Utah Association of Mortgage Professionals

UTAH HOUSING corporation

DEON SPILKER, VICE PRESIDENT MORTGAGE BANKING

AUGUST 16, 2023

Utah Housing Corporation

Utah Housing Corporation (UHC) was created in 1975 by Utah legislation to serve a public purpose in creating an adequate supply of money with which mortgage loans at reasonable interest rates could be made to help provide affordable housing for low and moderate-income persons.

Utah Housing Corporation

Utah Housing does not use state and tax-payer funds.

All funds generated go towards housing Utahns:

- Special Housing Programs
- Multifamily Development , and
- non–profit housing projects.

Utah Housing Corporation

Utah Housing utilizes a wide array of financing resources. Our assistance program includes federal and state grants, assistance, and below 80% AMI low-interest loans.

Utah Housing Corporation

Utah Housing administers the programs for the state according to the requirements of the allocation or bill.

Each program is unique with a specific purpose.

Utah Housing Corporation

What you know about Utah Housing may have changed.

There have been many recent new developments.

Utah Housing Assistance Programs & Grants



- ☑ Utah Housing Down Payment Assistance Second Mortgage
- ☑ Utah First-time Homebuyer Assistance Program for newly constructed homes
- ☑ Utah Law Enforcement and Correctional Officer Assistance
- ☑ Veteran Grant

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Down Payment Assistance

The Down Payment Assistance Second (DPA) Mortgage is a 30-year loan 1% higher than the first mortgage (not to exceed 8%). The DPA 2nd is not to exceed 6% of the loan amount (maximum of $25,000 for Freddie Mac loans).

The DPA 2nd can be used for down payment and closing costs.

Down Payment Assistance

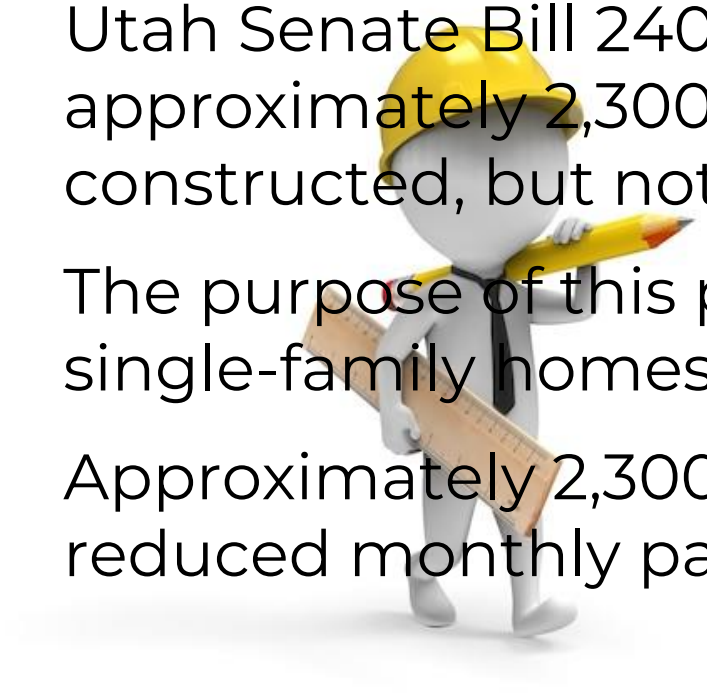
In the past three years, our DPA 2nd Mortgage has helped over

9,100 homebuyers

97% of which would not have been able to purchase a home without Utah Housing's DPA program.

First-time Homebuyer Assistance Program

The First-time Homebuyer Assistance Program (new construction)



Utah Senate Bill 240 (2023) created this program to assist approximately 2,300 first-time homebuyers to purchase a newly constructed, but not yet inhabited home.

The purpose of this program is to encourage builders to build single-family homes at a purchase price of $450,000 or less.

Approximately 2,300 first-time homebuyers will benefit from a reduced monthly payment in a newly constructed home.

