



## **TSAHC HFA Conventional Program**



The TSAHC Conventional Program, which allows DU or LPA, is a partnership program between Lakeview Loan Servicing and the Texas State Affordable Housing Corporations with the goal of assisting Texans obtain a place to call home.

# TSAHC HFA Conventional Program



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Overlays to Fannie Mae or Freddie Mac guidelines are underlined and in italics

TSAHC HFA Conventional Program				
Fixed Rate				
Occupancy	Purchase			
	Number of Units	Maximum LTV/CLTV/HCLTV	FICO	DTI
Primary Residence	1 Unit SFR	97%/105%	640	Determined by AUS
	2-4	95%/105%	640	Determined by AUS
Loan Product				
Eligible Products/ Terms	• 30 Year Fixed Rate Only			
	First Mortgage product codes			
	CTX 402 – 30 year Fixed for ≤ 80% AMI (Fannie Mae HFA Preferred or Freddie Mac HFA Advantage)		CTX 503 – 30 year Fixed for > 80% AMI (Fannie Mae HFA Preferred or Freddie Mac HFA Advantage)	
	CTX 422- 30 year w/MCC Fee ≤ 80% AMI (Fannie Mae HFA Preferred or Freddie Mac HFA Advantage)		CTX 523- 30 year Fixed w/MCC Fee > 80% AMI (Fannie Mae HFA Preferred or Freddie Mac HFA Advantage)	
Income Limits	Refer to <a href="#">TSAHC guidelines</a> for income limits			
Ineligible Product Types	• <u>Homestyle Renovation</u> • <u>Choice Renovation</u> • <u>Construction to Perm / One-Time Close Mortgages</u>			
Purchase Price Limits/Maximum Loan Amount	• The sales price of the home cannot exceed <a href="#">TSAHC Purchase Price Limits</a> for the county in which the property is located • Maximum loan amount cannot exceed Fannie Mae or Freddie Mac Conventional loan limits by county			
Loan Purpose	Purchase			
Occupancy	• Primary residence, owner occupied only • Borrowers and spouses must reside in the U.S and occupy the property as their primary residence within 60 days of closing			



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Temporary Buy Downs	Not permitted
Eligibility	
Borrower Eligibility	<ul style="list-style-type: none"> <li>Acceptable Residency statuses: <ul style="list-style-type: none"> <li>US Citizen(s)</li> <li>Non-US Citizen(s) who are lawfully present in the United States. This includes both Permanent Qualified Resident Aliens and Non-Permanent Qualified Aliens defined in the <a href="#">Lakeview Loan Servicing Seller Guide</a> or the <a href="#">Residency and Eligibility Guide</a></li> <li><u>DACA Borrowers are permitted (Fannie Mae HFA Preferred/DU only) subject to requirements outlined in the <a href="#">Residency and Eligibility Guide</a></u></li> <li>Note: <u>If closing in a Trust, the Trust beneficiaries must meet one of the above residency statuses</u></li> </ul> </li> <li><u>Loans to Limited Liability Corporations are not permitted.</u></li> </ul>
Homebuyer Education Requirements	<ul style="list-style-type: none"> <li>Homebuyer Education is required per <a href="#">TSAHC guidelines</a> and/or when all occupying borrowers are first-time homebuyers.</li> <li>The applicable certificate(s) of completion must be delivered with the loan file.</li> <li>The Homebuyer Education course must: <ul style="list-style-type: none"> <li>meet TSAHC guidelines <u>AND</u></li> <li>meet the standards defined by the National Industry Standards for Homeownership Education and Counseling or be a HUD approved course <u>AND</u></li> <li>meet Fannie Mae or Freddie Mac's guidelines as applicable per AUS utilized</li> </ul> </li> </ul> <p>In addition to the above, borrowers purchasing 2- 4 unit properties must complete Landlord Education from one of the following sources:</p> <ul style="list-style-type: none"> <li><a href="https://singlefamily.fanniemae.com/media/21801/display">https://singlefamily.fanniemae.com/media/21801/display</a></li> <li><a href="https://www.readynest.com/homebuyer-resources/landlord-test">https://www.readynest.com/homebuyer-resources/landlord-test</a></li> <li><a href="https://www.landlordcert.org/">https://www.landlordcert.org/</a></li> <li><a href="https://www.housinglink.org/List/landlord-education">https://www.housinglink.org/List/landlord-education</a></li> <li><a href="https://www.mgic.com/en/training/generate-leads-homebuyer-education">https://www.mgic.com/en/training/generate-leads-homebuyer-education</a></li> <li><a href="https://mortgage.archgroup.com/us/training/homebuyer-education/">https://mortgage.archgroup.com/us/training/homebuyer-education/</a></li> </ul>
Co-Signers/Non-Occupant co-borrowers/Non-purchasing spouse	<u>Non-Occupant Co-Borrowers are permitted</u>
Non-Arm's Length Transactions	Per <a href="#">Fannie Mae Selling Guide</a> or <a href="#">Freddie Mac Selling Guide</a> as applicable



