

December 6, 2018

Real Estate Agents and Homeownership Counseling Partners



KHC Program Guide Real Estate Agents and Homeownership Counseling Partners December 6, 2018

\$1,500 Duty to Serve (DTS) Closing Cost Grant

Effective with new reservations as of **Monday, December 10, 2018**, properties located in one of the counties considered Middle Appalachia or Lower Mississippi Delta will have access to a \$1,500 DTS closing cost grant. Borrower(s) must be under the specific DTS income limits per the Duty to Serve (DTS) program – see last two pages of this guide.

The DTS closing cost grant is limited to 100 households. The loan reservation must be made on or before **Thursday, January 31, 2019**.

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 \$301,294.** 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.

KHC's Secondary Market Conventional Products 30-Year Loan Term

PARAMETER	Preferred Risk	Preferred
Loan Terms	30-Year, Fixed Interest Rate	
Eligible Occupancy	Owner Occupied	
Eligible Purpose	Purchase	
Eligible Property Types	One-unit dwellings or approved condominiums	
Manufactured Housing	Limited to 95/105%	
Down Payment of 3%	Borrower's Funds, Gift, KHC DAPs, or Welcome Home Monies	
Maximum LTV/CLTV	97/105%	
Minimum Credit Score	660	
Ratio Guidelines	40/50%	
Borrower Contribution/Reserves	None	
Income Limit	KHC's Secondary Market	
Maximum Seller Contributions	3% for CLTV > 90% and 6% for CLTV ≤ 90%	
Other Real Estate Property	Can own other real estate property including manufactured housing with Secondary Market Funding at time of closing.	
Home Buyer Education	If all borrowers obtaining the loan are first-time home buyers (no ownership interest in a residential property in the last three years), at least one person on the loan must complete pre-purchase home buyer education.	
Mortgage Insurance	None Required	<u>Required – Charter Coverage</u> 97% - 95.01% 18% 95% - 90.01% 16% 90% - 85.01% 12% 85% & Under 6% 80% or below None
DTS (Duty to Serve) Conventional Program New Reservations as of 12/10/18	\$1,500 Duty to Serve (DTS) closing cost grant in underserved markets. Income limited to 100% AMI. Limited to 100 households and must be reserved by 1/31/19.	

Second Mortgage Products

Down Payment Assistance Program (DAP) Guidelines

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

DAP	HHF Available 11/15/18	Regular	Affordable
Income Eligibility	Secondary Market	Secondary Market	Affordable DAP Income
Eligible Properties	<u>Existing Property Located in Christian County</u> No New Construction	New and Existing Properties	
Eligible Borrowers	First-time Home Buyers (No ownership interest in the last 3 years)	First-time and Repeat Home Buyers	
Amount	\$10,000	Up to \$6,000	Up to \$6,000
Terms	0% Forgivable, second mortgage over a five-year term	5.50% amortized over 10 years	1% amortized over 10 years
Purchase Price Limit	\$301,294 Secondary Market		
Home Buyer Education	All Borrowers must complete pre-purchase home buyer education.	Not Required	
Ratios	No monthly payment With AUS approval, can go up to 40/50% with all loans	Borrower must qualify with additional monthly payment. With AUS approval, can go up to 40/50% with all loans	
Required Repairs	Buyer or seller may use OWN funds to pay for repairs and pay off existing debt		
HHF DAP is available on a first-come, first-served basis.			

**KENTUCKY HOUSING CORPORATION
2018 SECONDARY MARKET
GROSS ANNUAL APPLICANT'S INCOME LIMITATIONS
Effective May 17, 2018**

Secondary Market Purchase Price Limit -- \$301,294

County	Income Limits	County	Income Limits
Anderson	121,450	Kenton	137,025
Boone	137,025	Larue	107,625
Bourbon	122,675	Lyon	105,875
Bracken	137,025	Marshall	104,300
Bullitt	125,125	McCracken	122,150
Campbell	137,025	McLean	109,025
Clark	122,675	Madison	115,325
Daviess	109,025	Meade	105,875
Fayette	122,675	Nelson	108,675
Franklin	114,100	Oldham	125,125
Gallatin	137,025	Pendleton	137,025
Hardin	107,625	Scott	122,675
Hancock	109,025	Shelby	131,600
Henderson	113,925	Spencer	125,125
Henry	125,125	Trimble	125,125
Jefferson	125,125	Woodford	122,675
Jessamine	122,675		

Applicant's Income Limit for all other counties not listed above: \$103,600

**KENTUCKY HOUSING CORPORATION HOME BUYER TAX CREDIT
2018 GROSS ANNUAL HOUSEHOLD INCOME LIMITS
Effective May 17, 2018**

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 – \$271,164)

