

IOWA FINANCE
AUTHORITY

Conventional Financing Changes

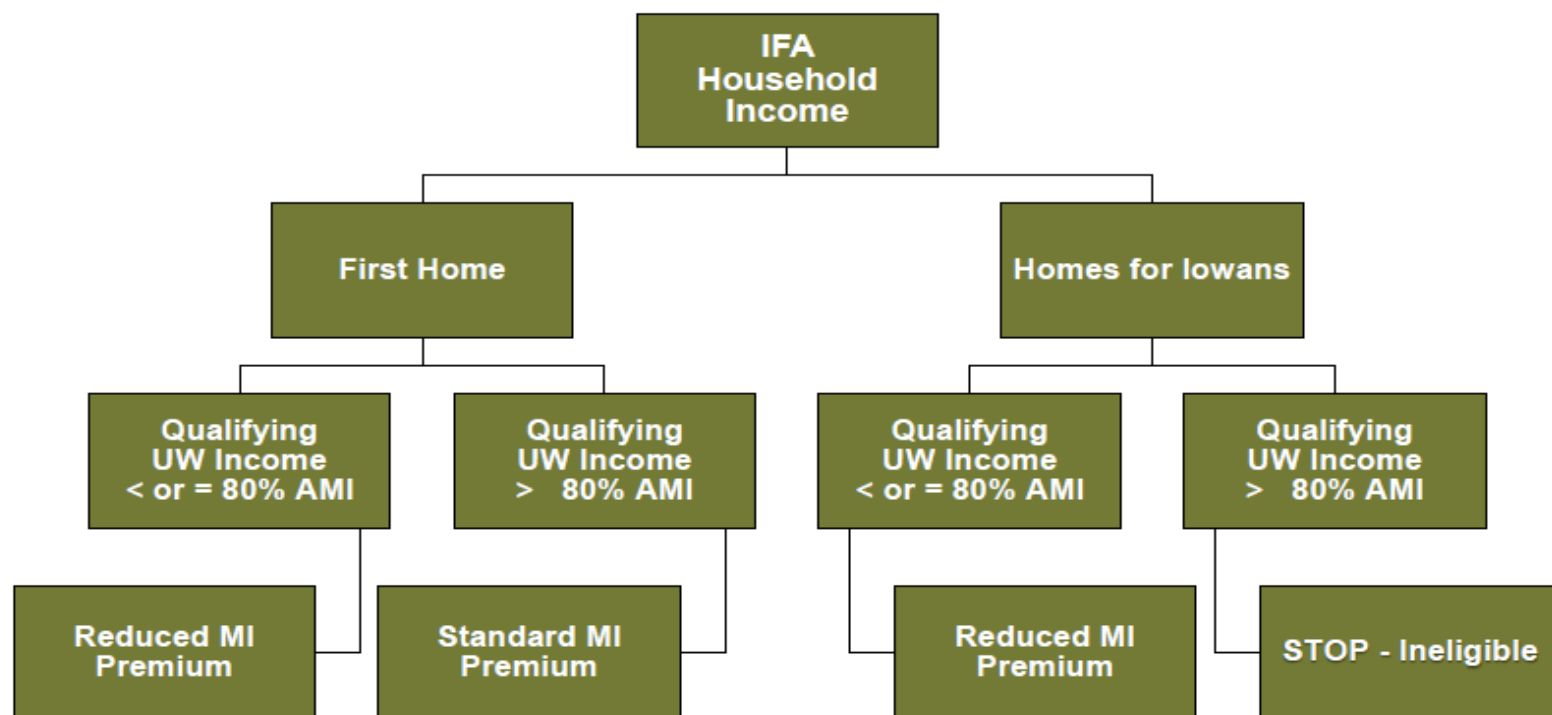
HOMEOWNERSHIP DIVISION

Conventional Financing Programs

- HFA Preferred (Fannie)
 - Must run DU
- HFA Advantage (Freddie)
 - Must run LPA

Note: You must submit the correct AUS findings for the product you are using. Fannie (HFA Preferred) must have DU findings, and Freddie (HFA Advantage) must have LPA findings.

IFA CONVENTIONAL FLOWCHART



IFA Household Income:

- Income derived from borrower, spouse, titleholder and spouse of any titleholder
- Income projected over 12-month period
- Included: Current income (paystub/VOE include overtime & incentive/bonus, commissions, shift differential, etc.), self-employment (P&L), interest/dividends, court-ordered income (even if not received), non-taxable income (social security, disability, retirement, etc.), gambling winnings or any other sources shown on tax returns.

Qualifying UW Income:

- Any and all income the secondary market would consider acceptable for loan approval. Should match income used on AUS findings.
- Fannie Mae HFA Preferred = Desktop Underwriter (DU)
- Freddie Mac HFA Advantage = Loan Product Advisor (LPA)

This does not apply to Government loans under FirstHome or Homes for lowans.