First-time Homebuyer Assistance Program

- Up to $20,000 in Program funds may be borrowed to use for down payment, closing costs, and/or rate buydown.
- Newly constructed, never occupied (detached single-family homes, condos, townhomes, and manufactured homes).
- Must be a first-time homebuyer.
- Must use Utah Housing Participating Lender and a Utah Housing loan.
- 0% interest loan, 0 monthly payment, secured by a Recorded DOT.
- Cashback is not allowed.

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First-time Homebuyer Assistance Program

Borrower must:

- Be a first-time homebuyer.
- Have lived in Utah for twelve months before the closing of the home.



First-time Homebuyer Assistance Program

Reservation

The lender will request a Program Reservation through the Utah Housing PowerLender system.

- Follow the Reservation Checklist on the UHC website.

Funds are reserved for 90 days, a Purchase Contract is needed to continue the process of three 120-day extensions.

Reserving Program Funds

When reserving funds for the FTHB Assistance Program:

- A Utah Housing Participating Lender must be used to obtain a qualifying mortgage
- The loan must be a Utah Housing loan
  - May be combined with a Utah Housing DPA 2nd
- Once the potential homebuyer has credit-qualified with a UHC Approved Lender, the lender may submit a Program Reservation
  - The borrower does not need to be under contract but should be looking for a home

First-time Homebuyer Assistance Program

Repayment

If the Recipient completes a sale or refinance, the Recipient shall repay an amount equal to the lesser of:

- The amount of assistance the Recipient received; or
- 50% of the home equity amount.

Law Enforcement/Correctional Officer

Law Enforcement/Correctional Officer Assistance Program

The Utah Legislature appropriated funds to recruit and retain Utah Law Enforcement and Correctional Officers in Utah.



Law Enforcement/Correctional Officer

This program is up to $25,000.

Owner-occupied homes, (detached single-family homes, condos, townhomes, manufactured homes).

- One-two unit dwellings are permitted if at least one of the units is occupied by the Officer as their primary residence through the term of the program.

One per lifetime, per officer.

May be used for down payment, closing costs, mortgage insurance or rate buydown.

Law Enforcement/Correctional Officer

Reservation

The lender will request a Program Reservation through the Utah Housing PowerLender system.

- Follow the Reservation Checklist on the UHC website.

Funds are reserved for 120 days.

If the reservation expires the lender must contact Utah Housing for an extension.

Reserving Program Funds

When reserving funds for the Law Enforcement Program:

- A Utah Housing Participating Lender must be used to obtain a qualifying mortgage.
- The loan must be a Utah Housing loan.
  - May be combined with a Utah Housing DPA 2nd
- The borrower does not need to be under contract but should be looking for a home.

Law Enforcement/Correctional Officer

A pro-rata portion of the program is forgiven each year the Officer is employed as an Officer and occupies the home as their primary residence.

Repayment of some or entirety of the program may apply, if:

- The home is sold before 5 years elapse from the closing date.
- The Officer leaves employment as a Law Enforcement or Correctional Officer.
- The home is not owner-occupied within 30 days of the closing.



Veteran Grant

Veteran Grant

This grant is for members of the military or recently separated veterans. Eligible veterans could receive $2,500 when they purchase a home.



Veteran Grant

The Grant may be used with ANY lender.

- It does not need to be a Utah Housing Loan.

This Grant does not require repayment.

The veteran's chosen lender will follow the Veteran First-time Homebuyer Grant Checklist.



First-time Homebuyer

The UHC FirstHome loan, the FTHB Assistance Program, and grant programs require the borrower to be a First-time Homebuyer, but each program has a unique definition of a first-time homebuyer.

