Hall@freddiemac.com](mailto:James_Hall@freddiemac.com)

**James Hall**

Affordable Lending Regional Manager

James manages relationships with lenders, housing finance agencies, housing intermediaries and other key stakeholders on behalf of Freddie Mac, to educate and better serve, well deserving families.

# Making Home Possible for 50 Years

- Freddie Mac was [chartered by Congress in 1970](#) and operates in the Secondary Mortgage Market
- [Mission](#) to promote liquidity, stability, and affordability in housing – nationwide, in all economic conditions
- [Community mission](#)
  - Stabilize communities
  - Prevent foreclosures
  - Expand credit responsibly
  - Educate future homebuyers and counsel homeowners
  - Support affordable rental housing
- [Three main business lines](#)
  - Single-Family (1- to 4-unit for-sale properties)
  - Multifamily (5+-unit for-rent properties)
  - Capital Markets





# Leading the Future of Home

## Insights



Insights through research studies, thought leadership, speaking opportunities, expert contributions and data to position our clients and partners for success.

## Education



Events, training and financial literacy curricula to help better prepare borrowers for homeownership and to promote responsible and sustainable behaviors.

## Mortgage Products



Mortgage offerings that meet borrower needs and opportunities, now and in the future, to include: low down payment options, energy-efficient properties, factory-built housing and renovation mortgages.

## Business Solutions



Services, resources, tools and technologies that enable ecosystem professionals to serve as trusted advisors and to select the best possible option for their borrower.





# The Affordable Ecosystem

**It takes many hands to make home possible.**

Partnership and collaboration across the affordable ecosystem are critical to drive business opportunities and make the dream of home a reality for families.



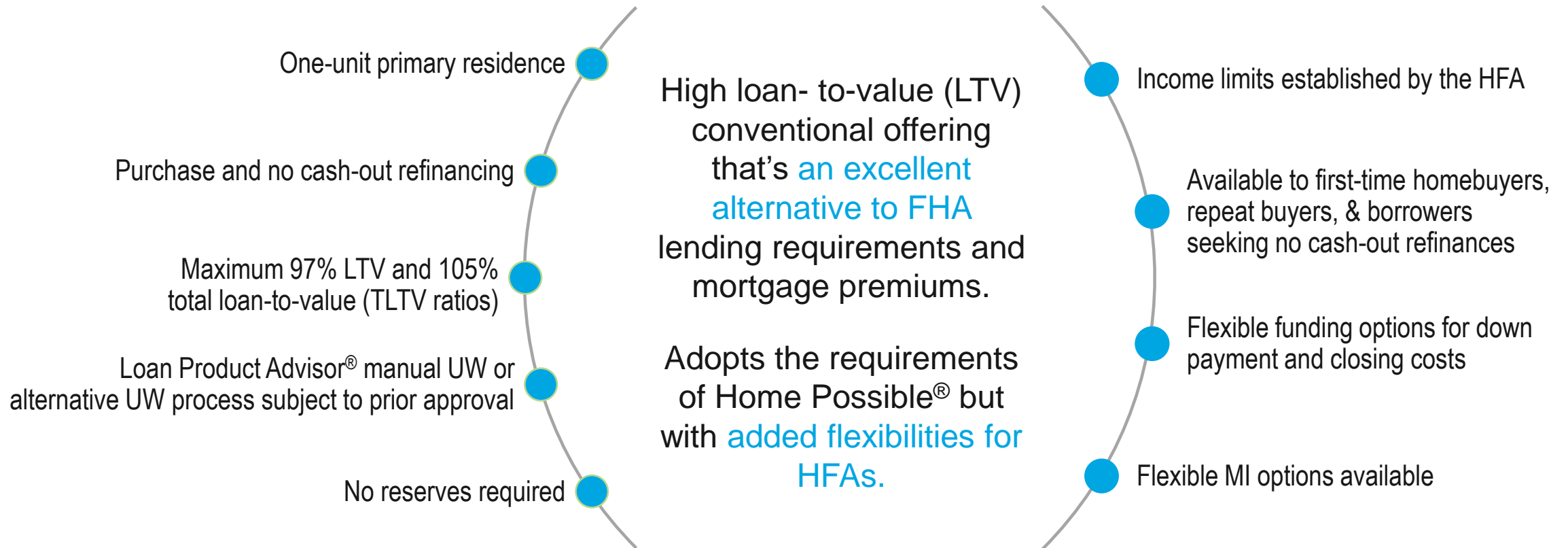
# Working with HFAs

- Freddie Mac provides HFAs with a source of liquidity and supports their service to low- and moderate-income borrowers
- Launched HFA Advantage<sup>®</sup> mortgage, our enhanced product for housing finance agencies, which includes:
  - 97% LTV, 105% TLTV (1-unit)
  - HFA income limits in lieu of Home Possible<sup>®</sup> Area Median Income limits
  - HFA determines homebuyer education requirements
  - Credit enhancement options including Charter-level mortgage insurance coverage
- Engage with master servicers who have relationships with smaller state and local HFAs
- Contact your state or local HFA for program details