Person(s) per household	(1 or 2)	(3 or more)	Person(s) per household	(1 or 2)	(3 or more)
Anderson	69,400	79,810	Kenton	78,300	90,045
Ballard	59,200	68,080	Larue	73,800	86,100
Barren	59,200	68,080	Laurel	59,200	68,080
Boone	78,300	90,045	Livingston	59,200	68,080
Bourbon	84,120	98,140	Lyon	60,500	69,575
Boyd	59,200	68,080	Madison	79,080	92,260
Bracken	93,960	109,620	Marshall	59,600	68,540
Bullitt	71,500	82,225	McCracken	60,800	69,920
Caldwell	59,200	68,080	McLean	74,760	87,220
Calloway	59,200	68,080	Meade	60,500	69,575
Campbell	78,300	90,045	Mercer	59,200	68,080
Christian	59,200	68,080	Muhlenberg	59,200	68,080
Clark	84,120	98,140	Nelson	74,520	86,940
Daviess	62,300	71,645	Oldham	71,500	82,225
Fayette	70,100	80,615	Pendleton	93,960	109,620
Franklin	65,200	74,980	Scott	84,120	98,140
Gallatin	93,960	109,620	Shelby	75,200	86,480
Graves	59,200	68,080	Simpson	59,200	68,080
Greenup	59,200	68,080	Spencer	85,800	100,100
Hancock	62,300	70,725	Taylor	59,200	68,080
Hardin	61,500	72,220	Trigg	59,200	68,080
Henderson	65,100	74,865	Trimble	85,800	100,100
Henry	85,800	100,100	Union	59,200	68,080
Jefferson	71,500	82,225	Warren	59,200	68,080
Jessamine	70,100	80,615	Woodford	70,100	80,615
For all other counties not listed above: \$71,040 (1 or 2 person) \$82,880 (3 or more person)					

**2018 AFFORDABLE DAP
GROSS ANNUAL APPLICANT'S INCOME LIMITS
Effective May 17, 2018**

Secondary Market Purchase Price Limit -- \$301,294

County	Income Limits	County	Income Limits
Allen	45,920	Jefferson	57,200
Anderson	55,520	Jessamine	56,080
Ballard	44,640	Kenton	62,640
Barren	40,000	Larue	49,200
Boone	62,640	Livingston	42,720
Bourbon	56,080	Logan	40,400
Boyd	43,920	Lyon	48,400
Boyle	44,880	Madison	55,840
Bracken	62,640	Marion	49,840
Breckinridge	45,920	Marshall	52,720
Bullitt	57,200	Mason	40,000
Butler	45,920	McCracken	47,680
Caldwell	43,760	McLean	49,840
Calloway	45,360	Meade	48,400
Campbell	62,640	Mercer	46,080
Carlisle	42,000	Muhlenberg	40,880
Carroll	40,480	Nelson	49,680
Christian	44,320	Nicholas	39,600
Clark	56,080	Oldham	57,200
Crittenden	43,520	Owen	42,800
Daviess	49,840	Pendleton	62,640
Edmonson	45,920	Powell	41,360
Fayette	56,080	Robertson	40,560
Franklin	52,160	Rowan	42,720
Gallatin	62,640	Scott	56,080
Garrard	44,560	Shelby	60,160
Grant	62,640	Simpson	41,760
Graves	43,840	Spencer	57,200
Greenup	43,920	Todd	42,240
Hancock	49,840	Trigg	44,320
Hardin	49,200	Trimble	57,200
Harrison	40,880	Union	40,960
Henderson	52,080	Warren	45,920
Henry	57,200	Washington	42,640
Hickman	41,040	Webster	42,240
Hopkins	46,800	Woodford	56,080

Applicant's Income Limit for all other counties not listed above: \$39,520

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.

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 **\$301,294** for Secondary Market or **\$271,164** 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 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 or call toll-free in Kentucky at 800-633-8896 or 502-564-7630, extension 291, or TTY 711.

County Income Limits for Duty to Serve Initiative (DTS)

County Name	AMI
Adair	49400
Ballard	55800
Bath	49400
Bell	49400
Boyd	54900
Breathitt	49400
Caldwell	54700
Calloway	56700
Carlisle	52500
Carter	49400
Casey	49400
Christian	55400
Clark	70100
Clay	49400
Clinton	49400
Crittenden	54400
Cumberland	49400
Edmonson	57400
Elliott	49400
Estill	49400
Fleming	49400
Floyd	49400
Fulton	49400
Garrard	55700
Graves	54800

County Name	AMI
Green	49400
Greenup	54900
Harlan	49400
Hart	49400
Henderson	65100
Hickman	51300
Hopkins	58500
Jackson	49400
Johnson	49400
Knott	49400
Knox	49400
Laurel	49400
Lawrence	49400
Lee	49400
Leslie	49400
Letcher	49400
Lewis	49400
Lincoln	49400
Livingston	53400
Lyon	60500
Madison	65900
Magoffin	49400
Marshall	59600
Martin	49400
McCracken	69800

County Name	AMI
McCreary	49400
McLean	62300
Menifee	49400
Metcalfe	49400
Monroe	49400
Montgomery	49400
Morgan	49400
Muhlenberg	51100
Nicholas	49500
Owsley	49400
Perry	49400
Pike	49400
Powell	51700
Pulaski	49400
Robertson	50700
Rockcastle	49400
Rowan	53400
Russell	49400
Todd	52800
Trigg	55400
Union	51200
Wayne	49400
Webster	52800
Whitley	49400
Wolfe	49400