BROWARD COUNTY
FLORIDA
Housing Finance Division
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FIRST MORTGAGE LOAN UNDERWRITING GUIDELINES
HOMEBUYER PURCHASE ASSISTANCE PROGRAM (HPA)

Broward County's Homebuyer Purchase Assistance (HPA) is a deferred payment loan at 0% interest, 15-year term, with no monthly payment. If the home is used as the primary residence (homestead) for the 15-year loan term, the mortgage is satisfied. The loan is to be repaid if the use changes, title transfers or the home is sold during the 15-year loan term. To obtain HPA funds, the first mortgage loan must meet the guidelines below.

ELIGIBLE FIRST MORTGAGE

Must be fixed rate conventional, bond, FHA, VA, or other governmental loans. Interest only, balloon, option Adjustable-Rate Mortgages (ARMS) and subprime loans are not eligible.

INTEREST RATE

The maximum interest rate to be charged on the first mortgage is set on the first business day of each month and may not exceed 2.0% (two percent) over the Fannie Mae 30-year, 60-day mandatory delivery rate, available at fanniemae.com. The interest rate cap is effective for the entire month.

NEW CONSTRUCTION

Rate lock will be done 120 days prior to estimated Certificate of Occupancy (CO) issuance.

TERMS

Up to 30-year fixed rate. No prepayment penalty on first mortgage loans of any term length.

INCOME / DEBT RATIOS

Applicant is to pay at least 25%, but no more than 38% of their gross income for housing expenses. Total debt ratio (including housing costs) may not exceed 45% for conventional properties; FHA back ratio may not exceed 46%. Higher front ratio may be considered with excellent credit score, a current housing payment higher than proposed mortgage payment, and no debt outside of the housing expense.

LOAN TO VALUE (LTV)

Purchase - Not to exceed 97% LTV. First mortgage loan amount must be greater than HPA amount; combined LTV not to exceed 105%. MI may not be charged by primary lender on conventional first mortgages of 80% LTV or less. LTV on VA loans may differ.

Refinance - Combined LTV not to exceed 90% LTV. Appraisal required. Cash out on refinance limited to $15,000 for education, home safety repair, or medical expenses only. Broward County must stay in a same lien position.

ASSUMPTIONS

HPA second mortgage is not assumable and is due and payable if first mortgage loan is assumed.

STACKING

HPA may go in third position behind Florida Housing Finance Corporation or a municipal CRA purchase assistance loan. HPA may not exceed CRA loan amount, if applicable. HPA cannot be used with an entitlement city's purchase assistance funds.

MORTGAGE CREDIT CERTIFICATION (MCC) PROGRAM

Lender is urged to participate in and qualify the borrower under Broward County's MCC Program.

QUALIFYING PROPERTIES

Owner-occupied single-family residences, condominiums, townhomes, and manufactured homes that include real property; at time of applicants' initial occupancy, dwelling must meet at a minimum, Section 8 Housing Quality Standards, local and Broward County building codes and ordinances.

PURCHASE PRICE

The maximum sales price is $568,557 except for properties located within Weston, price dependent on funding source; the maximum sales prices are subject to change periodically and without notice.

APPRAISAL

Property value is determined by an appraisal acceptable by the first mortgage lender and prepared by a Florida licensed residential property appraiser with MAI designation. Purchase price may not exceed appraised value under any circumstances. The lender will review the appraisal for recommended repairs to be done prior to or after closing.

MINIMUM REQUIRED DOWN PAYMENT

At minimum, 3% non-borrowed funds are required (purchase price). Applicant must contribute at least 1% of purchase price, the remaining 2% may come from other non-borrowed source (i.e., lender, seller, realtor incentive, nonprofit housing agency, family gift, etc.). Buyer down payment with a VA first mortgage may differ.

CLOSING COSTS

Applicants may pay for closing costs with applicant's own funds, a gift, seller concession, or these purchase assistance funds. Lender may not charge mortgage broker fees, or collect yield spread premium. Origination charges (Section A) capped at 2.5% of the first mortgage amount, sufficient to cover the following costs: loan origination fee, document prep fee, underwriting fee, processing fee, closing fee, application fee, settlement fee, and notary fee. Lenders that charge a flat rate that may not conform in the case of low loan amounts must have prior approval by Housing Finance Division. Buyer can not contribute to any seller's expenses.

RATE BUY DOWN

Origination charges (Section A) can exceed 2.5% if amount over is used to buy down the interest rate for the first mortgage to meet Broward DTI guidelines.

SELLER'S CONCESSIONS

Up to 6% of the Sales Price.

INSPECTIONS

A comprehensive home inspection by a licensed home inspector is required for all existing AND new construction homes, to include roof, termite, electrical, plumbing, hot water heater, heating/cooling system, refrigerator, stove and septic tank (if applicable).

Lead-Based paint inspection by a licensed inspector with EPA certification is required for all homes built before 1978.

PROPERTY INSURANCE / ESCROWS

Broward County (or the funding jurisdiction) is to be named as "Additional Mortgagee" on all property insurance policies (including flood insurance, if applicable). Property tax and insurance escrows are required.

APPLICANT QUALIFICATIONS

Household income not to exceed 80% of Broward County's Area Median Income (AMI), as published annually. Hollywood applicants may have household income up to 120% AMI.

Applicants may not have owned a residential property in the prior 3 years. Ownership of land without a dwelling would not be considered residential property. Exceptions for applicants displaced due to domestic violence, or in event of divorce. Additional documents to be provided including 3 years tax returns, divorce decree/marital settlement statement, and/or executed closing disclosure reflecting the former spouse owns or refinanced the marital property or property was sold.