# HFA Role and Impact

- For over 50 years, housing finance agencies (HFAs) have played a key role in the nation's affordable housing ecosystem
- HFAs serve low- and middle-income households, first time homebuyers, and other specialty segments
- HFAs have delivered more than \$450 billion in financing for the purchase, development, and rehabilitation of more than 7 million affordable homes and rental apartments

# HFA Advantage<sup>®</sup> Mortgage





# HFA Advantage<sup>®</sup> Mortgage – Mortgage Insurance

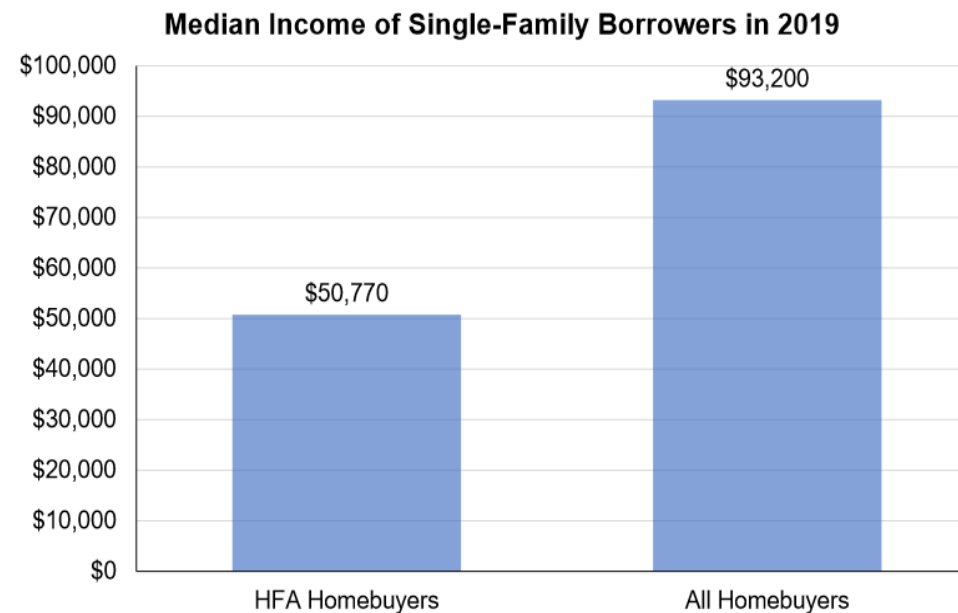
LTV Ratio	HFA Advantage Mortgage Insurance Coverage (Fixed rate only)	Standard Mortgage Insurance Coverage (Fixed rate, term >20 years)
Greater than 80% up to 85%	6%	12%
Greater than 85% up to 90%	12%	25%
Greater than 90% up to 95%	16%	30%
Greater than 95% up to 97%	18%	35%

# HFAs Reach Underserved Borrowers and Markets

6



## State HFAs Reach Underserved Borrowers and Markets



Sources: NCSHA, HUD, National Association of Realtors, Center on Budget and Policy Priorities



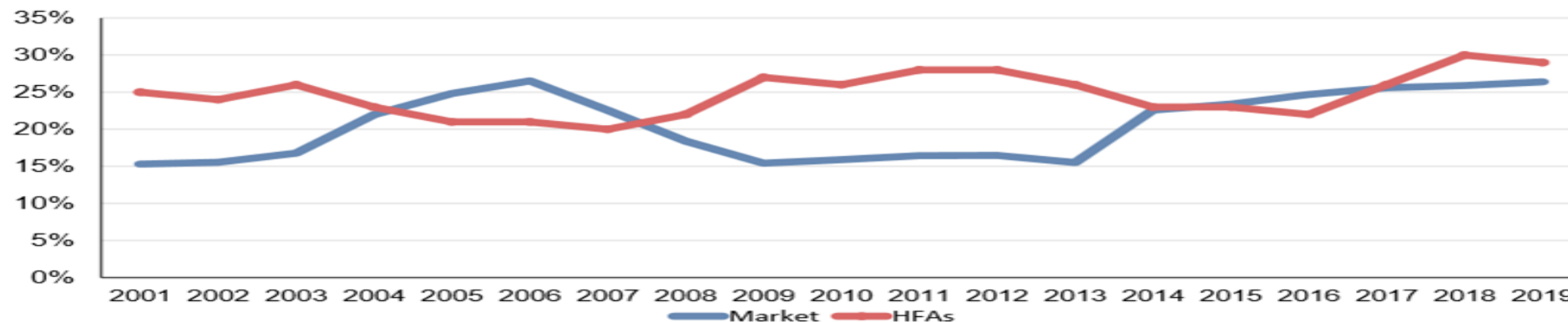
# HFAs Often Lead in Serving Borrowers of Color

5



## State HFAs Often Lead in Serving Borrowers of Color

Percentage of Mortgage Loans to Borrowers of Color



State HFAs are drivers of homeownership for borrowers of color, as reflected in the minority borrowers' shares of HFA homeownership financing in states such as:

- CA – 65 percent;
- DC – 79 percent;
- GA – 61 percent;
- LA – 56 percent; and
- TX – 77 percent.

