

July 1, 2020

# Real Estate Agents and Homeownership Counseling Partners



# KHC Program Guide Real Estate Agents and Homeownership Counseling Partners July 1, 2020

## **New Income and Purchase Price Limits**

Effective immediately, KHC announces new income and purchase price limits for Secondary Market products, the Affordable Down payment Assistance Program and KHC's Homebuyer Tax Credit.



## Secondary Market First Mortgage Products

**Eligibility:** Both **first-time and repeat home buyers** purchasing a single-family dwelling. **Purchase price can be no more than \$327,334.** Applicant's income must be within applicable secondary market limits in effect. If Affordable DAP is used, then applicant's income needs to be within Affordable DAP income limits. If KHC's Homebuyer Tax Credit is used, then **household** income must be under the Homebuyer Tax Credit income limits.

### KHC's Secondary Market Government Loan Products

#### Federal Housing Administration (FHA)

- Minimum **620** credit score.
- Financing to 96.50% of lesser of sales price or appraised value.
- Maximum ratios 40/50%.

Upfront and Annual Mortgage Insurance Premiums 30-Year Loan Term	
LTV less than or equal to 95%	1.75% UFMIP .80 Annual
LTV greater than 95%	1.75% UFMIP .85 Annual

#### Rural Housing Services (RHS)

- Minimum **620** credit score.
- Financing to 100% of the appraised value, plus guarantee fee of 1.00%/0.35% annual fee.
- Maximum ratios 40/50%.

#### Veteran's Administration (VA)

- Minimum **620** credit score.
- Financing to 100% of the lesser of the appraised value or sale price plus funding fee.
- Maximum ratios 40/50%.
- No monthly mortgage insurance.

## Conventional First Mortgage Programs 30-Year Loan Term

PARAMETER	Preferred	Preferred Plus 80
Maximum LTV/CLTV	97/105%	
Eligible Occupancy	Owner Occupied	
Eligible Purpose	Purchase	
Minimum Credit Score	660	
Ratio Guidelines	40/50%	
Eligible Properties	One-unit dwellings or approved condominiums	
Manufactured Housing	Limited to 95/105% Choose Preferred MH	Limited to 95/105% Choose Preferred Plus 80 MH
3% Down Payment	Borrower's Funds, Gift, KHC DAPs, or Welcome Home Monies	
Borrower Contribution	None	
Income Limit	80% AMI Income Chart	Secondary Market Income Limits
Maximum Seller Contributions	3% for CLTV > 90% and 6% for CLTV < or = 90%	
Other Properties	Can own other real estate property at time of closing	
Subordinate Financing <small>***if property is a KHC REO, none of KHC's DAPs can be used***</small>	Community Seconds per Fannie Mae Guidelines, all KHC DAPS applicable. Special Feature Code 118 Community Seconds	
Home Buyer Education	Follow DU Findings	
Mortgage Insurance  KHC will order ALL MI for TPO Lenders	<u>Charter Coverage</u> 97% - 95.01% 18% 95% - 90.01% 16% 90% - 85.01% 12% 85% - 80.01% 6% 80% or below N/A	<u>Standard Coverage</u> 97% - 95.01% 35% 95% - 90.01% 30% 90% - 85.01% 25% 85% - 80.01% 12% 80% or below N/A
KHC Approved MI Companies	Arch MI, Essent, Genworth, MGIC, Radian & UG	

*Borrower must meet BOTH KHC and MI Company guidelines.*

### Down Payment Assistance Programs (DAP)

Only home buyers obtaining a Kentucky Housing Corporation first mortgage are eligible for DAP funds.  
Interest Rate with DAP applicable.

DAP	Regular	Affordable
Income Eligibility	Secondary Market	Affordable DAP Income
Eligible Properties	New and Existing Properties	
Eligible Borrowers	First-time and Repeat Home Buyers	
Amount	Up to <b>\$6,000</b> Not required to be at maximum LTV first mortgage amount	Up to <b>\$6,000</b> Not required to be at maximum LTV first mortgage amount
Terms	<b>5.50%</b> amortized over <b>10 years</b>	<b>1%</b> amortized over <b>10 years</b>
Purchase Price Limit	<b>\$327,334</b>	
AUS	Enter as <b>Subordinate Financing</b> AUS Approval required	
Home Buyer Education	Not Required	
Ratios	Borrower must qualify with additional monthly payment. With AUS approval, can go up to <b>40/50%</b> with all loans.	
Required Repairs	Buyer or seller may use <b>OWN</b> funds to pay for repairs	
DAP Disclosures	Loan Estimate and Closing Disclosure Available in KHC's Loan Reservation System-- <b>\$50</b> Document Preparation Fee to closing agent and <b>\$80</b> (estimated) Recording Fee	

