

Market Rate GNMA Program

Program Description and Guidelines

Program Objectives	Provide assistance for "first time" homebuyers with incomes at or below 115% AMI to purchase one-unit family homes. Increase homeownership for Low to Moderate Income homebuyers.
Eligible Activity	Homeowner Assistance
Loan Purpose	Homeownership
Buy Downs	No buy downs
Approved Lenders	Lenders that have completed Market Rate training.
Lender Requirements	Lenders will register the 1st mortgage loan in LHC's reservation system using the LHC Market Rate GNMA Program. No compliance package required.
Deadlines	Closed loan delivered to Servicer - 45 days Loan purchased by - 70 days Extensions are available for 30 days
Fees	Funding Fee - \$500 Flood Certification Fee - \$14.50 Tax Service Fee - \$91 Wire Fee - \$40 Extension Fee - \$375 All fees must be disclosed on the Lending Disclosure & Closing Disclosure for the first mortgage.
Lender Compensation	The Lender is not allowed to charge origination or discount points. They are allowed to charge other fees that are deemed reasonable and customary. Total Lender Compensation is 2% SRP for each loan sold to SMC.
Grant Assistance	2-4% of Final Loan Amount
Maximum Purchase Price	The Maximum Permissible Purchase Price shall not exceed the FHA loan

LHC SINGLE FAMILY DOCUMENT AS OF 09/08/2022

	limits.
Mortgage Rate of First Mortgage Loan	Market Rate GNMA Rates posted daily
First Mortgage Loan Type	FHA, VA, or RD first mortgage loan product.
Ineligible Product Types	FHA 203K, FHA 203H, Fannie, Freddie
AUS	Approved / Eligible
Term	30 yr first mortgage
Household Income Limits	115% AMI
Credit Score	Minimum 640 credit score At least 2 scores required No manual underwrites.
Non-Traditional Credit	Not allowed
DTI	Max 50%
Eligible Borrowers	No first time homebuyer requirement.
Homebuyer Education	Not required.
Eligible Parishes	All parishes.
Eligible Property Types	One Unit Primary Residence, Townhouses, Condos, Manufactured Manufactured Requirements Double wide or greater Built after 1978 Titled as Real Estate Permanently affixed FHA only
Ineligible Property Types	Duplexes, Single Wide Mobile Homes, Vacation / Second Homes, Mobile / Recreational, Timeshares
Number of Units	1

Non-Arm's Length Transactions	Follow Loan Product Guidelines
Documents Required to Reserve Funds	Borrower must present a legally binding purchase agreement with application for funds when applying for assistance under the program. Properties must be essentially "move in" ready when the purchase agreement is executed. Application date is based on the date that a complete application is received by an LHC approved lender. Lenders will reserve the loan funds in LHC's reservation system. All applicants will be served on a "first come, first served" basis.
Program Administrator and Compliance	Louisiana Housing Corporation 2415 Quail Drive Baton Rouge, LA 70808 Attention: Single Family
Employment / Income Verification	Follow AUS findings
Assumptions	Not allowed
Insurance Requirements	Eligible properties must be insured with standard homeowner's coverage with wind/hail insurance and flood insurance (if required) in an amount equal to the first mortgage balance.
Physical Standard / Inspections	All properties must meet Parish Building Code requirements, Zoning Code requirements and the physical standards and inspection procedures of the FHA, VA, or RD mortgage loan product associated with the First Mortgage Loan.
Occupancy Requirements and Hardship	Program recipients must occupy the purchased unit as their principal residence.
Co-Signers / Non-Occupant Co-Borrowers	Co-signers and Non-occupant Co-Borrowers are allowed. FHA only.
Legal	LHC will provide the lender or title company the Gift Letter for the assistance that will need to be executed at the time of closing.
Documents	The lender will package and deliver the 1st mortgage loan to LHC's master servicer, Standard Mortgage Corporation, for purchase.
Requesting Closing Cost Assistance	Lenders are required to submit to LHC the completed Exhibit E, Program Requisition Form - Wiring Instructions along with the Closing Disclosure 36 hours prior to the loan being closed requesting the Assistance to be wired to the closing table with the cutoff being 12:00 PM.