



Product Guide
GOLD - Government

OHFA Homebuyer Down Payment Assistance Loan Program provides first mortgage financing and down payment assistance to eligible mortgagors. OHFA’s mission is to provide housing opportunities for moderate income individuals and families within the State of Oklahoma.

This **GOLD** product notice is provided to each Lender known by Oklahoma Housing Finance Agency (OHFA) that is doing business with originating offices in the State of Oklahoma. Lenders have the necessary qualifications to participate with OHFA and have been approved by OHFA Homebuyer Down Payment Assistance Loan Program. This product guide is not a substitute for the First Mortgage guidelines per Federal Housing Administration (FHA), Veterans Affairs (VA), Rural Development (RD) and HUD/Office of Native American Programs (ONAP).

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| ISSUER AND REVIEW AGENT: | |
| Oklahoma Housing Finance Agency 100 NW 63 rd , Suite 200 Oklahoma City, Oklahoma 73116 405-419-8207 or 1-800-256-1489 Ext 8207 | OHFA is an instrumentality of government EIN Number: 73-0999618 Oklahoma Housing Finance Agency is exempt from Qualified Mortgage (QM) and Ability to Repay (ATR) |
| Valentia Doolin | |
| Director of Homeownership valentia.doolin@ohfa.org 405-419-8156 | WEBSITE AND LINKS: www.ohfa.org/Lenders ohfaratelock@ohfa.org – Loan review email ohfaratelock@ohfa.org – Loan rate lock email |

TAX EXEMPT - MORTGAGE REVENUE BOND (MRB) REQUIREMENTS

- **SUBJECT TO RECAPTURE TAX FOR THE FIRST NINE YEARS OF OWNERSHIP:**
 - Recapture Tax is a federal law, administered by the IRS that applies to mortgagors who buy their homes using MRBs. This requires repayment of a portion of the gain upon sale of the home, under specific circumstances. Recapture Tax can never exceed 50% of the gain.

- **ELIGIBLE HOMEBUYERS:**
 - First Time Homebuyers (FTHB) are those borrowers who have not had an ownership interest in their primary residence at any time during the three (3) years preceding their date of application of a mortgage loan under this product.
 - Loans must also be made to First Time Homebuyers (FTHB) unless the mortgagor is obtaining a mortgage loan on a residence located in a Targeted Area – Exhibit H-2A.
 - Co-Signors are permitted – co-signors will never occupy the property, will only guarantee the Note, and must meet the minimum credit criteria. Income for co-signors is not included in annualized household monthly income. Cosigner will not execute the purchase contract or security instrument, nor will they be in title.

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DOWN PAYMENT ASSISTANCE AND APPLICATION

- 3.50% Down Payment Assistance
- Zero percent (0%) interest, Zero (0) monthly payment, Second Mortgage filed on property
- DPA SECOND MORTGAGE DUE ON:
 - Maturity of the First Mortgage
 - Sale or Refinance of the First Mortgage
 - Transfer of Ownership or Primary Residency Status
- DPA calculated on Total Loan Amount and/or Note Amount
- Application of down payment assistance (DPA) provided in connection with GOLD Govt is to be determined after taking into consideration the extent which the seller is obligated to pay any portion of the closing costs as provided in the related real estate sales contract
- DPA second mortgage is funded at closing along with first mortgage funds by participating Lender
- APPLICATION OF DPA:
 - First, towards meeting minimum down payment requirement applicable to the first mortgage loan originated
 - Second, toward “normal and customary” closing costs
 - Third, towards reduction of first mortgage loan principal balance
 - Max allowed for the Down Payment Assistance is 3.50% of the total loan &/or note amount. No portions of the DPA funds can be paid to the borrower unless the borrower is being reimbursed for allowed fees associated with the first mortgage loan. This includes additional gift funds from a family member.
 - Allowed reimbursable fees: earnest money, credit report and appraisal fee
 - A principal reduction of the first mortgage loan will be required if any DPA and/or gift funds from any allowable source(s) are remaining after reimbursement of allowable fees

