# HOMEOWNERSHIP PROGRAM PARAMETERS

NOTE: This table summarizes the program parameters set by IFA. Underwriting for IFA programs is delegated to the lender. When determining eligibility, a lender must apply the most restrictive of the requirements between IFA and the agency guidelines for the loan type (eg. FHA, VA, RD, Fannie Mae, Freddie Mac).

| | **FirstHome/FirstHome w/2nd *** | **Homes for Iowans/Homes for Iowans w/2nd *** |
|---|---|---|
| **Income Limits** | Annual Limits by County and Household Size[1]<br>See *Homeownership Program Income Limits and Purchase Price Limits* | $171,360 Per Year |
| **Purchase Price Limits** | $ 566,000[1] | $ 692,000 |
| **Eligible Properties** | 1-unit as principal residence | 1-unit as principal residence |
| **Permitted Transaction Type** | New purchase only, no refinance; 25- or 30-year term | New purchase only, no refinance; 25- or 30-year term |
| **First-Time Homebuyer Requirement** | Required for all borrowers[2] | None |
| **Homebuyer Education Requirement** | Homebuyer education (HBE) is required for all borrowers under FirstHome program, regardless of the program type (FHA, VA, RD, Fannie Mae, Freddie Mac). HBE must be completed prior to closing; certificate required with pre-close package. Course options:<br>• Finally Home!®<br>• Fannie Mae HomeView™<br>• Freddie Mac CreditSmart®<br>If a borrower lacks access to the internet, in-person homebuyer education with a HUD-certified counselor is allowed. Additionally, if a provider of a community second program requires its own HUD-approved homebuyer education, this is acceptable. | Homebuyer education (HBE) is required for all borrowers under FirstHome program, regardless of the program type (FHA, VA, RD, Fannie Mae, Freddie Mac). HBE must be completed prior to closing; certificate required with pre-close package. Course options:<br>• Finally Home!®<br>• Fannie Mae HomeView™<br>• Freddie Mac CreditSmart®<br>If a borrower lacks access to the internet, in-person homebuyer education with a HUD-certified counselor is allowed. Additionally, if a provider of a community second program requires its own HUD-approved homebuyer education, this is acceptable. |
| **Available Mortgage Products** | FHA, VA, and RD<br>HFA Preferred (Fannie Mae = DU)<br>HFA Advantage (Freddie Mac = LPA) | FHA, VA, and RD<br>HFA Preferred (Fannie Mae = DU)<br>FA Advantage (Freddie Mac = LPA) |
| **Credit Overlays**<br>• **Minimum Credit Score**<br>• **Debt-to-Income (DTI)** | 640 mid-point<br>Non-traditional credit allowed in accordance with agency guidelines<br>50% with an approve/eligible (Manual underwriting remains at 45%) | 640 mid-point<br>Non-traditional credit allowed in accordance with agency guidelines<br>50% with an approve/eligible (Manual underwriting remains at 45%) |
| **Lender Compensation**<br>**Servicing Release Premium** | Up to 1% + $1,300<br>See *Exhibit A of the Mortgage Origination Agreement.* | Up to 1% + $1,300<br>See *Exhibit A of the Mortgage Origination Agreement.* |
| **Reasonable and Customary Costs** | See *IFA Policy for Settlement & Financing Costs* | See *IFA Policy for Settlement & Financing Costs* |
| **Qualified Mortgage/Ability to Repay** | CFPB Exempts HFA; lender to confirm with their internal compliance. | CFPB Exempts HFA; lender to confirm with their internal compliance. |
| **Title Coverage** | Iowa Title Guaranty only | Iowa Title Guaranty only |

- FirstHome and Homes for Iowans programs may be paired with 2nd Loan. The 2nd Loan offers assistance of up to 3% (maximum $10,000) or 5% (maximum $15,000) of the home's purchase price or appraised value, whichever is lower. The loan is repayable at time of sale, refinance, or when the first mortgage is paid in full; no monthly payment required.
- 2nd Loan may be layered with the Military Homeownership Assistance (MHOA) grant when home buyer is eligible for both programs.

[1] Income limits are increased (per Qualified Census Tract) and a purchase price limit of $692,000 applies if the property to be purchased is located in a federally defined "Targeted Area". More information location of Targeted Area can be found on our Homeownership Program Income and Purchase Price limit form.

[2] First-Time homebuyer is defined as not having an ownership interest in their primary residence in the past three years or meeting one of the following exemptions: 1) borrower is purchasing a home in a Targeted Area, OR 2) borrower is a military veteran, discharged other than dishonorably, who has not previously financed a home using a tax-exempt mortgage revenue bond program.