

***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 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 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, realtor fees, or negative equity
- Any lock withdrawn or canceled cannot be re-locked for 60-days
- e-signatures allowed on Agency and industry forms (except Note, Deed, and Final CD)
- 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 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 (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 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

**\$15,000 DPA Only Summary**

- All requirements above apply, plus:
- \$495,00 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
- 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
- Conv: SF, townhomes & condo properties only (no duplex or used manufactured housing).
- No detached, inhabitable buildings

## **97% LTV, No DPA, 3% DPA**

- \$152,000 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)
- 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](mailto:ratelocks@nchfa.com)
- Program Guides can be found at: [www.nchfa.com](http://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 Guides found at [www.nchfa.com](http://www.nchfa.com) for complete details.  
[nchfa.com/home-ownership-partners/lenders/forms-and-resources](http://nchfa.com/home-ownership-partners/lenders/forms-and-resources)**