Remaining Assistance and Grants

Borrowers using the Law Enforcement Assistance Program and do not need a DPA Second will receive a reduction in the interest rate

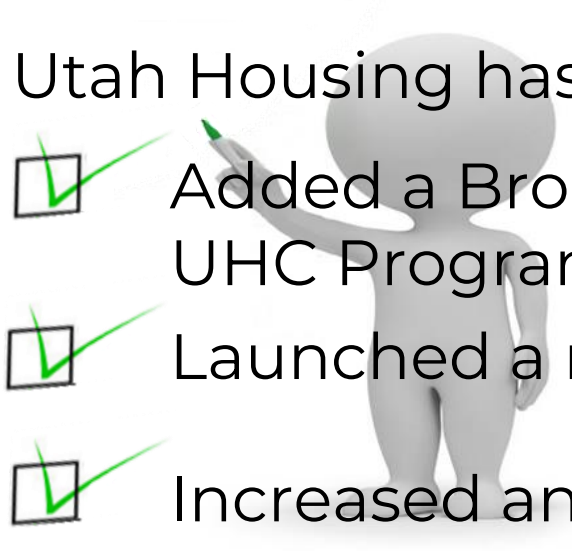
Remaining FTHB Assistance Program: 2100

Remaining Law Enforcement Assistance: 150

Remaining Veteran Grant: 170

Funds are available until depleted.

Recent UHC Changes



Utah Housing has:

- Added a Broker Channel for Broker/TPO participation in UHC Programs
- Launched a new FHA/VA Program
- Increased annual income limits
- Updated our interest rate buydown and rate reduction options
- Introduced the Monthly Payment Comparison (including buydown options).

Broker Chanel

Utah Housing offers a Mortgage Broker Channel.

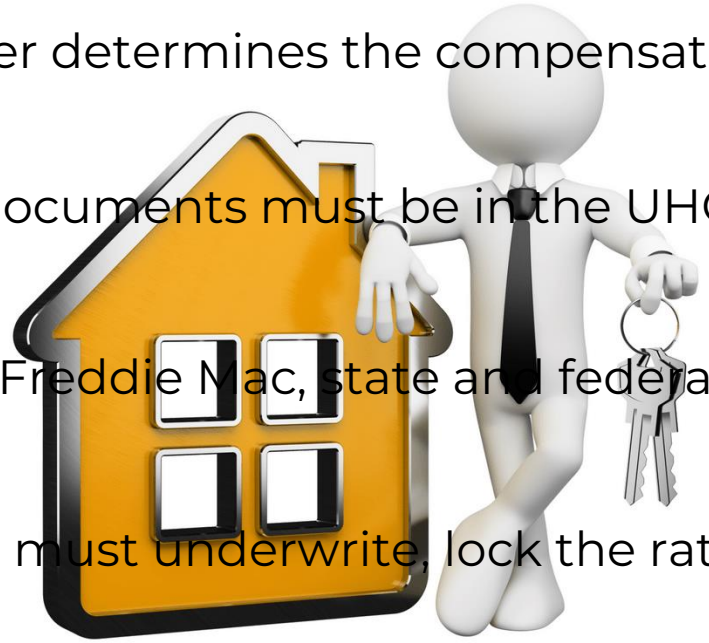
- Brokers and TPOs can work with a select number of our approved Participating Lenders to help homebuyers with a Utah Housing loan.



Broker Chanel

Utah Housing does not approve TPOs our lenders do. They are your resource for questions, qualifying, and closing your loan.

- UHC Participating Lenders will set their requirements for Broker approval and allowable closing costs.
- The partnering UHC Participating Lender determines the compensation amount a TPO will receive.
- The interest rate lock and loan closing documents must be in the UHC Participating Lender's name.
- The loan must comply with all FHA, VA, Freddie Mac, state and federal compliance requirements.
- The UHC Approved Participating lender must underwrite, lock the rate, close, fund, and ship the loan.



Broker Chanel

Approved UHC Participating Lenders offering a Broker Channel for UHC Programs.

Bank of Utah	avause@bankofutah.com
Paramount Residential Mortgage	adelharo@prmg.net
Plains Commerce Bank	cvinson@plainscommerce.com
RanLife	Cameron@ranlife.com

Coming Soon:

First Colony Mortgage

FHA/VA Program

Utah Housing is pleased to announce in January 2023, we launched a new program.

The FHA/VA Mortgage

FHA/VA Program

Lenders must follow FHA, VA, state, and federal requirements.

The FHA/VA program eliminates many of the current overlays.