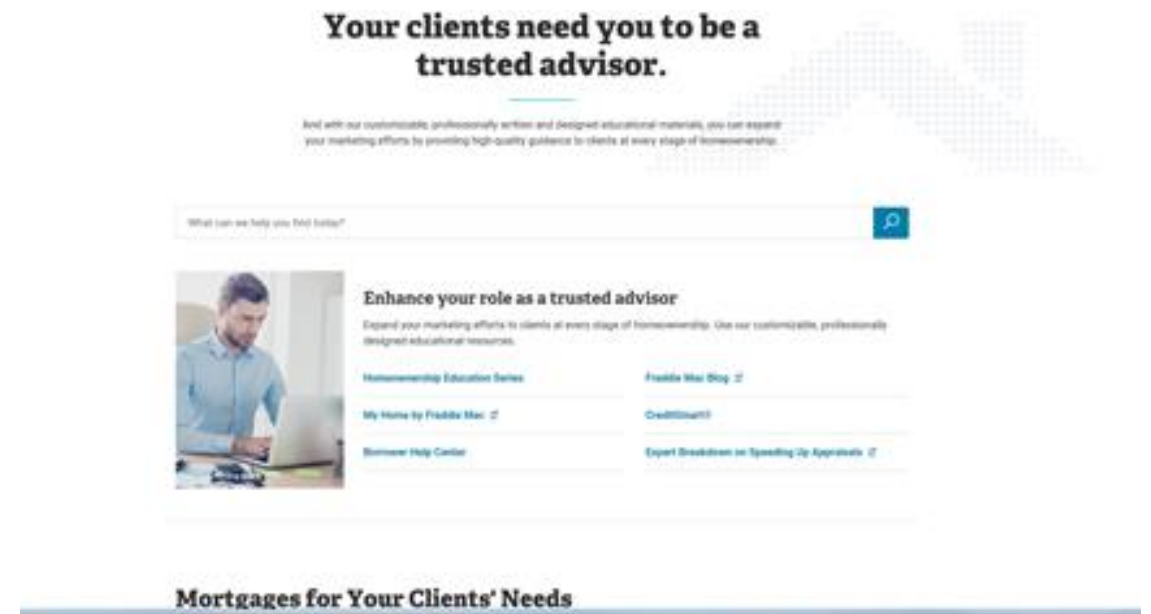
Sources: Home Mortgage Disclosure Act Data from Consumer Financial Protection Bureau, NCSHA

# Supporting Your Business with Freddie Mac Resources



# Real Estate Professional Resource Center

- Online resource center to help Real Estate Professionals grow their business with first-time homebuyers, low to moderate income buyers and within growing diverse communities
- Learn industry trends, inform on key topics that drive business and empower their clients
- Subscribe for news, events, thought leadership and resources



**Visit:** [SF.FreddieMac.com/working-with-us/real-estate-professionals/overview](https://SF.FreddieMac.com/working-with-us/real-estate-professionals/overview)



# CreditSmart® Financial Education

The CreditSmart® curriculum offers financial education modules to meet the diverse homeownership needs of consumers. It features topics such as credit, money management, homeownership, foreclosure avoidance and more.

- Free, online program on a flexible, interactive platform designed to be accessible from multiple access points
- Multi-lingual options available
- Also offered through webinars and in-person workshops (where available)



**Prepare future borrowers for sustainable homeownership**

**Use CreditSmart workshops to gain entry to community partners and future homebuyers**

**VISIT:** [SF.FreddieMac.com/working-with-us/creditsmart/overview/](https://SF.FreddieMac.com/working-with-us/creditsmart/overview/)

# CreditSmart® Homebuyer U

Homebuyer U is a part of the CreditSmart® suite that focuses on homebuyer education:

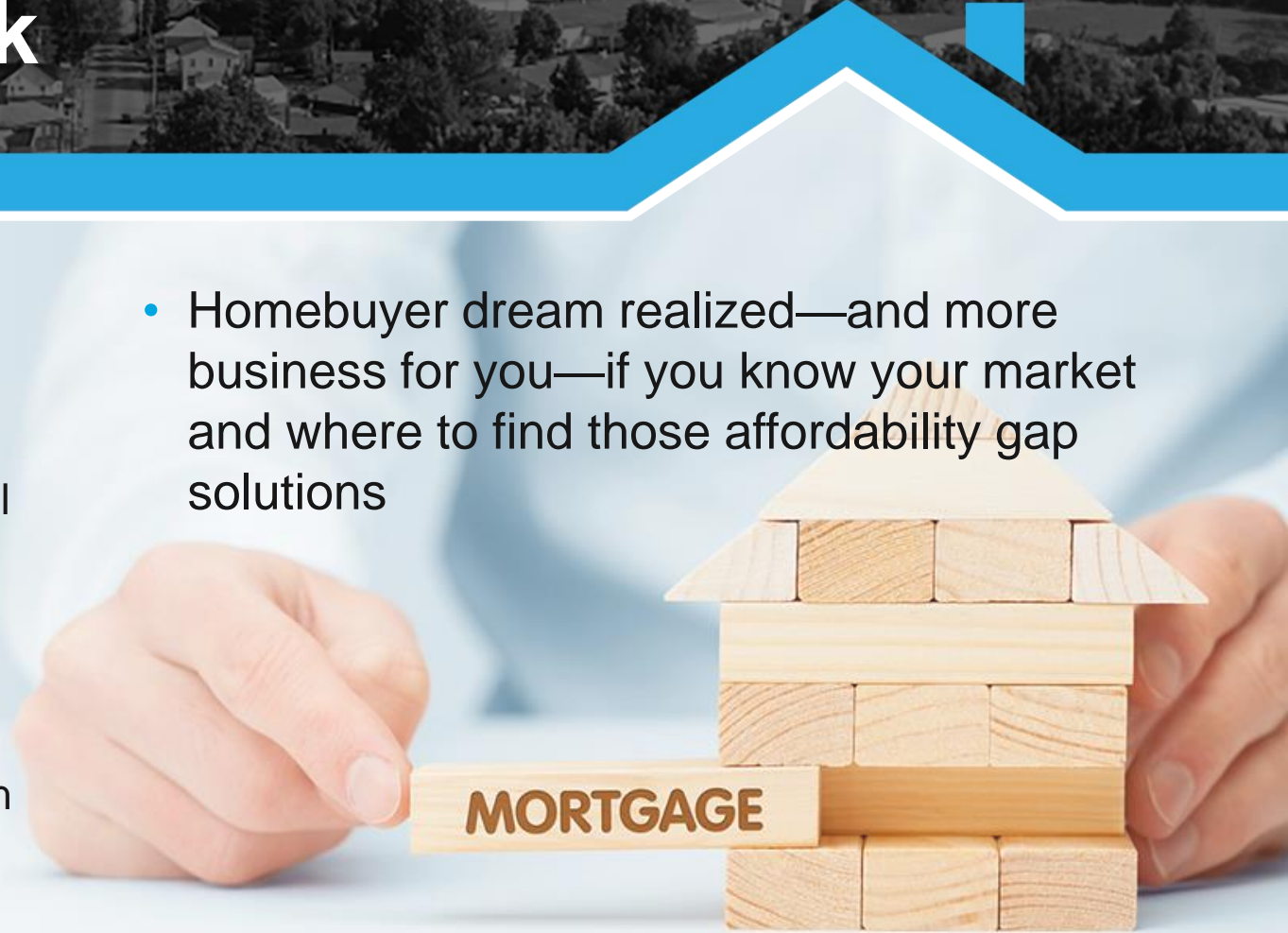
- Available as a self-paced, online program that fulfills first-time homebuyer education requirements for obtaining a Home Possible® or HomeOne<sup>SM</sup> mortgage
- Six modules, each focused on a learning principle including credit, money management, and how to sustain and preserve your home purchase investment
- Interactive presentation of material including knowledge checks, ability to start/stop, videos, and voiceovers to provide a user-friendly experience
- Offered in English only



**VISIT:** <http://www.freddiemac.com/CreditSmart/HomebuyerU>

# YOU Are the Critical Link

- **YOU** are the critical link to helping well qualified homebuyers achieve their homeownership objectives:
  - Provide access to credit; originate loans to the full extent of Freddie Mac's credit box
  - Utilize your mortgage finance expertise
  - Explain the process and dispel the 20% down payment myth
  - Identify and match available financial resources in your area (government, nonprofit, private sources) with a sustainable mortgage solution
  - Take advantage of Freddie Mac training and resources for yourself and your borrower
- Homebuyer dream realized—and more business for you—if you know your market and where to find those affordability gap solutions



Freddie Mac is here to help!



An aerial, black and white photograph of a suburban neighborhood. The scene shows a mix of single-story and two-story houses, many with gabled roofs, interspersed with large, mature trees. A street with a few cars runs through the middle of the neighborhood. In the background, a dense line of trees marks the horizon under a clear sky. The overall tone is peaceful and established.

# Thank You

# **Solutions for Attainable and Sustainable Affordable Homeownership**

Dennis Smith

Affordable Lending Manager

Single-Family Client & Community Engagement

# **Community Land Trust Mortgages (CLT)**

# Community Land Trust Mortgage Eligibility

## Community Land Trust Mortgages

Community land trusts create and preserve affordable homeownership opportunities by retaining ownership of land and leasing it under a long-term ground lease to homebuyers who purchase the improvements on the land (typically, houses) at prices below market rates.



### Eligible Property Types

1-unit primary residence that is not a manufactured home



### Eligible Borrower Types

Must be an eligible borrower under the CLT's program requirements



### Eligible Mortgages

- First-lien, conventional fixed-rate mortgages only, including Home Possible
- Purchase
- No cash-out and cash-out refinance

# Community Land Trusts in North Carolina

Community Land Trust	County
Asheville-Buncombe Community Land Trust	Asheville and Buncombe
Cape Fear Community Land Trust, Inc.	New Hanover
Community Home Trust CLT	Orange
Durham Community Land Trust	Durham
West Side Community Land Trust	Mecklenburg
Cape Fear Community Land Trust	New Hanover







# Preserving Affordable Homes Long-Term with Community Land Trust Mortgage

- Bolsters affordable homeownership opportunities
- Preserves housing affordability for the next owner
- Expands lending opportunities in support of shared equity mortgages
- Simplifies lender evaluation of subsidy providers, underwriting, and the appraisal process
- Helps ensure that homebuyers are prepared for successful homeownership
- Promotes collaboration to help borrowers who fall behind on their mortgage payments





