

South Carolina Housing Program

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The Key to Homeownership

A relationship between **Lakeview** and **South Carolina Housing** that uses the **Palmetto Home Advantage Program** to help South Carolinians realize their homeownership dream.



Palmetto Home Advantage Program

- The **Palmetto Home Advantage Program** is a program between Lakeview and South Carolina Housing **designed to serve both first-time and “move-up” borrowers with the goal of making owning a home affordable** in South Carolina.
- Qualifies as a provider of down payment assistance under Fannie Mae, Freddie Mac, FHA, VA, and USDA guidelines.



Benefits

Fewer Restrictions & Easier to Use

- No Underwriter Certification.
- Assistance is available for both first-time and repeat homebuyers.
- No minimum required investment.
- No additional condominium reviews are required (condominiums must meet agency/investor guidelines).
- Single and two-unit properties.



Program Highlights

- Purchase transactions only.
- Owner-occupied properties, including:
 - 1-2 Units
 - Condos and PUDs
 - Townhomes
 - Manufactured Homes (Conventional and FHA only)
 - Double-wide or greater and Leaseholds are not eligible for Conventional loans.
- Government and Conventional first loan options are available.
- Homebuyer Education is required for at least one borrower regardless of first-time homebuyer status. See product matrices for more details.
- Proceeds can be used for **100%** of the borrower's down payment.

***Please refer to the product matrix for complete program guidelines.
(www.LakeviewCorrespondent.com | Product Matrices)***



First Mortgage Loans – Conventional

- **Fannie Mae's HFA Preferred** and **Freddie Mac HFA Advantage** loans only.
 - Standard Freddie Mac and Fannie Mae loan products are not permitted.
- **LTV/CLTV:** Up to maximum **97%/105%**
 - LTV/CLTV per the Fannie Mae Selling Guide or Freddie Mac Seller Guide for manufactured homes.
 - 2-unit properties are limited to **95%** LTV
- All Borrowers must have a **FICO score** of no less than **640**.
 - 660 required for manufactured homes.
- **Maximum DTI** is the lesser of **50%** or DU/LPA approval.
 - Maximum DTI is **45%** for manufactured homes.
- **Underwriting:** Approve/Eligible from DU or Accept/Eligible from LPA
 - Manual underwriting and/or non-traditional credit are not permitted.
- **Employment and income documentation** follow DU/LPA findings, with a few exceptions:
 - Tax transcripts are required when utilizing 1040 income, working for family, or using WVOE as stand-alone income verification.

***Please refer to the product matrix for complete program guidelines.
(www.LakeviewCorrespondent.com | Product Matrices)***



First Mortgage Loans – Conventional,

- Lower Charter or Custom Mortgage Insurance coverage is available for loans with **AMI \leq 80%**.

LTV	Coverage
95.01%-97%	18%
90.01-95%	16%
85.01-90%	12%
80.01-85%	6%

- See the product matrix for more information.

In the case of conflicting guidelines, the lender must follow the more restrictive guidelines of the program, Palmetto Home Advantage, Fannie Mae or Freddie Mac (as applicable), Mortgage Insurer, Lender, or Lakeview.



First Mortgage Loans – Government

FHA/VA/USDA

- Maximum LTV: **FHA 96.5%, VA 100%, USDA 100%.** CLTV – **per investor guidelines**
- All borrowers must have a **FICO** score of no less than **640**. (No additional LLPAs assessed)
- Maximum DTI is the **lesser of 50% or DU/LPA approval**.
- Underwriting: **Approve/Eligible** from DU, **Accept** from LPA, or **Accept/Eligible** from GUS
 - Manual underwriting is permitted, subject to:
 - FHA loans only
 - Overall insurability and/or eligibility are not affected.
 - The loan receives an Approve/Eligible or Accept recommendation but requires a downgrade due to additional information not considered in the AUS decision.
 - **43%** maximum DTI
 - **660** minimum **FICO** for all borrowers
 - Not permitted with manufactured homes

*Please refer to the product matrix for complete program guidelines.
(www.LakeviewCorrespondent.com | Product Matrices)*



First Mortgage Loans – Government, continued

- **FHA only** – Manufactured Homes now permitted, subject to:
 - **660 FICO**
 - **45% DTI**
 - Doublewide or greater
 - Leaseholds not permitted
 - **50bps LLPA**
 - AUS approval only (not permitted on manual underwrite)
- Employment and income documentation follow DU/LPA/GUS findings and investor guidelines with a few exceptions:
 - Tax transcripts are required when utilizing 1040 income, working for a family member, or using WVOE as stand-alone income verification.
- **Mortgage insurance required per investor guidelines.**