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Credit	
AUS	<ul style="list-style-type: none"> <li>Fannie Mae DU Approve/Eligible is required for all HFA Preferred loans</li> <li>Freddie Mac LPA Accept/ Eligible is required for all HFA Advantage loans</li> <li><u>Manual underwriting is not permitted</u></li> </ul>
Underwriting Authority	Delegated underwriting only
FICO Requirements	<ul style="list-style-type: none"> <li><u>640</u> minimum credit score for all properties</li> <li>A borrower with no credit score may be permitted: <ul style="list-style-type: none"> <li>If another occupant borrower meets the 640 minimum credit score</li> <li>Subject to DU Approve/Eligible Findings</li> <li><u>If DU does not require the development of non-traditional credit for the borrower without a score</u></li> </ul> </li> </ul>
Non-Traditional Credit	<u>Not permitted</u>
Significant Derogatory Credit	Refer to <a href="#">Fannie Mae Selling Guide or Freddie Mac Selling Guide as applicable</a>
DTI	<ul style="list-style-type: none"> <li>Evaluated and determined by AUS</li> <li><b>LPA ONLY:</b> For the subject property and all other real estate owned, flood insurance and special assessments with more than 10 monthly payments remaining must be included in the DTI</li> </ul>
Employment/Income	
Employment/Income Verification	<ul style="list-style-type: none"> <li>Employment and income documentation must comply with the requirements of the AUS Findings and the <a href="#">Fannie Mae Selling Guide or Freddie Mac Selling Guide as applicable</a>, including all additional investor COVID guidelines and diligence requirements for income and employment verification that are still in place. <ul style="list-style-type: none"> <li>Approved third party suppliers and distributors that generate employment and income verification reports are permitted for the purpose of verifying income and/or employment.</li> </ul> </li> <li>All sources of qualifying income must be legal in accordance with all applicable federal, state and local laws, rules and regulation, without conflict.</li> <li>A 4506-C form is required to be signed at closing for all transactions.</li> <li><u>Transcript Requirements:</u> <ul style="list-style-type: none"> <li>W-2/1099 transcripts will not be required for a borrower when all income for that borrower is derived from W-2 wage earner and/or 1099 fixed income sources.</li> <li><u>Tax transcripts are required in the following circumstances:</u> <ul style="list-style-type: none"> <li><u>When tax returns are used to qualify a borrower. The number of years provided must be based on the AUS findings. Income verified via tax returns includes but is not limited to the examples listed below:</u> <ul style="list-style-type: none"> <li><u>Self-employment income</u></li> </ul> </li> </ul> </li> </ul> </li> </ul>