- A minimum credit score of 620 with interest rate adjustments for borrowers with credit scores below 660.
- Maximum income and purchase price limits.
- 1-2 owner-occupied units, single-family homes with basement apartments are permitted.
- The borrower must occupy the dwelling within 60 days of closing.
- Manufactured homes (single-wide permitted) must be approved by UHC before requesting a lock.

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Income Limit Changes

Under Lenders click **Income & Acquisition Costs** to see income limits.

First-time Homebuyer Assistance Program FAQ

Lenders

- PowerLender Portal
- Document Delivery
  - Upload Loan Documents
  - How and What to Upload
- Loan Programs
  - Income & Acquisition Costs
  - Matrices & Fact Sheets
  - New Construction Assistance & Grants
  - DPA and Loan Programs
- Resources
  - Forms
  - Recent Updates / Announcements
  - Did you know? (UHC Reminders)
  - Participation Documents (Manuals)
  - Marketing Material
  - Homebuyer Education (UHC Approved)
  - Operating in a Government Capacity



Our mission is to help the people of Utah achieve homeownership. Our lenders
homebuyers purchase a home that would not be able to without the help of Utah
programs. Thank you for your continued support and efforts to help Utahns obta

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Income Limit Changes

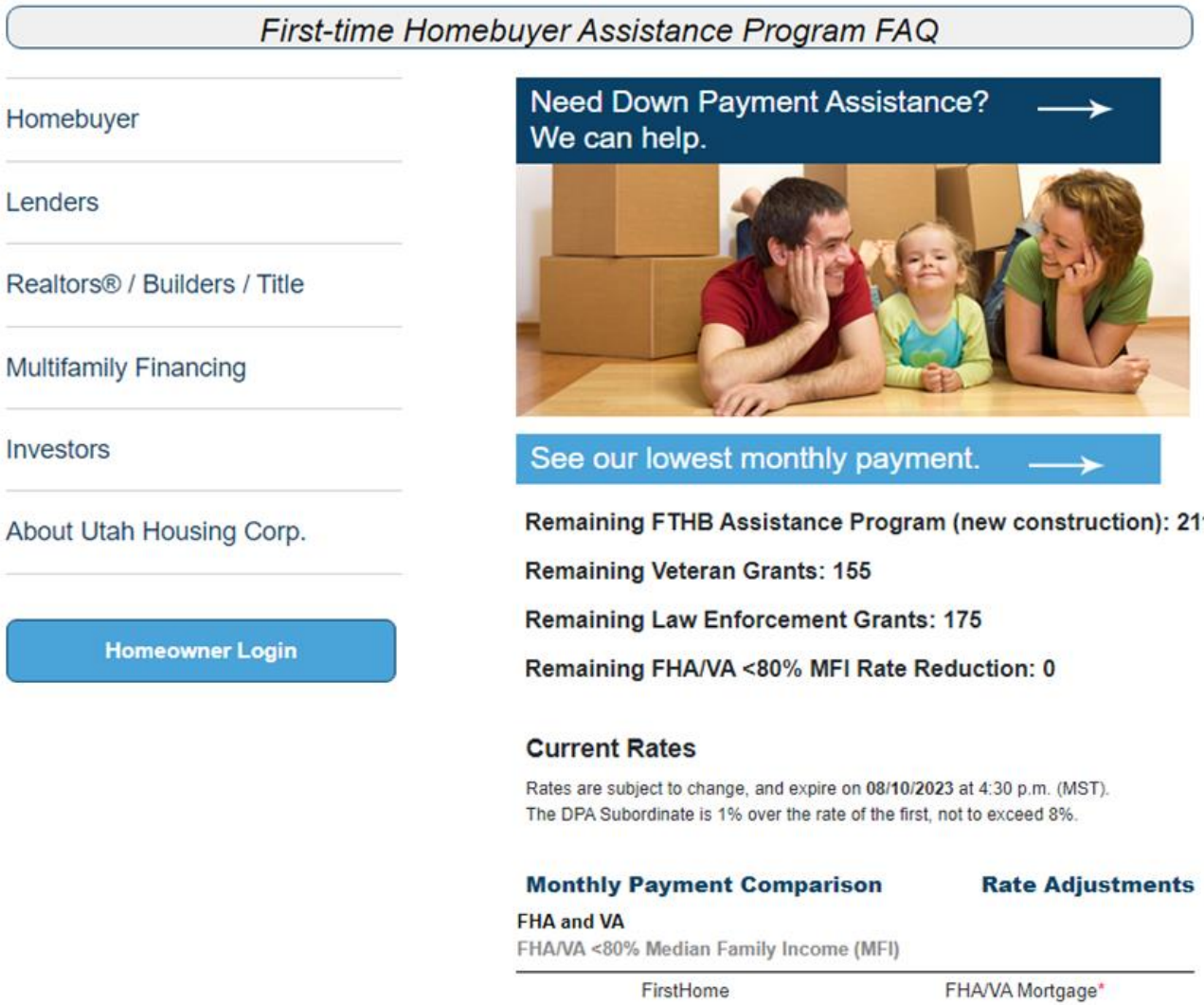
Increased Income Limits to $141,000 annually