***Please refer to the product matrix for complete program guidelines.
(www.LakeviewCorrespondent.com | Product Matrices)***



FHA Limited 203(k)

- Used for **minor** non-structural and cosmetic remodeling.
- All loans must be run through **FHA Total Scorecard**.
- All loans must be run through AUS and require an **Approve/Eligible** or **Accept**.
- Borrower must move into the home within **30** days of closing.
- No minimum amount, but **maximum of \$75,000** in repairs.
- Do not need 203(k) consultant.
- All improvements to existing structures must comply with HUD's Minimum Property Requirements and meet or exceed local building codes.
- Time frame for completion of repairs not to exceed **6 months**.
- Work completed must be on the 203(k) Limited Eligible Improvement/Repairs list.
- Follow FHA Handbook 4000.1 203(k) Limited guidelines regarding reason, type of improvements, time to complete, quality, disbursements, and post-closing documentation.
- Lenders must handle all disbursements and are responsible for the release of escrow and closing out the loans in FHA Connection.



Limited 203(k) – Improvement Examples

- Making changes for improved functions and modernization.
- Making changes for aesthetic appeal.
- Minor kitchen remodeling not involving structural repairs
- Pool repairs
- Interior and exterior painting
- Repair/replacement/upgrade of appliances
- Window and door replacements
- Replace/repair roof, gutters, and downspouts

All improvements to existing structures must comply with HUD's MPR and must meet or exceed local building codes.



Income Limits

- Use [**Fannie Mae's income lookup tool**](#) or [**Freddie Mac's income lookup tool**](#) (as applicable) to find AMI information.
- Government loans have an additional income limit, see the [**Palmetto Advantage**](#) website for full details.
- **All verified qualifying income must be applied against the applicable program income limit.**
 - Household income does not apply, only the borrower's income.



Second Mortgage Program

- Refer to South Carolina Housing [**Palmetto Advantage Program guidelines**](#) for all second mortgage requirements.
- Can be paired with Government and Conventional first mortgages.
- Open to first-time and repeat homebuyers.
- Down payment assistance of **3%** or **4%** of the first mortgage loan amount.
 - Forgivable second mortgage with a 10-year term and zero interest rate. This is not a grant.
 - No monthly payment
- For borrowers who do not need the assistance, SC Housing also offers a **NO DPA** option.



