



General Qualifications

- No First Time Homebuyer requirement
- Maximum Income Limits
- Homebuyer Education required for all borrowers including Non-Purchasing Spouse (NPS)
- All borrowers must occupy the subject property as principal residence within 60 days of mortgage loan closing
- Subject property must be located within the State of Texas
- Mortgage loan must conform to the requirements of FHA, VA, USDA, Fannie Mae or Freddie Mac as it relates to non-U.S. citizen applicants

FICO and DTI Requirements

Minimum Middle Credit FICO	620 for all loans including Manual Underwrites	
Maximum DTI (AUS Approve/All Findings *Including Manual Underwrites)	45% Max DTI	No Reserves Required
	45.01% - 50% Max DTI	3 Months PITI Reserves Required

Payment Increase Threshold:

When Proposed PITI Exceeds 1.5 Times Current Verified Rent	3 months PITI Reserves Required
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For further details, calculations, and examples of **Payment Increase Threshold** please visit the [Lender Guide](#) Section 3.3

*Zero score borrowers must follow agency guidelines.

Income Limits

Income limits apply - [Income and Purchase Price Limits Table](#)

Only the income of the borrower(s) as shown on the 1003 Residential Loan Application will be considered. The income of a Non-Purchasing Spouse will not be included in the calculation. Co-signers income **IS** included for My Choice **Conventional loans ONLY** for the purposes of Income Limit qualification.

Income includes but is not limited to:

Annual Wages	Annuities	Commissions	Pensions	Bonuses	Child Support
Self Employment (plus depreciation)	Alimony	Dividends	Public Assistance	Interest	

Fannie Mae HFA Preferred and Freddie Mac HFA Advantage offer two different options with My Choice:

- Borrowers with incomes of 80% AMI or below
- Borrowers with incomes of over 80% AMI

***Do your due diligence with qualifying borrowers on the 80% and over product.

Fannie Mae HFA Preferred loans must be run through Fannie Mae's DU (Approve Eligible) refer to [FNMA HFA Preferred Guidelines](#) for details.

The AMI classification is determined by the AUS/DU findings. AUS/DU factors in the **total qualifying income** (not MFA income) and the address of the subject property. Please utilize [Fannie Mae's AMI look up tool](#) to run a preliminary assessment.

Freddie Mac Advantage loans must be run through LPA. No manual underwrites will be eligible for purchase for Freddie Mac HFA Advantage. All loans are subject to TDHCA and Master Servicer overlays as well. [Freddie Mac HFA Advantage Fact Sheet](#) For more information visit: [Freddie Mac HFA Advantage Resource Page](#).

Program Specific Requirements

- Co-signers are allowed and are required to execute the Cosigner/Guarantor Affidavit, sign the Note, and may not be vested on title.
- Co-signers are not permitted to occupy the subject property
- Not subject to Recapture Tax
- Tax returns not required
- No purchase price limits

Eligible Properties

- New or Existing
- Single Family Homes
- Condominiums
- Planned Unit Developments (PUD)
- Manufactured Homes
 - must be real property by the time of loan purchase, single and double wide are acceptable
- Duplexes
 - one unit must be owner occupied by eligible homeowner as principal residence and property was first occupied as a residential property at least 5 years prior to closing date (5-year requirement waived for duplexes located in a [Qualified Target Census Tract](#))

Homebuyer Education

- Must complete pre-purchase counseling:
- TDHCA's FREE online Homebuyer Education Course "[Becoming a Homeowner](#)"
 - See [Lender Guide](#) Section 1.3 for alternative pre-purchase counseling options
 - A certificate of completion will be required for each borrower including a non-purchasing spouse. *Non-occupying co-signers are not required to complete a homebuyer education course and not subject to the first-time homebuyer requirement.

Program Fees

Compliance Review Fee	\$225	Lender Fee to Hilltop Securities**
Loan Review Fee	\$150	Lender Fee to IDAHO HFA*
Tax Service Fee	\$85	Lender Fee to IDAHO HFA*
Flood Certification Fee	\$10	Lender Fee to IDAHO HFA*

*Netted out at loan purchase **Via HilltopPay (ACH Only)

Lender Compensation: Servicing Release Premium (SRP) 2.50% effective 1/01/23

Loan Types/
Payments/Terms

- FHA, FHA 203(k)s, VA, USDA, FNMA HFA Preferred, FHLMC HFA Advantage
- 30 year loan, fully amortized with a fixed rate
- Available assistance ranging from 2% - 5% of the total mortgage loan funding permitting
 - No loan level or discount pricing allowed

2nd Lien 30 Year Deferred (DPA Loan)

0% Interest
No required monthly payments. Borrowers do have the option to make voluntary payments to reduce balance owed
Due in full upon sale, refinance, transfer, or payoff of 1st lien mortgage
No costs other than recording fees associated with the 2nd lien
No pre-payment penalties

2nd Lien 3 year Forgivable (DPA Loan)

0% Interest
No required monthly payments and fully forgivable after 36-month maturity date
Due in full upon sale, refinance, transfer, or payoff of 1st lien mortgage
No costs other than recording fees associated with the 2nd lien
No pre-payment penalties

NO EXCESS CASH BACK allowed to borrower including gift funds; above and beyond reimbursement for POC items. Any excess may be applied to Principal Reduction up to a max of 15% of the DPA Assistant Amount OR 0.50% of the TDHCA Unassisted First Lien amount.

Extension Costs (if applicable)

Loans not purchased within the 60-day deadline will incur an extension fee that is applicable to the extension necessary and will be netted out of the lender SRP upon loan purchase by IHFA.

7 days	0.0625%
15 days	0.125%
22 days	0.1875%
30 days	0.250%

Lock extension form required, see [Lender Guide](#) for form and instructions.

Insurance Requirements

Minimum coverage amount: equal to the loan amount OR replacement cost
 Homeowners maximum deductible: \$2,500 OR 2% whichever is higher
 If on a separate policy: Flood, Hurricane, Wind, Hail and other Perils - Maximum deductible \$5,000 or 2.5%, whichever is higher

Exclusive TDHCA Additional
Bonus Money
Options

Must be combined with a TDHCA Product
 Available on a first come first served basis and subject to funding availability
 Provided in the form of a gift - no repayment required!
[Income Limits](#) apply, and coincide with My ChoiceTexas Home income limits.

Capital Area HFC	
Eligible Counties	Assistance Amount
Bastrop, Blanco, Burnet, Caldwell, Fayette, Lee, Llano	\$12,500
Hays, Williamson	\$7,500

Required Program Documents

Applicable Party Signatures

Required Program Documents	Applicable Party Signatures
Underwriter's Certification Form	
FINAL URLA(s)	
FINAL CD(s)	
Warranty Deed	Seller
Real Estate Purchase Contract	
Notice to Buyers	Borrower, Co-Borrower, NPS
Applicant Affidavit - TBA Taxable	Borrower, Co-Borrower, Co-signor (if applicable), Lender
Applicant Affidavit- Co-Signor (if applicable)	Co-signor(s)
Disclosure of Second Mortgage Loan Terms	Borrower, Co-Borrower, NPS
Final - Second Lien DPA Note	Borrower, Co-Borrower, Co-signor
Final - Second Lien DPA DOT	Borrower, Co-Borrower, NPS
Legally Enforceable Obligation Letter (FHA Only)	Borrower, Co-Borrower, NPS
Homebuyer Education Certificate for all borrowers (including NPS)	
Additional Gift Funds Letter (if applicable)	Borrower, Co-Borrower, NPS