

**FLORIDA HOUSING FINANCE CORPORATION
HOMEOWNERSHIP POOL (HOP) PROGRAM**

HOMEBUYER UNDERWRITING GUIDELINES

Eligible Homebuyers utilizing the FHFC Bond Program, local Florida HFA Bond Program, Federal Housing Administration (FHA) loan, Veterans Administration (VA) loan, a Fannie Mae or Freddie Mac loan, a direct loan from Habitat for Humanity or a direct loan from USDA-RD have no further underwriting requirements related to the first mortgage.

For Eligible Homebuyers qualified under all other loan types, the loan must meet the following requirements in order to be assisted by FHFC program financing:

**Loans must be made by regulated financial institutions.
The total debt ratio must be between 29% and 50%.**

The first mortgage loan must carry a fixed interest rate which cannot be greater than the current 10 year U.S. Treasury Yield + 3.5%.

Insurance and tax escrows are required.

Interest-only mortgages are not allowed.

No prepayment penalties are allowed.

Mortgages with negative amortization features are not allowed.

Closing costs should not exceed 5% of the purchase price.

For All Loans:

Eligible Homebuyers should have a cash reserve, remaining on deposit after loan closing, equal to one month's PITI.

Homeownership program loans should be provided to homebuyers in the minimum amounts that will make homes affordable to them. Over-subsidized loans may be reduced or denied. Loans that financially overburden the homebuyer will also be denied.