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	<ul style="list-style-type: none"> <li>• <u>Other income sources (i.e. Dividend Interest, Capital Gains, Alimony, etc.)</u></li> <li>▪ <u>When a written VOE form 1005 is used as standalone income verification.</u></li> <li>▪ <u>Employment by family members</u></li> <li>▪ <u>When amended tax returns have been filed, transcripts are required and must support the amended income</u></li> </ul> <p><b>Note:</b> Typically, tax returns are not available from the IRS until two to three weeks after a Consumer e-files their tax returns and six to eight weeks after filing by mail. If the current tax return has been filed but the corresponding tax transcript is not yet available due to IRS lag times, the prior year's transcripts are required (depending on AUS requirement), in addition to the current tax return and current year transcript request returned as a "No Record Found". The current year tax returns must be reviewed to validate the stability of income/business and determine the reasonableness of any positive trends for the purpose of considering as qualifying income. <i>Additional documents, (i.e. copies of cancelled checks for IRS Payment or IRS refund, or electronic filing receipt from the IRS indicating the SID and AGI that matches the return) may be required on a case-by-case basis.</i></p> <p>In FEMA declared disaster areas, the IRS may grant tax filing extensions to citizens of specific Counties and Parishes. If a tax payer takes advantage of these extensions, a copy of the extension, the "No Record" result and the prior year's transcripts are required (based on AUS finding).</p>
<b>Assets/Reserves</b>	
<b>Asset Documentation</b>	<ul style="list-style-type: none"> <li>• Asset documentation must comply with the requirements of AUS findings and the <a href="#">Fannie Mae Selling Guide</a> or <a href="#">Freddie Mac Seller Guide</a> as applicable</li> <li>• Approved third party suppliers and distributors that generate asset verification reports are permitted for the purpose of verifying assets</li> </ul>
<b>Financing Concessions</b>	Refer to <a href="#">Fannie Mae Selling Guide</a> or <a href="#">Freddie Mac Seller Guide</a> as applicable
<b>Borrower Contribution</b>	<ul style="list-style-type: none"> <li>• 1 Unit: \$0</li> <li>• 2-4 Units Minimum 3% borrower's own funds toward the down payment, closing costs, pre-pays and reserves</li> </ul>
<b>Subordinate Financing</b>	
<b>Subordinate Financing/Down Payment Assistance</b>	Refer to <a href="#">TSAHC guidelines</a>
<b>Property/Appraisal</b>	
<b>Eligible Property Types</b>	<ul style="list-style-type: none"> <li>• 1-4 units</li> <li>• Townhomes</li> <li>• PUDs</li> <li>• Condominiums (Follow FNMA or FHLMC approval process as applicable)</li> <li>• Community Land Trusts (<b>FNMA HFA Preferred only</b>)</li> </ul>



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<b>Ineligible Property Types</b>	<ul style="list-style-type: none"> <li>• <u>Cooperatives</u></li> <li>• <u>Group Homes</u></li> <li>• <u>Property that is subject to repairs (all repairs must be complete and escrow holdbacks released prior to purchase with the exception of those noted in the Escrow Holdback section of this product matrix).</u></li> <li>• Land trusts where the beneficiary is an individual</li> <li>• Community Land Trusts (<b>FHLMC HFA Advantage only</b>)</li> <li>• <u>Manufactured homes</u></li> </ul>
<b>Appraisal Requirements</b>	<ul style="list-style-type: none"> <li>• Determined by AUS findings</li> <li>• <u>Appraisal Condition rating of C5/C6 or Quality rating of Q6 is not permitted</u></li> <li>• <u>Lakeview will require successful UCDP Submission Summary Reports (SSRs) from Fannie Mae and Freddie Mac. Lakeview will not purchase loans that include the proprietary messages that indicate 100% of the loans submitted with appraisals from the identified appraiser or supervisory appraiser will be reviewed, or that Fannie Mae or Freddie Mac will not accept appraisals from the identified appraiser or supervisory appraiser as applicable.</u></li> </ul>
<b>Appraisal Transfers</b>	Appraisal transfers are permitted in accordance with the <a href="#">Fannie Mae Selling Guide</a> or <a href="#">Freddie Mac Seller Guide</a>
<b>Appraisal Re-Use</b>	The re-use of an appraisal is permitted in accordance with the <a href="#">Fannie Mae Selling Guide</a> or <a href="#">Freddie Mac Seller Guide</a>
<b>Disaster Area Requirements</b>	<ul style="list-style-type: none"> <li>• Refer to the Disaster Guidelines in the <a href="#">Lakeview Loan Servicing Seller Guide</a> for requirements pertaining to properties impacted by a disaster in: <ul style="list-style-type: none"> <li>◦ FEMA Major Disaster Declarations with designated counties eligible for individual assistance (IA);</li> <li>◦ Areas where FEMA has not made a disaster declaration, but Lakeview Loan Servicing or an Investor (Fannie Mae, Freddie Mac, FHA, USDA or the Veterans Administration) has determined that there may be an increased risk of loss due to a disaster;</li> <li>◦ Areas where the Seller has reason to believe that a property might have been damaged in a disaster</li> </ul> </li> <li>• Correspondent lenders are responsible for monitoring the <a href="#">Disaster Declaration File</a> and the <a href="#">FEMA Website</a> including the FEMA Declarations Summary on an ongoing basis to ensure that the property is not located in an area impacted by a disaster.</li> </ul>
<b>Escrow Holdbacks</b>	<ul style="list-style-type: none"> <li>• Escrow holdbacks are permitted for outstanding minor repairs for incomplete construction or for alterations and repairs that cannot be completed prior to loan closing provided the subject property is habitable and safe for occupancy at the time of closing</li> <li>• Follow Fannie Mae or Freddie Mac guidelines as applicable, regarding reason, type of improvements, time to complete, quality, disbursements, and post-closing documentation</li> <li>• It is the Seller's responsibility to forward final completion documents to Lakeview Loan Servicing per Fannie Mae or Freddie Mac guidelines as applicable</li> <li>• Loans with outstanding escrow repairs must not impact Lakeview Loan Servicing's ability to deliver/sell the loan</li> </ul>