MORTGAGE PRODUCTS AND PROGRAMS

- FHA –Fixed Rate Section 203(b) and 234(c)
- VA – Fixed Rate
- USDA – RD – Fixed –Rural Housing Guaranteed Loan
- HUD Section 184 Indian Home Loan Guarantee Program
 - Minimum middle credit score 660
 - Maximum ratios are 31%/41%
 - **No** Condo’s, Townhomes and Manufactured Housing allowed
 - Follow HUD Section184 underwriting guidelines
- REFINANCE:
 - No mortgage loan may replace an existing mortgage loan except for construction period, bridge loans or similar temporary financing having an original term of 24 months or less. Once mortgagor occupies home as primary residence then the construction loan is ineligible for the refinance.
- REDUCED INTEREST RATES: Borrowers meeting the criteria below receive a reduction of .125% from the posted GOLD Government rate
 - OHFA 4TEACHERS:
 - ✓ Must hold a current Oklahoma State Department of Education Teaching Certificate. Borrower is currently under contract with any Oklahoma Accredited Public School and/or Private/Parochial School.

MORTGAGE PRODUCTS AND PROGRAMS (CONT.)

- OHFA SHIELD:
 - ✓ First Responders are those individuals with specialized training who are among the first to arrive and provide aid at the scene of an emergency.
 - ✓ Firefighter – currently employed as a firefighter with a department of an Oklahoma municipality or individuals currently representing a volunteer department as a volunteer firefighter.
 - ✓ Police Officer – currently employed in law enforcement by an Oklahoma municipality or individuals that serve as volunteer law enforcement officers or reserve law enforcement officers; and are CLEET certified (police officers, patrol officers, sheriffs, and other government law enforcement agency personnel)
 - ✓ Emergency Medical Services (EMS) – currently employed by an EMS provider, such as EMT's and Paramedics

- OKLAHOMA STATE EMPLOYEES – OSE:
 - ✓ Must be currently employed by an agency of the State of Oklahoma (complete list of agencies can be found at <https://www.ok.gov/portal/agency.php>)

TERMS

- Purchase Price: \$349,525 Non-Target and \$427,198 Target; contract sales price cannot exceed the maximum permissible acquisition purchase price limit per Exhibit H-2A
- Must be owner/borrower occupied as primary residence within 60 days of closing
- Loans securitized by GNMA – Ginnie Mae
- 30-year amortization
- Security – First Lien, Zero percent (0%) interest, subordinate Second (2nd) Lien
- Fee simple
- No prepayment penalty
- Assumability – A mortgage loan may be assumed by a subsequent homebuyer only if all eligibility requirements of the new mortgagor, the residence, the mortgage loan, and all other product requirements are satisfied at the time of assumption as if the mortgage loan was being originated for the first time. All assumptions must be submitted to OHFA for Compliance Review and written approvals by all applicable parties must be obtained prior to closing.

PROPERTY TYPE AND ELIGIBILITY

- Primary owner/borrower-occupied residence only - Must **NOT** be used by owner/borrower as an investment property, rental property or as a recreational, vacation or second home
- Properties must be in the State of Oklahoma
- 1 – Unit
- Condominiums – FHA only – refer to US Bank HFA Division Guidelines
- New and existing single-family homes
- Manufactured Housing
 - FHA only
 - Multi section
 - Must meet US Bank guides for Manufactured Housing – posted on US Bank's website
 - Minimum middle credit score: 660
 - DTI: 45%
 - **NO manual underwrites**

INCOME REQUIREMENTS

- All GOLD loans utilize the **annualized total household gross monthly income** of the mortgagor(s) and may not exceed the maximum permissible family income per the Exhibit H-1A. (Effective: June 1, 2022)
- Current Year-to-Date income calculated monthly and then annualized for 12 months. This includes overtime, SSI, child support, etc. (Gross before taxes & deductions)
- Self-employed income is calculated using the Net Income as shown on current YTD P&L Statement.
- Income includes all household occupants aged 18 years and older
- These income limits are based on the IRS Code restrictions relating to Tax Exempt Mortgage Revenue Bonds
- It is the Lender's responsibility to ensure the borrower's income does not exceed the maximum income limits per the products