**KENTUCKY HOUSING CORPORATION  
2020 SECONDARY MARKET  
GROSS ANNUAL APPLICANT'S INCOME LIMITATIONS  
Effective July 1, 2020**

**Secondary Market Purchase Price Limit -- \$327,334**

<b>County</b>	<b>Applicant(s) Income Limit</b>	<b>County</b>	<b>Applicant(s) Income Limits</b>
Anderson	121,975	Kenton	151,025
Boone	151,025	Larue	120,050
Bourbon	138,950	Meade	116,025
Bracken	151,025	Marshall	117,425
Bullitt	135,625	Madison	123,550
Campbell	151,025	McCracken	140,000
Christian	120,575	Mercer	115,500
Clark	138,950	Nelson	124,600
Fayette	138,950	Oldham	135,625
Franklin	124,425	Pendleton	151,025
Gallatin	151,025	Scott	138,950
Hardin	120,050	Shelby	138,075
Henderson	130,900	Spencer	135,625
Henry	135,625	Trigg	120,575
Jefferson	135,625	Trimble	135,625
Jessamine	138,950	Woodford	138,950

**Applicant's Income Limit for all other counties not listed above: \$114,450**

**KENTUCKY HOUSING CORPORATION HOME BUYER TAX CREDIT  
2020 GROSS ANNUAL HOUSEHOLD INCOME LIMITS  
Effective July 1, 2020**

The income limitations listed below are imposed by federal law.  
Failure to comply with them may create adverse consequences for Kentucky Housing Corporation and its bondholders.

**Funding Source: Home Buyer Tax Credit (Purchase Price Limit – \$294,600)**

Person(s) per household	(1 or 2)	(3 or more)	Person(s) per household	(1 or 2)	(3 or more)
Anderson	69,700	80,155	Kenton	86,300	99,245
Ballard	65,400	75,210	Larue	82,320	96,040
Barren	65,400	75,210	Laurel	65,400	75,210
Boone	86,300	99,245	Livingston	65,400	75,210
Bourbon	95,280	111,160	Lyon	65,400	75,210
Boyd	65,400	75,210	Marshall	66,100	76,015
Bracken	103,560	120,820	McCracken	63,000	72,450
Bullitt	77,500	89,125	McLean	78,480	91,560
Caldwell	65,400	75,210	Meade	66,000	75,900
Calloway	65,400	75,210	Mercer	66,000	75,900
Campbell	86,300	99,245	Muhlenberg	65,400	75,210
Christian	65,700	75,555	Nelson	85,440	99,680
Clark	95,280	111,160	Oldham	77,500	89,125
Daviess	65,400	75,210	Pendleton	103,560	120,820
Fayette	79,400	91,310	Scott	95,280	111,160
Franklin	71,100	81,765	Shelby	78,900	90,735
Gallatin	103,560	120,820	Simpson	65,400	75,210
Graves	65,400	75,210	Spencer	93,000	108,500
Greenup	65,400	75,210	Taylor	65,400	75,210
Hancock	65,400	75,210	Trigg	65,700	75,555
Hardin	68,600	78,890	Trimble	93,000	108,500
Henderson	72,500	83,375	Union	65,400	75,210
Henry	93,000	108,500	Warren	65,400	75,210
Jefferson	77,500	89,125	Woodford	79,400	91,310
Jessamine	79,400	91,310			
<b>For all other counties not listed above:</b>		<b>\$78,480 (1 or 2 person)</b>	<b>\$91,560 (3 or more person)</b>		