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	<ul style="list-style-type: none"> <li><b>The correspondent lender or designated escrow company will be responsible for managing and disbursing the escrows</b></li> <li>The correspondent lender shall deliver loans that were originated in accordance with the Fannie Mae Selling Guide or Freddie Mac Selling Guide as applicable.</li> <li>Correspondent lender or designated escrow company is to retain the escrow funds until all improvements have been completed. Lender to provide Lakeview Loan Servicing confirmation of all work completed and that escrow funds have been released.</li> </ul>																				
<b>Geographic Restrictions</b>	Property must be within the state of Texas																				
<b>Special Restrictions</b>																					
<b>High Cost Loans</b>	<u>Lakeview will not purchase High Cost Loans.</u>																				
<b>Higher Priced Mortgage Loans (HPML)</b>	Lakeview will purchase HPML in accordance with Fannie Mae or Freddie Mac guidelines as applicable																				
<b>Insurance</b>																					
<b>Mortgage Insurance</b>	<ul style="list-style-type: none"> <li>The following MI types are permitted:                             <ul style="list-style-type: none"> <li>Borrower paid monthly premium</li> <li>Borrower paid single premium</li> <li>Split Premium MI</li> </ul> </li> <li>Financed mortgage insurance premium must be included in the LTV and CLTV are subject to High Cost loan calculations</li> </ul> <p><b><u>Mortgage Insurance Requirements</u></b></p> <p>Loans with First Mortgage product codes CTX 402 and CTX 422</p> <table border="1"> <thead> <tr> <th>LTV</th><th>Coverage</th></tr> </thead> <tbody> <tr> <td>95.01-97%</td><td>18%</td></tr> <tr> <td>90.01-95%</td><td>16%</td></tr> <tr> <td>85.01-90%</td><td>12%</td></tr> <tr> <td>80.01-85%</td><td>6%</td></tr> </tbody> </table> <p>Loans with First Mortgage product codes CTX 503 and CTX 523</p> <table border="1"> <thead> <tr> <th>LTV</th><th>Coverage</th></tr> </thead> <tbody> <tr> <td>95.01-97%</td><td>35%</td></tr> <tr> <td>90.01-95%</td><td>30%</td></tr> <tr> <td>85.01-90%</td><td>25%</td></tr> <tr> <td>80.01-85%</td><td>12%</td></tr> </tbody> </table>	LTV	Coverage	95.01-97%	18%	90.01-95%	16%	85.01-90%	12%	80.01-85%	6%	LTV	Coverage	95.01-97%	35%	90.01-95%	30%	85.01-90%	25%	80.01-85%	12%
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Other Considerations	
<b>Age of Documents</b>	<ul style="list-style-type: none"> <li>All credit documents must be dated within 120 days of the note date</li> <li>Preliminary title policies must be no more than 180 days old on the date the note is signed</li> </ul>
<b>Assignment of Mortgage</b>	All loans must be registered with MERS at the time of delivery to Lakeview. The MERS transfer of beneficial rights and transfer of servicing rights must be initialed by the Seller within 7 calendar days of purchase date. Refer to selling guide for transfer requirements.
<b>Seasoning</b>	See <a href="#">Lakeview Loan Servicing Seller Guide</a>
<b>Escrow Waivers</b>	<ul style="list-style-type: none"> <li><i><u>Tax and Insurance escrows are required on all loans greater than 80% LTV</u></i></li> <li><i><u>Flood insurance premiums paid by the borrower must be escrowed and cannot be waived regardless of LTV. If flood insurance premiums are paid by a condominium association, homeowner's association or other group, no escrow is required.</u></i></li> <li><i><u>Escrow waivers for property taxes are permitted on loans with LTVs less than 80% in accordance with the Fannie Mae or Freddie Mac Selling Guide as applicable and TSAHC guidelines.</u></i></li> <li><i><u>Tax and insurance escrows are required on all HPML loans.</u></i></li> </ul>
<b>Forbearance</b>	Lakeview Loan Servicing will not purchase any loan where the borrower is actively seeking a forbearance or any loan that is in an "active" forbearance status prior to purchase by Lakeview Loan Servicing.
<p>Seller shall deliver loans that were originated in accordance with Fannie Mae or Freddie Mac guidelines as applicable, unless otherwise stated with this product matrix. **In the case of conflicting guidelines, lender must follow the more restrictive to meet the credit, income limits, total debt-to-income ratio and loan and property requirements of TSAHC, Fannie Mae, Freddie Mac, Mortgage Insurer, Lender or Lakeview Loan Servicing.</p>	