UNDERWRITING – DEBT TO INCOME – CREDIT SCORE

- All loans must meet standard FHA, VA, USDA-RD and HUD Section 184 underwriting guidelines, credit eligibility, Loan to Value (LTV) and appraisal standards. All borrowers' contributions toward the purchase must meet product guidelines and underwriting standards.
- Automatic underwriting – DU, LPA or Rural Development GUS with Approve/Accept
- DPA should be entered in AUS as Zero Percent (0%), \$0.00 monthly payment, subordinate mortgage from State Agency – meets Community Second Guidelines set as a Silent Second
- All borrowers must meet a minimum credit score and DTI for first mortgage

| Effective – 02/10/2023 | Property | Minimum Middle FICO | Maximum DTI | Reserves |
|------------------------|----------|---------------------|-------------|----------------|
| FHA, VA & USDA-RD | 1 unit | 640 – 679 | 45% | AUS determines |
| FHA, VA & USDA-RD | 1 unit | 680 | 45.01 – 50% | AUS determines |
| Manufactured Housing | 1 unit | 660 | 45% | AUS determines |

- **MANUAL UNDERWRITE:**
 - Loans can be manually underwritten if the lender receives a Refer/Eligible or if the borrower(s) has ZERO/NO credit scores. **Must adhere to agency/US Bank guidelines maximum housing and debt-payment to income ratio – with minimum reserves of 2 months PITI for all loan types**

| Effective – 1/3/2023 | Property | Minimum Middle FICO | Housing Ratio | Total Debt | Reserves |
|----------------------|----------|---------------------|---------------|------------|-------------------------|
| FHA | 1 unit | 640 | 31% | 43% | Refer Eligible/2 months |
| VA | 1 unit | 640 | - | 41% | Refer Eligible/2 months |
| USDA-RD | 1 unit | 640 | 29% | 41% | Refer Eligible/2 months |
| HUD Section 184 | 1 unit | 660 | 31% | 41% | Refer Eligible/2 months |

UNDERWRITING – DEBT TO INCOME – CREDIT SCORE (CONT.)

- OHFA UNDERWRITING OVERLAYS:
 - Homebuyer Education **NOT** required
 - 10 Acre Limit
 - Additional Second Mortgages or lien of any kind, from other entities not allowed
 - Mortgage Credit Certificates not allowed
 - Originating lenders are required to re-purchase defective mortgage loans
 - Multiple OHFA loans not allowed
 - Not allowed to be used as rental or vacation home, co-op, or investment home

HAZARD INSURANCE COVERAGE

- HAZARD INSURANCE COVERAGE FOR 1-2 FAMILY PROPERTIES, PUD'S & CONDOMINIUMS
 - Amount of Coverage – If the policy does not indicate guaranteed replacement or 100% full replacement cost of the insurable improvements, the insurance limits must at least equal the higher of:
 - The unpaid principal balance (UPB) of the first mortgage
 - 80% of the full replacement cost of the insurable improvement
 - **IMPORTANT NOTE:** The coverage must not exceed the replacement cost of the insurable improvements even when the UPB exceeds the replacement cost.
 - Type of Coverage – Must be all risk or named perils with extended coverage
 - Maximum Deductible for:
 - FHA & VA loans – Deductible does NOT exceed the greater of \$2,500 or 2.5% of the face amount of the policy
 - USDA-RD loans – Deductible does NOT exceed the greater of \$1,000 or 1% of the face amount of the policy unless state law requirement differ
 - See Condominium Project Review – Policies and Procedures – Insurance Requirements for on Walls in H06 Insurance refer to 711.12 FHA - Eligible Properties, 712.13 VA – Eligible Properties and 715.12 USDA-RD – Eligible Properties