CREDIT

Per individual lender underwriting guidelines.

CO-BORROWER (non-occupying)

Use all income/all debts to arrive at ratios for qualification purposes only, not to offset poor credit. Primary borrower source of income must represent at least 75% of the qualifying income.

HOMEBUYER EDUCATION WORKSHOP

Applicants must attend a Home Buyer Education workshop provided by a HUD approved housing counseling/education agency located in South Florida. Online education certificates accepted only from South Florida agencies. Workshop certificate may be no older than 12 months prior to closing.

EMPLOYMENT / INCOME

Broward County reviews all current income for all adult household members, including disability payments, social security, pension, alimony, child support, household financial support, and projects the income for the next 12 months.

Standard employment (W2 recipients): Income as derived from review of recent pay stubs, and/or completed Verification(s) of Employment.

Self Employed & Independent contractors: Income will be determined based on review of tax returns for the previous 3 years, most current bank statements, recent and projected P&L.

ASSETS

All assets verified by a Verification of Deposit and/or 3 months of consecutive bank statements.

LIQUID ASSETS

Applicants with liquid assets of $100,000 (excluding retirement, 401ks, etc.) or more are ineligible.

Applicants may not have liquid assets exceeding $50,000 after closing.

NON-CITIZENS

Lawful permanent residents (Green Card holders), or those granted political asylum and approved for permanent residence (in process of receiving a Green Card) are eligible. These applicants must have three years of employment, three years of US residency and three years of established credit to secure first mortgage loan approval. Applicants with pending political asylum application or Temporary Protected Status are ineligible at this time.

BROWARD COUNTY WEBSITE

Lenders who closed HPA transaction will be listed on the County website, which is updated annually to include closings and remove lenders who have not completed a recent transaction. Lenders who consistently submit packages that do not meet guidelines, cause unnecessary hardship to clients, or who cause applicants to lose funds, will be dropped from the website listing without notice and future packages will not be accepted.

FIVE EASY STEPS TO HOME OWNERSHIP

HOMEBUYER PURCHASE ASSISTANCE (HPA) PROGRAM
UP TO $120,000 PER PROPERTY AVAILABLE NOW!!*

Step 1:

Determine if funds are available in your community.

COMMUNITY	AMOUNT OF FUNDING AVAILABLE PER PROPERTY	MAX GROSS HOUSEHOLD INCOME ALLOWED
Weston	UP TO $120,000	80% AMI
Plantation	UP TO $50,000	80% AMI
Hollywood	UP TO $50,000	120% AMI
Coconut Creek	NO FUNDS	80% AMI
Coral Springs	NO FUNDS	80% AMI
Cooper City	NO FUNDS	80% AMI
Davie	NO FUNDS	80% AMI
Dania Beach	NO FUNDS	80% AMI
Hallandale Beach	NO FUNDS	80% AMI
Hillsboro Beach	NO FUNDS	80% AMI
Lauderdale-By-The-Sea	NO FUNDS	80% AMI
Lauderdale Lakes	NO FUNDS	80% AMI
Lazy Lake Village	NO FUNDS	80% AMI
Lighthouse Point	NO FUNDS	80% AMI
Margate	NO FUNDS	80% AMI
North Lauderdale	NO FUNDS	80% AMI
Oakland Park	NO FUNDS	80% AMI
Parkland	NO FUNDS	80% AMI
Pembroke Park	NO FUNDS	80% AMI
Sunrise	NO FUNDS	80% AMI
Sea Ranch Lakes	NO FUNDS	80% AMI
Southwest Ranches	NO FUNDS	80% AMI
West Park	NO FUNDS	80% AMI
Wilton Manors	NO FUNDS	80% AMI
Unincorporated Broward (BMSD)	NO FUNDS	80% AMI

Step 2:

Confirm your gross annual household income is beneath the level for household size.

HOUSEHOLD SIZE	1	2	3	4	5	6	7	8
80% AMI	$71,000	$81,150	$91,300	$101,400	$109,550	$117,650	$125,750	$133,850
120% AMI	$106,440	$121,680	$136,800	$152,160	$164,280	$176,520	$188,760	$200,880

Step 3:

Make sure the property you wish to purchase is eligible for purchase assistance.

- Must be single family, townhome, villa, condominium or manufactured home with real property/property tax ID. Mobile homes and cooperatives are not eligible.
- Maximum sales price is $679,324. (A higher maximum price may be available in certain communities.)

Step 4:

Make sure you, as the buyer, are eligible for purchase assistance.

- You must be able to qualify for and secure a first mortgage, 30-year term, that meets Broward County lending guidelines.
- You may not have owned a residential property in the previous three years.
- You must use the purchased residence as your primary domicile for the term of the loan.

Step 5:

Talk to a lender!

- Meet with a residential mortgage lender to get pre-approved for a first mortgage loan. A list of participating lenders can be found at Broward.org/Housing or click here.
- Attend a Homebuyer Education class conducted by a South Florida HUD-approved agency. To find a class, visit HUD.gov.
- Once you are pre-approved to purchase an eligible property, the lender reserves funds with Broward Housing Finance Division.

**Funds are expended on a first-come, first-qualified, first-served basis, when available. Assistance may be used for closing costs, down payment, principal reductions and/or interest rate buydown. Other terms may apply. Questions, call Broward County Finance Division at 954-357-4943.*

A Service of the Broward County Board of County Commissioners

EQUAL HOUSING OPPORTUNITY

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

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