**CHOICEHome® Mortgages**



# CHOICEHome

A residentially styled and constructed home that exceeds the aesthetic and features of many other HUD Code manufactured homes

- A target “all-in” home price from \$175,000 to \$250,000 –well below that of the average site-built homes
- Parity in financing with site-built homes
- An appealing option for many who have been priced out of the site-built market and/or have not previously considered factory-built housing



# CHOICEHome Features



Minimum roof pitch  
of 4/12 w/  
minimum 4" eaves

Low profile  
installation with  
perimeter  
mortared masonry  
blocking wall

Energy  
efficiencies  
including  
insulation  
minimums,  
low-E  
windows,  
programmable  
thermostat

>1,000 sq. ft.  
gross living  
space of

Drywall  
throughout  
interior



# Why Freddie Mac CHOICEHome Financing?

- Conventional site-built financing for real-property, factory-built homes
  - Up to 97% LTV for qualifying homebuyers
  - Loan terms up to 30 years
- Features comparable to site-built homes
- Homes eligible for CHOICEHome financing must meet Freddie Mac-approved specifications. They
  - provide quality, durability and stability
  - are energy efficient
  - allow for customization
  - blend into any site-built community

Factory-built homes eligible for CHOICEHome financing are identified with a CHOICEHome label indicating it meets prescribed specifications

**CHOICEHome®** Freddie Mac

The Manufacturer of this home, shown on the HUD Certificate, certifies that as of the date of manufacture this home meets the manufacturing eligibility requirements of CHOICEHome®.

CHOICEHome® is a Freddie Mac program for manufactured housing mortgage loans.

**Homeowner:** Do not remove or damage this notice. This notice is required to identify this home for participation in the CHOICEHome® program for refinance or purchase.

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**CHOICEHome® Number:**

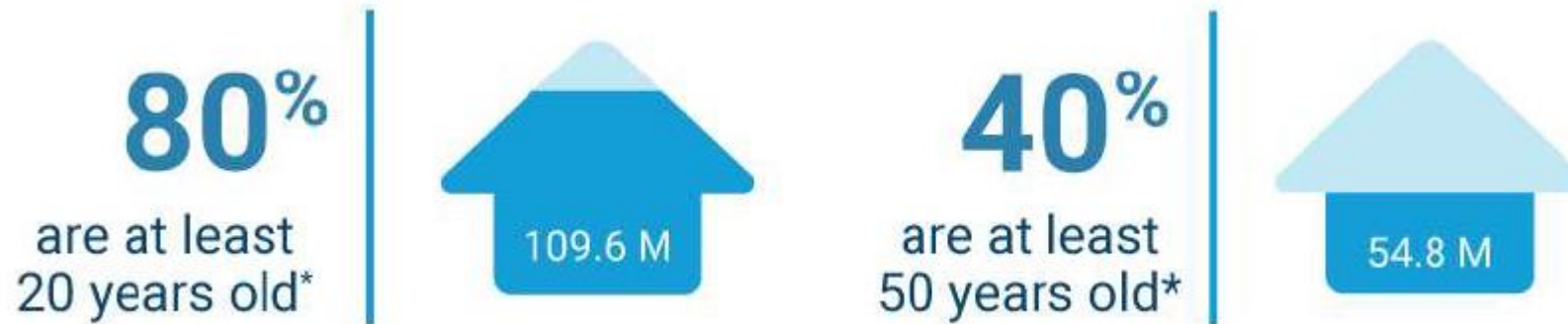
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# **CHOICERenovation® Mortgages**

# DID YOU KNOW?

## Today's Housing Supply is aging.



\*Based on the nation's 137 million homes; Harvard Joint Center for Housing Studies



# CHOICERenovation<sup>®</sup>

- Uses for CHOICERenovation Mortgage Proceeds
  - ✓ Renovate or repair property
  - ✓ Fund up to 6 monthly payments of principal, interest, taxes and insurance (PITI)
  - ✓ Pay soft costs related to permits, plans and specifications, draw inspections
  - ✓ Pay for resiliency upgrades, including retaining walls, foundation retrofitting, storm surge barriers

**charming...  
vintage gem...  
hidden potential...**

If any of these terms are used to describe your current home or the home you're hoping to purchase, it's now easier than ever to finance your home renovations.



## **CHOICERenovation:**

Freddie Mac's solution for the growing home improvement market that includes the renovation costs in the mortgage loan amount.

- Finances the cost of renovations up to 75% of the “as-completed” value of property; can draw 50% of the material costs at closing
- Allows a single closing on renovations and home purchase or no cash out refinance with no interim financing
- Requires a minimum contingency reserve of 10% of the financeable repair and improvement costs to be held in an escrow account; 15% for non-working utilities
- Supports a broader range of renovations and greater amount of financing



# Eligible Renovations

1. Proceeds must only be used to finance renovations that are made to an existing dwelling.
2. Proceeds may be used to renovate or repair a property that has been damaged in a disaster or for renovations that will protect the mortgaged premises in case of a future disaster (e.g., storm surge barriers, foundation retrofitting for earthquakes, retaining walls, etc.)
3. Proceeds may not be used to raze an existing structure and build a new dwelling.
4. Proceeds may not be used for personal property with the exception of new appliances.