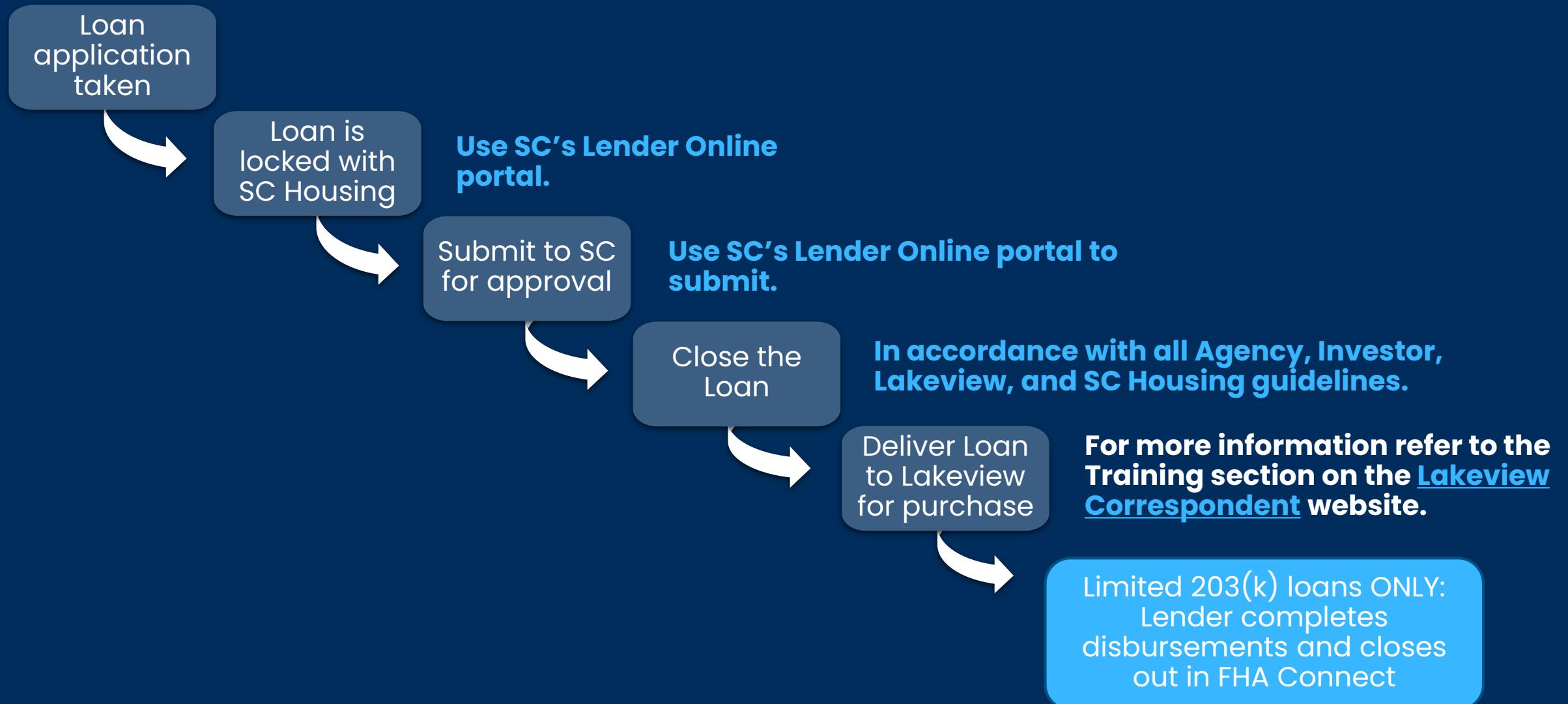
Second Mortgage Program, continued

Second Loan Representation in DU and LPA

- Within DU, second loans are entered as a liability and in the **Community Lending** section.
 - Remember to fill out the correct repayment type for the Community Second as well. Use **Payments deferred 5 or more years** and **fully forgiven**.
- Within LPA, the second loan information is entered in **Other New Mortgage Loans on the Property You are Buying or Refinancing** section.
 - Answer **Yes** to the question: **Is the Affordable Second Payment Deferred?**



The Process



Other Program Information

Origination and other lender fees:

- Lenders may charge what is usual and customary.
- Recording fees are the only allowable fees on 2nd DPA liens.

Discount Points:

- Program does not allow discount points to be charged to borrower(s).
- Fees netted at purchase by Lakeview:
 - **100%** of the amortized balance of the 1st and 2nd DPA mortgage
 - **\$400** Funding fee, **\$75** Tax certification fee, and **\$10** Flood fee
 - **SRP 1.5%** of the amortized balance of the 1st mortgage the date of purchase
 - Accrued interim interest up to the date of purchase



Reminders

Top Suspense Items

- Missing Closing Disclosure
- Allonge missing or incorrect
 - Must be made payable to South Carolina State Housing Finance and Development Authority
- Bailee letter not mailed in with original note
- Income incomplete or calculated incorrectly
 - Remember to include all borrower disclosed income in qualification.

When in doubt check the delivery checklist!



On-Line Resources

- For more information about the **First Mortgage or the delivery process** refer to the [Lakeview Correspondent](#) website.
- For more information about the Palmetto Home Advantage **Second Mortgage** options, refer to the [SC Housing](#) website.



Lakeview Correspondent Website

Here you will find:

1. Announcements
2. Product Matrices
3. Tools & Resources:
Reference Guides,
Forms, Calculators,
Delivery Checklists, and
Turn Times.
4. Training: a live Training
Calendar, Product
training, and
Portal/System training

Questions? Call 855-253-8439 today

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Delegated LoanDock/Closed Loan Portal

Non-Delegated UW Portal

Lakeview

1 Announcements

Product Matrices

Tools & Resources

Training

Silver Hill Capital

The one-stop shop you've been looking for

Tailored Lending Solutions: **Agency** and **Non-Agency** options to fit your needs.

Questions?

Topic	Who to contact
General Product or Process	Contact your internal product development/implementation or training team.
Disclosures, Forms, or Conditions on Closed Loans	Contact your Lakeview Client Manager
Pricing	Pricing and guidelines are available in most product and pricing engines. Contact your internal lock desk on how to access pricing.
Loan-level Issues	Consult your Lakeview Business Development Director, Client Manager, or the Lakeview Underwriting Scenario Desk at 855-253-8439, Option 2 or underwritingquestions@lakeview.com
Locking or Delivering Loans	Contact Lakeview Client Services at 1-855-253-8439, option 3 or at clientservices@lakeview.com



Thank you!



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