FirstHome

- HFA Preferred (Fannie)
 - If DU findings show qualifying income >80% AMI, standard MI (35%) rates will apply.
- HFA Advantage (Freddie)
 - If LPA findings show qualifying income >80% AMI, standard MI (35%) rates will apply.
 - Subsidies are discontinued.

AMI is based on the qualifying income in DU or LPA. (Qualifying income is what the lender is using for underwriting purposes.) This is different from IFA's household income limits. IFA will still calculate income and project forward.

IFA CONVENTIONAL FLOWCHART



FirstHome

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- Income derived from borrower, spouse, titleholder and spouse of any titleholder
- Income projected over 12-month period
- Included: Current income (paystub/VOE include overtime & incentive/bonus, commissions, shift differential, etc.), self-employment (P&L), interest/dividends, court-ordered income (even if not received), non-taxable income (social security, disability, retirement, etc.), gambling winnings or any other sources shown on tax returns.

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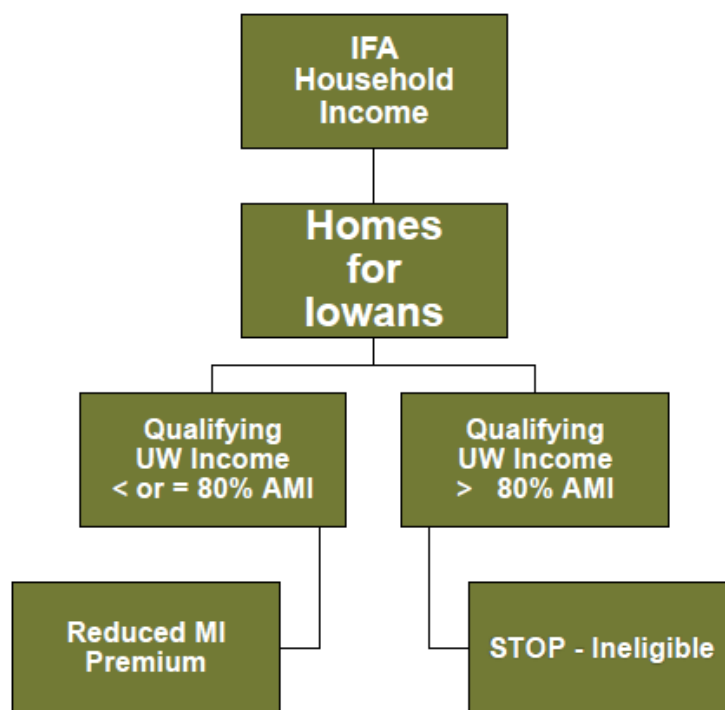
This does not apply to Government loans under FirstHome or Homes for lowans.

Homes for lowans

- HFA Preferred (Fannie)
 - If DU findings show qualifying income >80% AMI, borrower is not eligible.
- HFA Advantage (Freddie)
 - If LPA findings show qualifying income >80% AMI, borrower is not eligible.
 - Subsidies are discontinued.

AMI is based on the qualifying income in DU or LPA. (Qualifying income is what the lender is using for underwriting purposes.) This is different from IFA's household income limits. IFA will still calculate income and project forward.

IFA CONVENTIONAL FLOWCHART



Homes for lowans

IFA Household Income:

- Income derived from borrower, spouse, titleholder and spouse of any titleholder
- Income projected over 12-month period
- Included: Current income (paystub/VOE include overtime & incentive/bonus, commissions, shift differential, etc.), self-employment (P&L), interest/dividends, court-ordered income (even if not received), non-taxable income (social security, disability, retirement, etc.), gambling winnings or any other sources shown on tax returns.

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Area Median Income (AMI)

- HFA Preferred (Fannie)
 - [Area Median Income Lookup Tool](#)
- HFA Advantage (Freddie)
 - [Income and Property Eligibility Tool](#)

AMI is based on the qualifying income in DU or LPA. (Qualifying income is what the lender is using for underwriting purposes.) This is different from IFA's household income limits. IFA will still calculate income and project forward.

Homebuyer Education Overlay

CONVENTIONAL LOANS ONLY



IF all borrowers are first-time homebuyers, at least one of them needs to complete homebuyer education.

HFA Preferred (Fannie)

Finally Home! homebuyer education prior to close. Cost is \$35 for borrowers >80% AMI, free for borrowers <80% AMI.



FRAMEWORK.

Framework homebuyer education is accepted at this time. There is no charge if you go to <https://educate.frameworkhomeownership.org>

Homebuyer Education Overlay

CONVENTIONAL LOANS ONLY

IF all borrowers are first-time homebuyers, at least one of them needs to complete homebuyer education.