Renovations must comply with all applicable state and local laws and regulations, including zoning regulations. All required permits and approvals must be obtained.



# **GreenCHOICE® Mortgages**

## Did You Know?

- More than half of a household's energy usage goes toward heating and cooling
- Energy- and water-efficiency improvements help lower the cost of homeownership and make the home more comfortable, while using fewer natural resources.
- National Association of Home Builder's latest edition of "What Home Buyers Really Want" cited energy-efficient features among the top "must-haves" for today's homebuyer







# GreenCHOICE Mortgages<sup>SM</sup>

Our Solution for Energy-Efficient  
Home Improvements

**Affordable financing solution for energy and water efficiency improvements**



Finance energy and water efficiency improvements or repairs through the **refinance of an existing home**



**Purchase a home** and finance into the mortgage expenses for future energy and water efficiency improvements





# Product Features



Ability to finance the cost of energy-and/or water-efficiency improvements  $\leq 15\%$  of the as-completed value of the property



Single closing; ability to close the mortgage before improvements are completed



Combine with our low down payment offerings: Home Possible®, HomeOne<sup>SM</sup>, HFA Advantage®



Up to 97% LTV or 105% TLTV for Home Possible transactions



Open to all Freddie Mac sellers



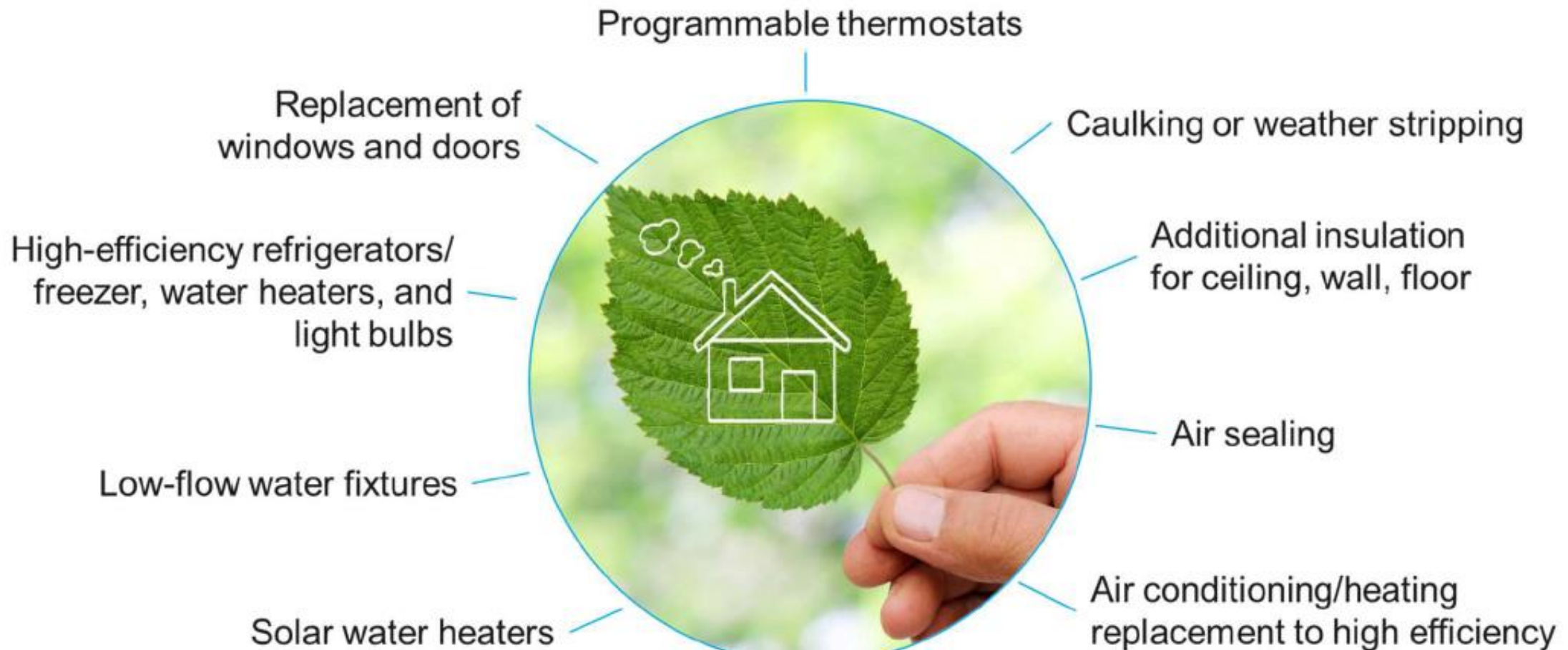
Receive a \$500 credit to credit fees in price when loan is delivered



Ability to pay off existing debt incurred for energy-efficiency improvements with a refinance transaction

# Eligible Basic Energy-efficiency Improvements

Energy Audit not required for basic improvements not exceeding \$6,500 such as:





# Solar Panels and Energy Audits



## An energy report is not required

- The cost effectiveness may be demonstrated by obtaining the invoice for the cost of the solar panels and comparing the cost of the panels to the income produced over the life of the panels
- When the income produced exceeds the net cost (including any tax credits and rebates) of the solar panels, the cost effectiveness of the panels has been demonstrated

# Low Down-Payment Mortgage Products

## Home Possible®

- First-time homebuyers and homebuyers with very low to low incomes
- Down payment as low as 3%
- Flexible down payment and closing funding options
- Non-occupying co-borrower who is not part of the household is allowed

## HomeOne<sup>SM</sup>

- First-time homebuyers who need low down-payment options; no income restrictions
- Down payment as low as 3%
- All borrowers must live in the home
- Fixed-rate terms only

## HFA Advantage®

- Based on Home Possible underwriting requirements
- 1-unit primary residence; all borrowers must occupy
- State/Local HFA's down payment assistance and guidelines
- Minimum MI coverage required



## Benefits of CLT's, CHOICEHome, CHOICERenovation and GreenCHOICE Mortgages

- Expand the pool of affordable homes to show your clients
- Give clients confidence to be open to a home's potential, see beyond its existing state
- Increase sustainable homeownership opportunities
- Contribute to improving home values and your community

# Loan Programs

*Enjoy the  
Benefits of*

***HOMEOWNERSHIP!***



# Our Way is the **FAIR** Way

## We keep the process as simple as possible by:

- Providing application options — in person, over the phone, securely online or through our mobile app
- Offering loan options to meet your financial needs and goals – Purchase, Refinances, Renovation & Reverse
- Helping you make informed decisions by educating you about your loan options
- Guiding you through the entire loan process from the application to closing and beyond
- Continuous communication throughout the key milestones along the way

## Fairway offers a wide range of financing options, including:

- Fixed-rate and Adjustable-rate mortgages (ARMs)
- FHA, VA\*, Conventional, and Rural Housing Program (USDA)\*\*
- Loans for first-time homebuyers including
  - Various DPA and MCC options in our strong partnership with NCHFA and local DPA Agencies
  - 0% down payment options with Rural Housing Program (USDA)\*\*
- Jumbo financing with multiple investor options

\*VA loans subject to individual VA Entitlement amounts and eligibility, qualifying factors such as income and credit standards, and property limits. Fairway is not affiliated with any government agencies. These materials are not from VA, HUD or FHA, and were not approved by VA, HUD or FHA, or any other government agency. These materials are not from VA, HUD or FHA, and were not approved by VA, HUD or FHA, or any other government agency. \*\*USDA Guaranteed Rural Housing loans subject to program stipulations and applicable state income and property limits.



# CONVENTIONAL Freddie Mac Overview

## Maximum mortgage amount

- North Carolina: \$548,250 for a one-unit
- Camden, Pasquotank, Perquimans Counties: \$625,500 for a one-unit
- Higher amounts may be available for multi-unit properties

## Down Payment Requirements

### Primary Residence

- As little as 3%.
- 20% or more, you can avoid private mortgage insurance (PMI)

**Second/Vacation Home:** 10%

**Investment:** 15% - 25% based on property type and unit count.

## PMI

- PMI is based on credit score and down payment
- 2 years minimum to drop at 78% of original value or 80% with a new appraisal
- Reduced premiums with some programs

## Seller concessions

- 9% for LTV/CLTV\*  $\leq$  75%.
- 6% for LTV/CLTV 75.01%–90%
- 3% for LTV/CLTV > 90%
- Investment properties have a maximum 2% concession

\*Loan-to-Value (LTVs) and Combined Loan-to-Value (CLTVs) may vary by loan amount.





# CONVENTIONAL Freddie Mac Overview (CONT.)

## Qualifying

- Ratios determined by automated underwriting system Loan Prospector (LP)
- Student Loans: .5% of balance or IBR plan

## Credit score requirements

- Fairway requires a minimum 620 FICO
- No score options are available for Borrowers lacking traditional credit

## Gift funds

- Gift funds are allowed for the down payment or closing costs
- Acceptable Donors:
  - relative related by blood, marriage, adoption or legal guardianship.
  - fiancé, fiancée, or domestic partner
- Ease of transfer – wired to the attorney at the time of closing.

## Miscellaneous

- No sales price restrictions
- No income restrictions except for specialized programs
- No location restrictions



# INTRODUCING: Home Possible and HomeOne

## Home Possible

- 620 minimum score
- Homeownership counseling required for FTHB
- **Income limit < 80% AMI for property location**
- **3% down payment (5% for No FICO score)**
- **Reduced PMI coverage**
- Primary residence only
- No Manufactured homes
- **Non-Occupant Co-Borrower allowed**
- Reserves determined by LPA

## HomeOne

- 620 minimum score
- Homeownership counseling required for FTHB
- **NO income limit**
- 3% down payment
- **Normal/customary PMI coverage**
- Primary residence only
- No Manufactured homes or **2-4 Unit Properties**
- Non-Occupant Co-Borrower NOT allowed – **All borrowers must reside in the home.**
- Reserves determined by LPA