LOCKING – RESERVING - PRICING

- LOCKING/RESERVING:
 - All loans are locked/reserved through OHFA Lenders Login located under Lenders Login tab or the Lenders/Realtors tab on our website
 - Print Loan Confirmation (LC) & Lender Review Certification (LRC) for your records
 - **As the exception to the rule**, OHFA can/will lock/reserve loans for lenders, if needed. Email URLA/1003, with census tract, program, rate, credit score(s), year built and estimated closing date to ohfaratelock@ohfa.org. Once loan is locked/reserved the Loan Confirmation (LC) and Lenders Review Certification (LRC) will be emailed to lender of record
 - Guaranteed rate coverage 4pm or overnight until rate change at 10am the next day
- FEES:
 - Investor Funding Fee* of \$400 (reflected in Box A of the LE & CD)
 - Tax Monitoring Fee* of \$84 (reflected in Box A or B of the LE & CD)
 - No Review Fee is charged by OHFA

LOCKING – RESERVING - PRICING (CONT.)

*The Investor Funding Fee and Tax Monitoring Fee should not have “Bond”, “OHFA”, “HFA”, “Agency” or “US Bank” associated with it on the LE or CD. These fees are the Lender’s fees until US Bank purchases the loan; and are never OHFA’s fees.

- **INTEREST RATES:**
 - OHFA daily rates are effective at 10 am CST. Rates will be emailed to lenders and placed on OHFA website–www.ohfa.org/interest-rates under Lenders, Lender Program Guidance.
 - Rates are subject to change based on secondary market
 - Lenders will be given a one (1) hour notification of rate change before being subject to the new interest rate

- **LENDER SRP PRICING:**
 - Reservation to 75 days - purchase: 102.00%
 - 76 days - 90 days purchase: 101.75%
 - 91 days - 120 days purchase: 100.75%
 - 1.00% Origination allowed – Lenders’ Option

OHFA’s additional verbal/email approval required to US Bank on closed loans purchased after 121 days from reservation - Price: 100.25%

All loans must be delivered to US Bank for purchase. Lender SRP pricing above details reservation to purchase for the appropriate service release premium.

REVIEW, APPROVAL AND CLOSING

- **ELECTRONIC SIGNATURES ARE ALLOWED ON ALL OHFA DOCUMENTS:**
 - Must be certified electronic signatures
 - Script or Cursive type font is NOT allowed

- **LOAN REVIEW:**
 - Email loan documents to ohfaratlock@ohfa.org
 - Subject Line: OHFA Loan number, Borrower Last Name, and the word “Review”
 - OHFA Documents:
 - ✓ OHFA Loan Confirmation
 - ✓ OHFA Lender’s Review Certification
 - ✓ Loan Transmittal
 - ✓ Uniform Residential Mortgage Application
 - ✓ Purchase Contract
 - ✓ OHFA Partial Exemption Disclosure (replaces LE on 2nd Mtg)
 - ✓ Loan Estimate
 - ✓ Three years validation of residency: Verification of Residency **OR** Credit report reflecting 3-years residential (rental) verification. One or a combination of the above must cover three years residency history preceding their date of application of a Mortgage Loan.

- **LOAN CONDITIONS/DEFICIENCIES:**
 - Email only the document or page of a document that is required to be submitted or corrected (not the entire loan package again)
 - Subject line: OHFA Loan number, Borrower Last Name, and the word “Conditions”



REVIEW, APPROVAL AND CLOSING (CONT.)

