

# Travis County Housing Finance Corporation

## Hill Country Home Down Payment Assistance Program



**Program Benefit:** The Travis County Housing Finance Corporation's Hill Country Home Down Payment Assistance program provides a competitive 30-year fixed-rate mortgage, with a **down payment assistance (DPA) grant equal to 4%, 5% or 6% of the mortgage amount** (depending on the FICO score), to qualifying low and moderate income homebuyer families throughout Travis County, including in the City of Austin.

**Program Mortgage Rates:** Slightly above market rate. The program mortgage rates change periodically to stay competitive with the market.

**Program DPA/Lender Compensation:** Each homebuyer family receives a non-repayable DPA grant for down payment & closing costs equal to 4%, 5% or 6% of the initial principal amount of the mortgage loan. This is funded directly by the Travis County HFC at loan closing.

- Borrowers with a 640-659 FICO score receive a **4% DPA** grant with a net DPA of 2.5% after the 1.5% origination fee is charged by the lender to the borrower.
- For borrowers receiving the **5% DPA** grant (FICO of 660+), the net DPA is 3.5%, taking into account a 1.5% origination fee.
- Borrowers choosing the **6% DPA** grant (FICO of 660+), the net DPA is 4.5% after the 1.5% origination fee.

Lender income is 2.5%, coming from the maximum 1.5% origination fee at loan closing plus a 1% SRP (0.50% for VA loans) upon sale of the loan to the Servicer, US Bank Home Mortgage.

**Program Period:** Travis County HFC, as Program Sponsor, launched mortgage loan reservations for the Hill Country Home program in November, 2014. The program has been extended through December, 2018 to allow for continuous availability of funds to lenders & homebuyers and "continuous origination."

**Eligible Mortgagors:** The normal tax-exempt bond or mortgage credit certificate (MCC) program requirements (income limit and first-time home buyer) do not apply. In addition, the home buyers are not be subject to "Recapture Tax." The requirements for eligible homebuyers are:

- 1) **No First-Time Home Buyer (FTHB) Requirement**
- 2) **Maximum Credit Qualifying Income:** **\$113,960 (140% of AMFI)**
- 3) **Maximum Purchase Price Limit:** **\$332,470**

**Eligible Loans:** FHA , VA, or USDA, all 30-year, fixed rate & poolable into GNMA Certificates, minimum 640 FICO score, maximum 45 debt-to-income (DTI) ratio. Only first-time homebuyers must receive HUD-approved homebuyer education. Loans must be "underwriter certified" within 15 days of loan reservation, closed within 45 days, and purchased by the Servicer within 70 days. No refinances.

**Participating Lenders:** Must be approved by the Travis County HFC & the Servicer, sign a Participating Lender Agreement with the Servicer, sign a Lender Agreement with Travis County HFC, and receive webinar training from the online loan reservations Administrator, eHousingPlus. No fee for lender to participate in the program.

**For More Information:** Please contact Jennifer Payne (jennifer.payne@raymondjames.com) with Raymond James & Associates, Inc. with any questions.