**AFFORDABLE DAP and CONVENTIONAL PREFERRED (not Plus 80)  
80% AMI INCOME CHART**

**2020 GROSS ANNUAL APPLICANT'S INCOME LIMITS  
Effective July 1, 2020**

**Secondary Market Purchase Price Limit -- \$327,334**

<b>County</b>	<b>Income Limits</b>	<b>County</b>	<b>Income Limits</b>
Allen	50,720	Jefferson	61,520
Anderson	55,760	Jessamine	63,520
Ballard	46,560	Kenton	68,160
Boone	68,160	Larue	56,080
Bourbon	63,520	Livingston	46,800
Boyd	48,960	Logan	46,080
Boyle	46,880	Lyon	51,920
Bracken	68,160	Madison	56,480
Breckinridge	49,840	Marshall	53,680
Bullitt	61,520	Marion	45,440
Butler	50,720	Mason	48,960
Caldwell	46,560	McCracken	64,000
Calloway	48,080	McLean	50,720
Campbell	68,160	Meade	56,080
Carlisle	44,160	Mercer	52,800
Christian	55,120	Montgomery	45,120
Clark	63,520	Muhlenberg	44,320
Crittenden	47,120	Nelson	56,960
Daviess	50,720	Nicholas	43,600
Edmonson	50,720	Oldham	61,520
Fayette	63,520	Owen	43,760
Franklin	56,880	Pendleton	68,160
Fleming	56,880	Robertson	43,840
Gallatin	68,160	Rowan	43,360
Garrard	50,320	Scott	63,520
Grant	68,120	Shelby	61,520
Graves	44,960	Simpson	47,440
Greenup	48,960	Spencer	61,520
Hancock	50,720	Trigg	55,120
Hardin	56,080	Trimble	61,520
Harrison	49,440	Union	45,040
Henderson	59,840	Warren	50,720
Henry	61,520	Washington	49,200
Hopkins	48,080	Woodford	63,520

**Applicant's Income Limit for all other counties not listed above: \$42,720**

## ABOUT KHC

KHC is Kentucky's state housing finance agency. Created by the General Assembly in 1972, KHC provides affordable housing opportunities for low- and moderate-income Kentuckians.

In our role as a mortgage investor, KHC conducts business through a statewide network of approved lenders. As the investor, KHC must also have its loans guaranteed or insured, either through a government agency (FHA, VA, or RHS) or with private mortgage insurance for Conventional. For more information about KHC, visit our website at [www.kyhousing.org](http://www.kyhousing.org).

We've helped over **95,000** households attain homeownership with our safe and secure mortgage loans. Let us help your buyers, too.

## KHC ELIGIBILITY AND CREDIT STANDARDS OVERVIEW

*(Not intended to be an all-inclusive list.)*

### Home Buyer Eligibility

- KHC can help both first time and repeat home buyers statewide.
- Must be a U.S. citizen or legal status to be in U.S.
- Applicant's income **ONLY** through Secondary Market.
- Property must be the borrower's principal residence.
- Any Borrower that meets both the income and purchase price limit can have access to Down Payment Assistance.

### Kentucky Housing Credit Standards

- 620 minimum credit score required for FHA, VA, & RHS.
- 660 minimum credit score required for Conventional.
- Debt ratios: 40/50%
- Collections in most cases do not need to be paid-off in full.
- Bankruptcies and foreclosures must be discharged two to seven years.
- Non-taxable income can be grossed-up.

### Property Eligibility

- Both new and existing property.
- Both new & existing Manufactured Housing.
- With RHS only new construction Manufactured housing is allowed.
- Purchase price limit of **\$327,334** for Secondary Market or **\$294,600** for Tax Credit.
- Full appraisal required on all KHC loans.
- With Existing Property, VA is the only loan product that requires a termite inspection.
- A termite soil treatment certificate is required on ALL new construction properties except on conventional loans.

## KHC'S WEBSITE

KHC has developed a website useful to Real Estate Agents and Homeownership Counseling Partners. It provides you with the information you need to assist your buyers in obtaining KHC financing. Go to [www.kyhousing.org](http://www.kyhousing.org) to view a list of participating lenders statewide that are approved to provide our financing programs. You'll also find information about continuing education credit courses. Become a KHC Certified Agent.

Subscribe for e-Grams to receive updates on KHC's programs!

## WHY CHOOSE KHC?

KHC loans offer benefits for both **you** and your **buyer**:

- Programs available for first-time and repeat home buyers statewide.
- Increased income and purchase price guidelines mean more purchasing power for your buyer and potentially higher commissions for **you**.
- Downpayment and closing costs assistance programs for qualified buyers.
- KHC's Home Buyer Tax Credit Program.
- Conventional, FHA, RHS, and VA loan programs with competitive interest rates.
- Available home buyer education and counseling programs.
- KHC loans are serviced in Kentucky – we never sell our loans!
- Available online bill payment and account maintenance for borrowers.
- Real Estate Agent email registry allows you to stay up-to-the-minute on additional funding and program changes.

### Kentucky Housing Corporation Mortgage Loans – The Home Loan You Can Trust

Visit our website at [www.kyhousing.org](http://www.kyhousing.org) or call toll-free in Kentucky at 800-633-8896 or 502-564-7630, extension 291, or TTY 711.