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Version Control			
Author	Section	Date	Update
DM	Homebuyer Education	4.14.22	Provided acceptable sources for landlord education
SG	Employment/Income verification, Eligible property types. Min borrower contribution, Co-Signers	8.26.22	<ul style="list-style-type: none"> <li>Removed FHLMC VVOE overlay</li> <li>Removed specific FNMA 2-4 unit requirements since FHLMC is aligned</li> <li>Added Non-Occupant Co-Borrowers are permitted</li> </ul>
SG	Appraisals	3.29.23	Added: <ul style="list-style-type: none"> <li>Hybrid appraisals and the Property Data Report (PDR) are not permitted</li> </ul>
SG	Employment/Income Verification	4.19.23	Added clarifying language: regarding transcripts • Additional documents, (i.e. copies of cancelled checks for IRS Payment/IRS refund, or electronic filing receipt from the IRS indicating the Submission Identification Number (SID) and AGI that matches the return) may be required on a case-by-case basis.
SG	Income/Employment Verification	5.10.23	Added: <ul style="list-style-type: none"> <li>Note: Typically, tax returns are not available from the IRS until two to three weeks after a Consumer e-files their tax returns and six to eight weeks after filing by mail. If the current tax return has been filed but the corresponding tax transcript is not yet available due to IRS lag times, the prior year's transcripts are required (depending on AUS requirement), in addition to the current tax return and current year transcript request returned as a "No Record Found". The current year tax returns must be reviewed to validate the stability of income/business and determine the reasonableness of any positive trends for the purpose of considering as qualifying income. <i>Additional documents, (i.e. copies of cancelled checks for IRS Payment or IRS refund, or electronic filing receipt from the IRS indicating the SID and AGI that matches the return) may be required on a case-by-case basis.</i></li> <li>In FEMA declared disaster areas, the IRS may grant tax filing extensions to citizens of specific Counties and Parishes. If a tax payer takes advantage of these extensions, a copy of the extension, the "No Record" result and the prior year's transcripts are required (based on AUS finding).</li> </ul>
SG	Appraisals	6.28.23	Removed Overlay: Hybrid appraisals and the Property Data Report (PDR) are not permitted
SG	Version Control	8.16.23	Removed version control prior to 2022



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