



General Qualifications

- First Time Homebuyer
- Maximum Income and Purchase Price 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, or USDA as it relates to non-U.S. citizen applicants

First Time Homebuyer Eligibility

Must be a first-time homebuyer, must not have owned and occupied a primary residence in the last 3 years this includes non-purchasing spouse and any other adult who will have ownership interest in the property (named on the Deed of Trust)

➤ **Exemptions from this requirement:**

- Homebuyer or spouse is a qualified veteran, honorably discharged as evidenced by DD-214, and have not previously qualified for and received a mortgage financed through a mortgage revenue bond program by reason of the qualified veterans exception for the First Time Homebuyer status.
- Subject property in a Qualified [Targeted Census Tract](#)

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](#)

Household income includes the applicant's current gross income, as well as that of anyone else who is expected to live in the residence and become liable on the Deed of Trust or Mortgage (including a non-purchasing spouse)

Income includes but is not limited to:

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

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
- This program may be subject to federal income tax recapture provisions. See [Understanding Recapture tax](#) for more details

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. Subject property must have been a residential property for 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

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*
Compliance Review Fee	\$225	Lender Fee to Hilltop Securities**
MCC Issuance Fee (if applicable)	\$400	Lender Fee to Hilltop Securities**

*Netted out at loan purchase **Via HilltopPay (ACH Only)
Lender Compensation: Servicing Release Premium (SRP) 2.50% effective 1/01/23

- FHA, FHA 203(k)s, VA, USDA
- 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

1st Lien/No DPA Un-Assisted Loan

All My First Texas guidelines apply for FTHB status including income and purchase price limits
30 year term, no affordability period, no prepay penalty
Standard fees apply - posted on Rate Sheet
Bond Only. Cannot be combined with MCC

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 as applicable and will be netted out of the lender SRP upon loan settlement 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 First Texas Home income limits. *McKinney limits are based on Collin County, TX

Available HFCs	Capital Area HFC	Harris County HFC	McKinney HFC
Eligible Counties	Bastrop, Blanco, Burnet, Caldwell, Fayette, Hays, Lee, Llano, Williamson	Harris County (excluding Baytown, DeerPark, Friendswood, Houston, LaPorte, League City, Missouri City, Pasadena, Pearland	City of McKinney
Available Assistance	\$12,500 (Bastrop, Blanco, Burnet, Caldwell, Fayette, Lee, Llano) \$7,500 (Hays, Williamson)	\$1,000	\$5,000

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
Notice of Potential Recapture	No signature required
Applicant Affidavit- Tax Exempt	Borrower, Co-Borrower, NPS
Affidavit of Co-signer (if applicable)	Co-Signer(s)
Tax-Exempt Rider	Borrower, Co-Borrower, NPS
Affidavit of Seller	Seller
Certificate of Lender	Lender
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
3 years IRS Transcripts or Signed Tax Return Copies for all borrowers including NPS	
Homebuyer Education Certificate for all borrowers including NPS	
Discharge Papers - DD214 (only if veteran and waiving first-time buyer requirement)	
Additional Gift Funds Letter (if applicable)	Borrower, Co-Borrower, NPS