Qualifying Income Limit - No Purchase Price Limit			
Loan Program	**Counties**	**Income Limits**	**Loan Limits**
FHA/VA Mortgage Single-unit	All Counties	$141,400	FHA Single-unit loan amount limits
FHA/VA Mortgage Two-unit, owner-occupied. Must be appraised as a two-unit property	All Counties	$141,400 PLUS annual qualifying rental income	FHA Two-unit loan amount limits
Freddie Mac HFA Advantage Single-unit	All Counties	$141,400	Freddie Mac's Baseline Conforming Loan Limits

Loan amount cannot exceed FHA Loan Amount Limits **for the county in which the property is located.**

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Interest Rate Buydown & Adjustments



Click
Rate Adjustments
to see daily info.

Interest Rate Buydown & Adjustments

We have increased the interest rate buydowns to a total of 2%

Rates, buydowns & adjustments are based on the market and are subject to change daily.

This is an example only!

UHC Buydowns						
If a rate buydown* is requested after the day of lock, then the worst-case pricing will be applied between the day of lock and the day the buydown rate is requested. *Please note that UHC does not provide temporary buydowns. The costs in this table are for permanent rate buydowns.						
1st Home	FHA/VA		Freddie HFA Adv < 80% AMI		Freddie HFA Adv > 80% AMI	
Rate	Rate	Buydown Cost	Rate	Buydown Cost	Rate	Buydown Cost
7.125%	**7.375%**	0.000%	**7.375%**	0.000%	**7.625%**	0.000%
	7.250%	0.375%	7.250%	0.375%	7.500%	0.125%
	7.125%	0.625%	7.125%	0.625%	7.375%	0.375%
	7.000%	1.000%	7.000%	0.875%	7.250%	0.750%
	6.875%	1.250%	6.875%	1.000%	7.125%	1.000%
	6.750%	1.375%	6.750%	1.375%	7.000%	1.250%
	6.625%	1.625%	6.625%	1.875%	6.875%	1.375%
	6.500%	2.000%	6.500%	2.000%	6.750%	1.750%
	6.375%	2.250%	6.375%	2.375%	6.625%	2.250%
	6.250%	2.500%	6.250%	2.750%	6.500%	2.375%
	6.125%	2.875%	6.125%	3.375%	6.375%	2.750%
	6.000%	3.125%	6.000%	3.625%	6.250%	3.125%
	5.875%	3.375%	5.875%	4.000%	6.125%	3.625%
	5.750%	4.125%	5.750%	4.500%	6.000%	4.000%
	5.625%	4.375%	5.625%	5.250%	5.875%	4.375%
	5.500%	4.750%	5.500%	5.625%	5.750%	4.750%
	5.375%	5.000%	5.375%	6.125%	5.625%	5.625%