HFA Advantage (Freddie)

Finally Home! homebuyer education prior to close. Cost is \$35 for borrowers >80% AMI, free for borrowers <80% AMI.



CreditSmart home buyer education class prior to close. There is no charge for this class.

Lender Online

- To make a reservation, go to www.iowafinanceauthority.gov and select Information For/Lenders, then select the Lender Online tab to log in.
- Under the New Reservation tab, you will select the mortgage program (FirstHome or Homes for Iowans), find the Product, then select the Program (without downpayment assistance, with the PLUS grant, or with the 2nd Loan).

AUTHORITY

NEW RESERVATION AVAILABLE FUNDS LOAN STATUS REPORTS

Lender: Iowa Finance Authority

New Reservation 

Select a Mortgage Program (required)

Single Family Series

☐ Series: **FIRSTHOME**

☐ Program Type: **FHA Products**

- 021- FH-FHA
- 024- FH Plus-FHA
- 027- FH w/2nd-FHA

☐ Program Type: **USDA Products**

- 022- FH-RD
- 025- FH Plus-RD
- 028- FH w/2nd-RD

☐ Program Type: **VA Products**

- 023- FH-VA
- 026- FH Plus-VA
- 029- FH w/2nd-VA

☐ Program Type: **Fannie Mae Products** 

- 003- FH-HFA Preferred
- 007- FH Plus-HFA Preferred
- 009- FH w/2nd-HFA Preferred





☐ Program Type: **Freddie Mac Products** 

- 060- FH-HFA Advantage
- 061- FH Plus-HFA Advantage
- 062- FH w/2nd-HFA Advantage

entering this section, you are starting the process of applying for a loan with our agency. A list of mortgage programs is shown on the right of this column.

Please select the mortgage program that you would like to serve under and proceed to the next step.

Lender Online

To access the required documents, select the Loan Status tab/PDF Docs button beside the reservation    . The Pre-Close Transmittal requires the AUS findings and credit report be included in the package.

Pre-Close Transmittal





| | | | |
|------------------------|---------------------------------|-------------------|--------------|
| Borrower Name: | ANOTHER TEST & THE OTHER TESTER | IFA loan#: | 100999038383 |
| Lender Contact: | | Email: | |

☐ **FirstHome**

- ☐ Initial Loan Application, form 1003
- ☐ Purchase Agreement including all addendums
- ☐ Appraisal, form 1004 or comparable (may be submitted post-close; watch for multiple parcels)
- ☐ Income (include paystubs, VOEs, current P&L statement for business income, VA benefits or non-taxable sources)
- ☐ Divorce decree and Child Support Stipulations
- ☐ Prior year w2(s)
- ☐ Prior three years Tax Returns OR Tax Transcripts (**do not submit State return**)
- ☐ AUS Finding
- ☐ Credit Report
- ☐ MRB01 Affidavit of Purchaser
- ☐ MRB03 Affidavit of Seller

Note: HFA Preferred (Fannie) requires DU findings, HFA Advantage (Freddie) requires LPA findings.

Lender Online

To access the required documents, select the Loan Status tab/PDF Docs button beside the reservation    . The Post-Close Transmittal requires the final AUS findings and updated credit report (if applicable) be included in the package.

| Post-Close Transmittal | |
|--|---|
| Borrower Name: TESTY T. TESTER & TEST2 TESTER | IFA loan#: 100999020027 |
| Lender Contact: | Email: |
| FirstHome | |
| <input type="checkbox"/> | Note |
| <input type="checkbox"/> | Mortgage with all rider(s) and Name Affidavit |
| <input type="checkbox"/> | w/2 nd Note, if applicable |
| <input type="checkbox"/> | w/2 nd Mortgage, if applicable |
| <input type="checkbox"/> | Final Closing Disclosure |
| <input type="checkbox"/> | Warranty Deed |
| <input type="checkbox"/> | Iowa Title Guaranty Commitment |
| <input type="checkbox"/> | MI Commitment/Certificate OR Name of Mortgage Insurance Co: _____ |
| <input type="checkbox"/> | Final Loan Application, form 1003 |
| <input type="checkbox"/> | Final AUS Findings |
| <input type="checkbox"/> | Documentation to satisfy Lender Online Conditions from Pre-Close eligibility review |

Note: HFA Preferred (Fannie) requires DU findings, HFA Advantage (Freddie) requires LPA findings.

Reminder!

- HFA Advantage (Freddie)
 - Last day for Idaho to purchase through previous FHLMC program (reservations before Feb 1, 2020) is March 31, 2020.
- Package Uploads
 - Pre-close package must include AUS findings and credit report.
 - Post-close package must include final AUS findings and updated credit report, if applicable.
- The lender must follow Fannie and Freddie guidelines.

THANK YOU

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