

## Frequently Asked Questions about the 2018A Tax Exempt Program

(as of 04/09/18)

### 1. Has LHC established qualifying ratios for the Assisted or the HOME/MRB Program?

Answer: The Assisted Program does not have any additional qualifying ratios other than those established by the loan type, i.e. Conventional, FHA, VA, RD. The HOME/MRB Program does have minimum and maximum ratios – the housing or top ratio should be **between** 25% and 30% and the bottom or debt ratio being below 41%. Note this is a revision from previously transmitted information.

### 2. Has LHC established a minimum investment for the Assisted or the HOME/MRB Program?

Answer: The Assisted Program does not have a minimum investment. Lenders should follow the loan type requirements for minimum investment requirements. The HOME/MRB Program does have a borrower minimum investment of the lesser of 1% of the sales price or \$1,500.

### 3. What homebuyer education courses are acceptable if the homebuyer has to take a course for either the MRB Assisted Conventional Program or HOME/MRB Program?

Answer: All HOME/MRB loans and MRB Assisted Conventional First-Time Homebuyer loans require at least one borrower attend a Homebuyer Education class. Homebuyer education must be provided by HUD-approved counseling agencies, housing finance agencies (HFAs), or by programs that meet or exceed the National Industry Standards for Homeownership and Counseling (proof of such may be required).

For a list of HUD approved counseling agencies, visit the website listed below:

<https://apps.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?&webListAction=search&searchstate=LA>

Acceptable online courses:

eHome America @ [https://lhc.ehomeamerica.org/sponsor\\_user/sponsor\\_main](https://lhc.ehomeamerica.org/sponsor_user/sponsor_main) or

Framework @ <https://homeready.frameworkhomeownership.org/Default.aspx>

- Certificate will be required in the compliance package.

**4. Does LHC have a minimum credit score for these programs?**

Answer: Yes, 640 is the minimum for these programs as well as the TBA Programs.

**5. On conventional loans, is reduced MI acceptable?**

Answer: Yes.

**6. How is the \$75 Compliance Fee, any Extension Fees and if applicable the \$150 HQS Inspection Fee paid to LHC?**

Answer: These amounts will be netted at the loan closing. If the file does not close, the lender will be billed.

**7. What are the maximum loan amounts?**

Answer: \$253,800 is the non-targeted area purchase limit price for both the Assisted Program and the HOME/MRB Program. For Targeted Areas in the Assisted Program only the maximum purchase price limit is \$310,211.

**8. Can the Federal Home Loan Bank AHP Homeownership Set-Aside Program be used in conjunction with the Mortgage Revenue Bond Program?**

Answer: Yes, as long as the loan meets the requirements for the loan product, AUS Findings, and LHC Program guidelines. For MRB Assisted loans, LHC must retain second lien position.