- OHFA LOAN APPROVAL:
 - ❖ OHFA issues Approval/Award Letter
 - ❖ OHFA issues Down Payment Assistance Letter – Second Lien
 - ❖ OHFA issues Mortgage Revenue Bond (MRB) Disclosure (delivered to borrower(s))
 - ❖ OHFA issues Mortgagor’s Closing Certification
 - ❖ All documents are sent/mailed to lender of record

- LENDER LOAN CLOSING:
 - Fund OHFA DPA Second Mortgage along with First Mortgage Loan
 - OHFA Down Payment Assistance Letter – Second Lien executed at closing
 - OHFA Mortgagor’s Closing Certification executed at closing
 - OHFA Partial Exemption Disclosure executed at closing (replaces CD for 2nd Mtg)
 - OHFA Subordinate Mortgage executed at closing
 - OHFA Promissory Note executed at closing
 - OHFA Tax Exempt Rider executed at closing and recorded with the first mortgage
 - OHFA Notice of Potential Recapture Tax executed at closing
 - OHFA Mortgagor Affidavit and Certification – Reaffirmation of Mortgagor executed at closing
 - OHFA Mortgagor Revenue Bond (MRB) Disclosure delivered to mortgagor(s) at closing

- POST CLOSING (within 5 business days of closing provide all the following):
 - Email loan documents to ohfaratelock@ohfa.org
 - ✓ Copy of executed Closing Disclosure
 - ✓ Copy of executed Mortgagor’s Closing Certification
 - ✓ Copy of executed Down Payment Assistance Letter – Second Lien
 - ✓ Copy of executed Partial Exemption Disclosure (replaces CD for 2nd Mtg)
 - ✓ Copy of executed Subordinate Mortgage
 - ✓ Copy of executed Promissory Note

MASTER SERVICER

US Bank Home Mortgage /
HFA Division
Excelsior Crossing
9380 Excelsior Boulevard
Hopkins, MN 55343
hfa.programs@usbank.com

- US Bank’s HFA Division Lending Guide can be found by going to this website or cut and paste this link into your browser: www.allregs.com/tpl/public/usb_bond_tll.aspx.

PURCHASE AND SERVICING

- US BANK PURCHASE & SERVICING:
 - US Bank will purchase loans approved by OHFA with the mortgage rate and terms reflected on OHFA Approval/Award Letter, less fees, plus down payment assistance provided at closing and appropriate Service Release Premium based on purchase time from pricing model. (see “Locking – Reserving - Pricing” section, above)
 - All loans will utilize MERS to US Bank
 - Loan Files will be delivered through US Bank’s Doc Velocity Portal:

PURCHASE AND SERVICING (CONT.)

- ✓ Scan loan files to US Bank through DocVelocity system as soon after loan closing as possible.
- ✓ Utilize the loan delivery checklists posted on the US Bank website, and include all applicable documentation listed
- ✓ Deficiencies/Exceptions will come to you through the DocV Thread
- ✓ Loans are funded throughout the day, at an amortized balance net of escrows, interest, any HFA extension, or penalty fees (Please do not send these via separate check)
- ✓ Purchase Advice are emailed to the designated contact
- ✓ The lender is responsible for servicing the loan until it is purchased by US Bank and may need to take the first few payments
- ✓ Current payment histories are required if payments of any type have been made to you prior to purchase (first payment, MI, taxes, etc....)
- ✓ Logging into DocVelocity/AIQ:
 - DocVelocity is a web-based system accessed at <https://mldis.mils-katalystcloud.net/>.
 - This link is provided via email when the single sign-on account is granted access to DocVelocity
 - For support with DocVelocity: HFAdocVelocityAssistance@usbank.com
 - Update password every 90 days
- Collateral Packages: US Bank Home Mortgage
Attn: Note Vault
6th Floor
9380 Excelsior Boulevard
Hopkins, MN 55343
- Defective loans will not be purchased by US Bank

ELIGIBLE LENDERS

Lenders must be approved by US Bank to participate with OHFA. Interested lenders should contact US Bank Home Mortgage HFA Division at the help desk 1-800-562-5165, Option 2 / lender.management@usbank.com or contact Valenthia Doolin, Director of Homeownership, OHFA at 405-419-8156 / valenthia.doolin@ohfa.org.

Currently Third-Party Origination not allowed with OHFA

QUESTIONS

Any additional questions, please contact:

Valenthia Doolin at 405-419-8156 or email valenthia.doolin@ohfa.org or
Kristina Nichols at 405-419-8257 or email at kristina.nichols@ohfa.org