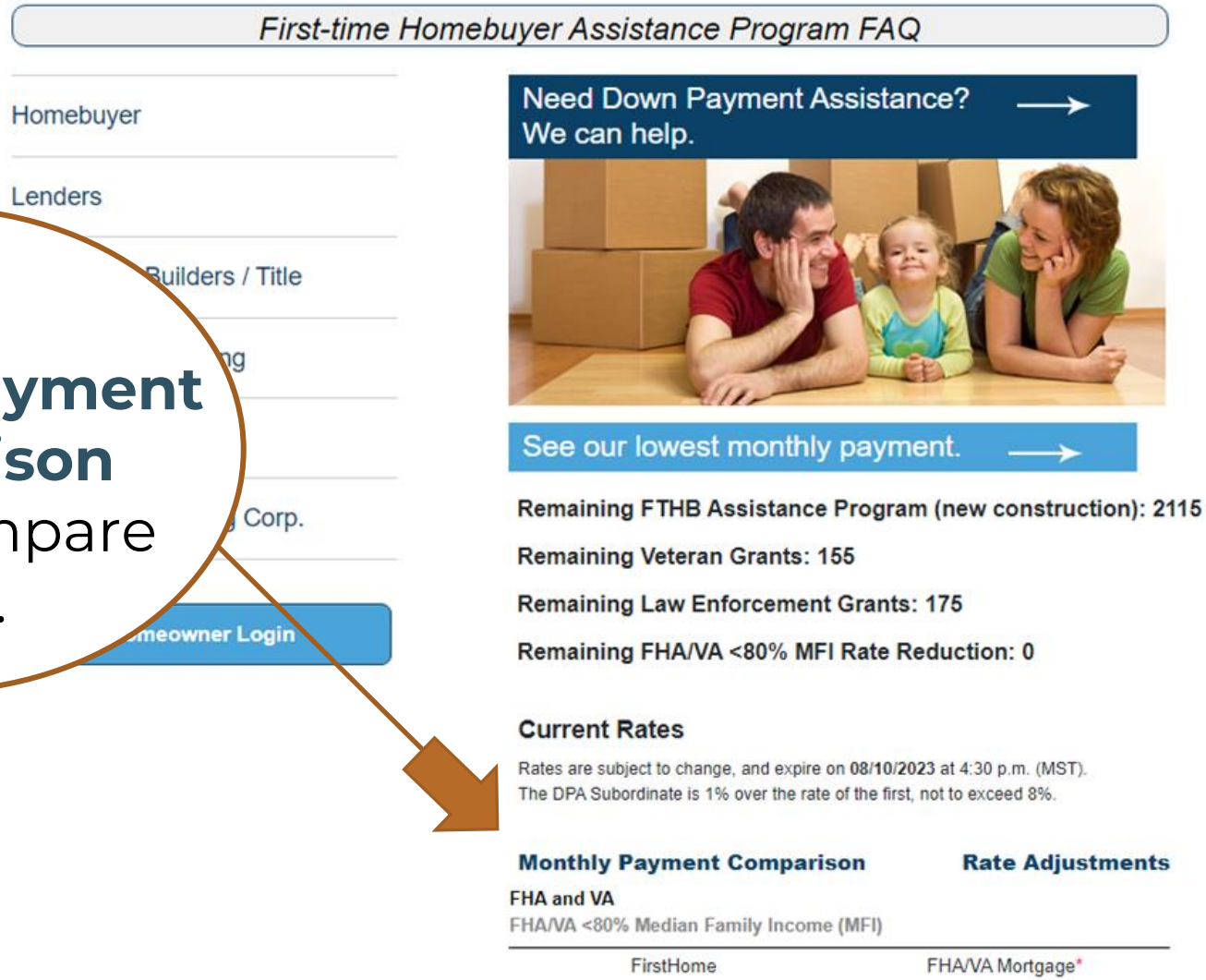
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Rate Reduction

There is a **RATE REDUCTION** for Law Enforcement Program & the FTHB Assistance Program when a Utah Housing DPA 2nd is NOT used.

Interest Rate Buydown & Adjustments

Click **Monthly Payment Comparison** to see compare rates.



Monthly Payment Comparison



Monthly Payment Comparison

Loan Amount
$ 450,000.00

* Temporary Interest Rate Buydowns are not permitted.

