

**TIP SHEET – NC Home Advantage and MCC**

***The following criteria apply to ALL loans and loan types:***

**NC Home & NC 1<sup>st</sup> Home Advantage Program**

- 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 1<sup>st</sup> and **separate LE on 2<sup>nd</sup>**
- CD on 2<sup>nd</sup> 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
- Only fees on 2<sup>nd</sup> (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, permanent, and legal residents of United States eligible
- DPA loans **cannot be subordinated** for first 7-years; must repay if refinance
- URAR property must be C1, C2, C3, or C4
- DPA funds cannot be used for repairs, repair escrows, or negative equity
- Any lock withdrawn or canceled **cannot be re-locked** for 60-days
- e-signatures allowed on Agency forms, except Note or Deed (subject to random verification)
- Minimum 2 credit scores with a **640+** (660 for manufactured homes)
- Conv, FHA, VA, and USDA
- 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 NCHFA
- All loans must be approved by NCHFA **before closing**
- No principal reductions allowed
- **Max cash back of \$2,500** – no exceptions!
- No high cost loans allowed
- **Max 1% Origination Fee** & Max \$1,300 other fees (Section A of LE)
- Pre-purchase education certificate required on FTHBs (Fannie Mae - HomeView)
- **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 NCHFA
- Closed loans not purchased by day 70 – will be returned – no exceptions.
- See [www.servsol.com](http://www.servsol.com) for Closing Package requirements & Checklist

**\$8,000 DPA Only Summary - NC 1<sup>st</sup> Home Advantage Program**

- **All requirements above apply, plus:**
- \$345,00 sales price limit
- **CANNOT** combine with MCC
- 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
- IRS Recapture rules apply to borrowers
- 5-acre maximum lot/property size limit
- No detached, inhabitable buildings allowed
- IRS transcripts or signed Federal Tax Returns required, 3 years all borrowers & occupying 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 on Borrowers
- Conv: SF, townhomes & condo properties only (no duplex or manufactured housing).

*See NC Home Ad Program Guide for Complete Rules, Guidelines, and Documentation Requirements*

## **97% LTV, No DPA Needed, 3% DPA, 5% DPA Loans Only**

- \$99,000 income limit (1003 & AUS loan amounts must match)
- No sales price limit
- No first-time home buyer restriction – **move up buyers okay** (unless combined with MCC)
- Conventional MI factors dictated by Area Median Income/LTV. Under 80% AMI, charter level MI applies.
- No duplex or manufactured homes on conventional
- 3% down payment funds (DPA) max on conventional product
- 5% down payment max on FHA/USDA/VA
- SF, PUD, Duplex (FHA only), Condo (warrantable only)
- All conventional loans must meet any MI company overlays
- Use "HFA Preferred" for DU; "HFA Advantage" for LPA. FNMA loans, use SPC 782. Freddie Mac 251/583 (80% AMI max).

## **Mortgage Credit Certificate (MCC) Program Only**

### ***Fees/Credit***

- \$475 fee to NCHFA; lender can charge \$300 additional for total \$775.
- 30% tax credit existing homes; 50% new homes; max of \$2,000 federal credit per year

### ***Income & Documentation***

- IRS transcripts or signed Federal Tax Returns required, 3 years all occupying borrowers & titleholders
- Complete affidavit (Form-018) for missing Tax filing years and on Line 7c of Form 016
- Need verbal or written VOE for all current and past jobs held last year and YTD
- Must use total gross Family Income of all occupying mortgagors, occupying titleholders, & spouse. Cannot exceed county limits

### ***NCHFA Forms & Documents***

- **Signed** NCHFA affidavits and forms are required with loan submission package
- Bond Forms: 08, 013, 015, and 016 required & Credit Reports all Borrowers
- If seller represents a company, the Seller Affidavit must show the person's title and company name
- MCC loan **must be approved BEFORE closing**, otherwise ineligible for MCC
- 1003 & URAR – upload all pages

### ***Property***

- \$345,000 maximum sales price limit
- 5-acre maximum lot/property size limit
- No detached, inhabitable buildings
- Appraisal/URAR Required

### **Underwriters**

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### **Outreach, Marketing and Training**

Bill Hobbs, [wahobbs@nchfa.com](mailto:wahobbs@nchfa.com)  
(919) 850-2779 (**Lender Outreach**)

### **Training Classes / Webinars**

Open, [@nchfa.com](mailto:@nchfa.com)  
(919) 877-5683

### **Manager of Homeownership Lending**

Rob Ruscak, [rob@nchfa.com](mailto:rob@nchfa.com)  
(919) 875-3777

### **MCC / Post-Closing / Final Docs**

Jan Ott, [jlott@nchfa.com](mailto:jlott@nchfa.com)  
(919) 877-5632

### **General Questions, OLS Help, Marketing Brochures, Loan Locks/Extensions**

Margie Rivera, [mbrivera@nchfa.com](mailto:mbrivera@nchfa.com) (919) 877-5710

***Please refer to our Guides found at [www.nchfa.com](http://www.nchfa.com) for complete details.***