# Access Exclusive Assistance with **Freddie Mac BorrowSmart<sup>SM</sup>**

  
**Freddie Mac**  
Single-Family

## Program Highlights:

- Assistance funds can be used for required down payment, closing costs and/or reserves and do not have to be repaid.
- Assistance funds can be used in conjunction with other down payment assistance (DPA)\* programs.
- The moderate-income program (greater than 80% and less than or equal to 100% AMI and be located in a high needs area) will equate to \$1,000 in down payment/closing cost assistance.\*
- The low-income program (greater than 50% and less than or equal to 80% AMI) will equate to \$1,000 in down payment/closing cost assistance.\*
- The very low-income program (less than or equal to 50% AMI) will equate to \$1,500 in down payment/closing cost assistance.\*
- This program is available in Alabama, Arizona, Arkansas, California, Delaware, District of Columbia, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Virginia, Washington, West Virginia and Wisconsin.
- Pre-purchase homebuyer counseling is required for all borrowers.
- Assistance funds are eligible for use with home affordable agency direct products (fixed-rate and adjustable-rate mortgage products).

Note: Loan approval is subject to credit approval and program parameters. Freddie Mac BorrowSmart<sup>SM</sup> can only be used in conjunction with a Freddie Mac Home Possible<sup>®</sup> or HomeOne<sup>SM</sup> first mortgage. Pre-purchase counseling session is required. GreenPath/HPF will provide counselor information; fee of \$99 must be paid by borrower.



# Maximizing Assistance Options: *Say Whaaat?*

## BASE LOAN PROGRAMS

### **USDA: 0% down**

- Income Limits based on family size
- Household income considered
- 41% Max DTI Ratio
- Reserve requirement
- .5% Student Loan Payment/IBR
- Reduced USDA fee in PITI
- Guarantee fee

### **FHA: 3.5% down**

### **Conventional: 3% down**

### **VA: 0% down**

Base eligibility requirements must be met for all loan programs.

Processing times vary between programs and Agencies.

## Other **North Carolina** DPA Options

- House Charlotte – up to \$17k
- City of Concord – up to \$7,500
- Town of Davidson – up to \$10k (\$15k for Davidson Public Service Employees)
- City of Gastonia – up to \$10k
- City of Greensboro – 20% of purchase price up to \$10k
- City of Kannapolis – up to \$5k
- City of Monroe – 10% of purchase price up to \$7,500
- Guilford County Homebuyer DPA: lesser of 20% of price up to \$10k
- Mountain Housing Opportunities – up to \$40k
- NC Realtor Housing Foundation Grant - \$1k
- BorrowSmart – up to \$1,500
- Unifour Consortium – 20% of purchase price up to \$30k
- CPLP – 20% of purchase price up to \$30k

Each program has it's own set of income limits, sales price limits, property eligibility and other qualifying requirements.

Underwrite to the most restrictive program.







### FHLMC CHOICERenovation

- An FHLMC CHOICERenovation loan allows for a 95% LTV.
- The file will be run through automated underwriting using Loan Product Advisor (LPA).
- Eligible property types:
  - 1- to 4-unit primary residences
  - 1-unit second homes
  - 1-unit investment properties

Finance the home of your dreams and include the cost of the renovations! Replace your roof, plumbing and electrical or add new flooring, repaint and update your kitchen and bathrooms. Create an outdoor living area to make all your neighbors **GREEN** with envy. At Fairway Independent Mortgage Corporation, we will help you find the right loan option to fit your needs.





## HELPFUL "DOs AND DON'Ts" WHEN APPLYING FOR A MORTGAGE



### DOs

**DO** Keep originals of or be able to access all pay stubs, bank statements and other important documents on employer/bank websites.

**DO** Provide your earnest money deposit from your own personal bank account or acceptable gift funds. Please talk to your Loan Officer or Loan Coordinator for additional clarification. This will present a very difficult problem if not managed properly in the beginning.

**DO** Provide all documentation for the sale of your current home, including the sales contract, the closing statement and an employer relocation/buy-out program, if applicable.

**DO** Notify your Loan Officer or Loan Coordinator if you plan to receive gift funds for closing. Gift funds are acceptable only if certain criteria are met. Advances from credit cards for down payment/closing costs are never acceptable.

**DO** Notify your Loan Officer or Loan Coordinator of any employment changes such as a recent raise, promotion, transfer or change of pay status (for example, salary to commission).

**DO** Be aware that a new credit report could be pulled just prior to closing.



### DON'Ts

**DON'T** Close or open any asset accounts or transfer funds between accounts without talking with your Loan Officer about the proper documentation required for your loan. For example, before transferring all funds from your savings to your checking, check with your Loan Officer.

**DON'T** Deposit any monies outside of your automated payroll deposits, particularly cash or sale of personal property, without notifying your Loan Officer or Loan Coordinator. Many guidelines require substantial documentation as to the source of these deposits.

**DON'T** Change jobs/employers without inquiring about the impact this change might have on your loan.

**DON'T** Make major purchases prior to or during your contract, such as a new car, furniture, appliances, etc. as this may impact your loan qualification.

**DON'T** Open or increase any liabilities, including credit cards, student loans or other lines of credit during the loan process as it may impact your qualifying loan amount.





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