DISCLAIMER
Utah Housing Corporation interest rates can change throughout the day without advance notice. The interest rates displayed are for a 30 year fixed rate mortgage and may not reflect recent interest rate changes.

Payment examples do not include taxes & homeowners insurance and the mortgage insurance is an estimate. Actual monthly payment will change based on multiple factors such as interest rate, final loan amount and addition of monthly escrow payment for items such insurance and taxes.

Principal & interest and mortgage insurance is approximate, FHA and VA Loan amounts were increased to include upfront mortgage insurance and VA Funding Fee. This comparison is based on the loan amount that was entered, the FHA upfront Mortgage Insurance Premium (MIP) @ 1.75%. VA upfront Funding Fee @ 2.15% (first use), FHA monthly MIP @ .55% annual divided by 12.

Freddie Mac HFA Advantage was not calculated with an upfront MI, borrower should inquire with the lender the best MI option, upfront or monthly. The MI is based on multiple factors. The MI can change based on credit score, number of borrowers, income and debt ratios, property type and other factors. The rates quoted are from an MI company rate quote dated 2/10/23 with a loan that has 1-2 borrowers, selected credit score, 33% income ratio, 47% debt Ratio, selected Loan-to-Value (LTV), single unit, Salt Lake County, first-time-homebuyer. The rates and monthly payment is an estimate and could be more or less than calculated on this comparison.

The Down Payment Assistance loan will change based on the loan amount needed for down payment and closing costs and any changes in the interest rate. The loan is a 30 year fixed rate at an interest rate 1% higher than the first mortgage interest rate.

* Note: This is not an advertisement for credit as defined in Regulation Z. Please contact a Utah Housing Participating Lender for Annual Percentage Rate (APR).

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Monthly Payment Comparison

Monthly Payment Comparison

Loan Amount $ 450,000.00

Credit Score 740+

Rate Reduction * 0.500%

Buydown
0.000%
0.125%
0.250%
0.375%
0.500%
0.625%
0.750%
0.875%
1.000%
1.125%
1.250%
1.375%
1.500%
1.625%
1.750%
1.875%
2.000%

Freddie Mac HFA Advantage (Conventional)

	FirstHome	[illegible]	VA Mortgage	< 80% AMI	> 80% AMI
Today's Base Interest Rate	7.125%		7.375%	7.375%	7.625%
Buydown Cost	N/A		$5,625.00	$4,500.00	$4,500.00
Interest Rate with Buydown	**7.125%**		**6.875%**	**6.875%**	**7.125%**
LTV	96.5%		100%	97%	97%
Upfront MI / Funding Fee	$7,875.00	[illegible]	$9,675.00	Contact lender	Contact lender
Loan Amount with MI	$457,875.00	$457,875.00	$459,675.00	$450,000.00	$450,000.00
Principal & Interest Payment	$3,084.79	$3,007.91	$3,019.74	$2,956.18	$3,031.73
Approx Monthly MI	$209.86	$209.86	$0.00	$217.50	$352.50
Monthly Mortgage Payment	$3,294.65	$3,217.77	$3,019.74	$3,173.68	$3,384.23

Utah Housing Down Payment Assistance Loan (DPA)

Projected Down Payment $20,000.00

Freddie Mac HFA Advantage (Conventional)

	FirstHome	FHA Mortgage	VA Mortgage	< 80% AMI	> 80% AMI
Interest Rate	8.000%	7.875%	7.875%	7.875%	8.000%
Max DPA	$27,472.50	$27,472.50	$27,472.50	$25,000.00	$25,000.00
Projected DPA	$20,000.00	$20,000.00	$20,000.00	$20,000.00	$20,000.00
DPA P&I	$146.75	$145.01	$145.01	$145.01	$146.75
Monthly Mortgage + DPA Payment	$3,441.40	$3,362.78	$3,164.75	$3,318.69	$3,530.98

* Temporary Interest Rate Buydowns are not permitted.

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Coming Soon

Utah Housing is introducing:

- A new FirstHome Program with lower interest rates
- Utah Housing's new webpage



Questions?



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Contact us!

mortgage@uthc.org

801-902-8200