

TIP SHEET

The following criteria apply to ALL loans and loan types:

NC Home Advantage Programs

- DPA is a 15-year loan (not a grant); 0% non-amortizing, forgiven 20% a year 11-15
- DTI ratio cannot exceed 45.0%
- LE required on 1st and separate LE on 2nd
- CD on 2nd not required
- No discount points allowed
- DPA cannot pay extension fees / late fees
- LTV/CLTV must industry guidelines
- No high-cost loans allowed
- Use Form 405/406 for Note & Deed of Trust
- e-signatures allowed on Agency and industry forms (except Note, Deed, and Final CD)
- Only fees on 2nd (DPA) allowed: application fee, recording fee, housing counseling fee
- Form 026 required if using DPA
- FHA Award Letter required on FHA loans w/ DPA
- Citizens and legal residents of United States eligible
- DPA loans cannot be subordinated for first 7-years; must repay if refinanced
- URAR property must be C1, C2, C3, or C4
- DPA funds cannot be used for repairs, repair escrows, realtor fees, or negative equity
- Any lock withdrawn or canceled cannot be re-locked for 60-days
- Title insurance required on 1st; 2nd must be referenced on 1st
- Minimum 2 credit scores with a 640+ (660 for manufactured homes)
- No rental of properties by borrowers
- Primary, owner-occupied residence only
- No manual underwrites and no Refer Eligible
- 203k loans not allowed
- DU = Fannie; LPA Accept = Freddie
- POAs must be pre-approved by North Carolina Housing Finance Agency
- No high-cost loans allowed
- All loans must be approved by North Carolina Housing Finance Agency before closing
- Max 1% Origination Fee & Max \$1,300 other fees (Section A of LE)
- Pre-purchase education certificate required on FTHBs (meet HUD or NIS standards)
- Interest rates vary based on loan type and/or area median income (AMI)
- All closing packages must be submitted no later than 10 days after closing to BOTH ServiSolutions and North Carolina Housing Finance Agency
- Closed loans not purchased by day 70 – will be returned – no exceptions.
- See www.servsol.com for Closing Package requirements & Checklist

NC 1st Home Advantage Summary

All requirements above apply, plus:

- \$525,00 sales price limit
- CANNOT combine with 3% DPA
- Occupying titleholders (& spouse) must be First-time buyers; or non-active duty veterans; or targeted census tracts
- Must use total gross Family Income of all occupying mortgagors, titleholders, spouse
- Income limits vary by county and household size (see website)
- Need VOE for all current and past jobs held last year and YTD
- 5-acre maximum lot/property size limit
- IRS Recapture rules apply to borrowers
- IRS transcripts or signed Federal Tax Returns required; prior year to match W2 for all borrowers & titleholders
- Complete affidavit (Form-018) for missing Tax years if not completed on Line 7c of Form 016
- Bond Forms: 08, 013, 015, and 016 required & Credit Reports
- SF, townhomes & condo properties only (no duplex); new & used manufactured housing up to an age of 10 years (Not allowed on conventional).
- No income producing inhabitable spaces/detached structures/ADU buildings

97% LTV, No DPA, 3% DPA

- \$158,000 income limit (1003, AUS and LE/CD loan amounts must match)
- No sales price limit
- No first-time home buyer restriction – move up buyers okay
- Conventional MI factors dictated by Area Median Income/LTV.
- Qualifying 1003 income (not household income)
- 45.0% DTI
- 3% down payment funds (DPA) based on loan amount (not sales price)
- SF, PUD, Duplex (FHA only), Condo (warrantable only, full review)
- All conventional loans must meet any MI company overlays
- Use “HFA Preferred” for DU; “HFA Advantage” for LPA.
- No duplex or manufactured homes on conventional loans

NCHFA Contact Information

- All loan and program related questions, email ratelocks@nchfa.com
- Program Guides can be found at: www.nchfa.com
- Form and documents can be found at: <https://www.nchfa.com/home-ownership-partners/lenders/forms-and-resources>

**Please refer to our Program Guides found at www.nchfa.com for complete details.
nchfa.com/home-ownership-partners/lenders/forms-and-resources**