

FLORIDA HOUSING FINANCE CORPORATION

RULE CHAPTER 67-45

FLORIDA HOME OWNERSHIP ASSISTANCE PROGRAM/DOWN PAYMENT
ASSISTANCE LOAN PROGRAM

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67-45.001 – Definitions.

(1) “Act” means the Florida Housing Finance Corporation Act as found in Chapter 420, Part V, F.S., as amended.

(2) “Construction Loan” means a loan to a non-profit sponsor or developer under the Homeownership Florida Home Ownership Assistance Program’s Construction Loan Program as more fully described in Rule Chapter 67-~~5044~~, F.A.C.

(3) “Corporation” means the Florida Housing Finance Corporation.

(4) “Down Payment Assistance Loan” or “Loan” means a Florida Home Ownership Assistance Program loan for which no interest is charged and which shall be limited to the lesser of 25 percent of the purchase price of the Home house or the amount necessary to enable an Eligible Borrower to meet credit underwriting criteria. The loan shall not exceed 30 years or the term of the First Mortgage of principal is deferred until the

expiration of the term of the First Mortgage, or in the event of sale, transfer, refinancing or failure to occupy the Home as the primary residence as outlined in Rule Chapter 67-25.014, F.A.C. rental of the House, in which case the Loan is due and payable in full at that time. The Down Payment Assistance Loan may be used for down payment ~~and~~ or closing costs associated with the purchase of the Home financed with Single-Family Bond Program funds ~~house~~.

(5) "Eligible Borrower" means a person or persons or family or families:

~~(a) Who receives a Down Payment Loan;~~

~~(a)~~ Who intend to permanently reside as a household in the Home ~~house~~ as their principal single-family residence;

~~(b)~~ Whose total annual family income at time of closing does not exceed ~~72 percent for a family of one or two persons or 80 percent for a family of three or more persons~~ of the State or local median income, whichever is greater, adjusted for family size.

~~(c)~~ Who may or may not be ~~are~~ participating in the Corporation's Single-Family Bond Program.

(6) Fannie Mae" means the Federal National Mortgage Association, a corporation organized and existing under the Federal National Mortgage Association Charter Act, 12 U.S.C. 1716 et seq., or any successor thereto.

(7) No change

(8) No change

(9) No change

(10) "Freddie Mac" means the Federal Home Loan Mortgage Corporation, or any successor thereto.

(1140) "Home house" means a residential unit used as a single-family residence, which is taxed as real property under the laws of the State of Florida and is located within the State, including a condominium unit and a manufactured home meeting conventional Fannie Mae or FHA standards, which is acceptable to any insurer providing private mortgage insurance, FHA, VA or RDHS. The dwelling structure may consist of, as applicable, but not a two-, three- or four-family dwelling units residence, unless each unit in such residence is owner occupied, and land appurtenant to the residential unit which one unit of which is to be occupied by the mortgagor of the units and all of which units were first occupied as homes at least five (5) years before the Loan with respect to such Home which:

- (a) Is designed and intended primarily for residential housing;
- (b) Is determined by a qualified appraisal to have an expected useful life of not less than 30 years or the term of the First Mortgage, whichever is less;
- (c) Will be occupied by the owner as his or her principal residence within 60 days a reasonable time after financing is provided;
- (d) Has a sales price which does not exceed the Maximum Acquisition Price Cost as set forth in subsection 67-~~5145.001(812)~~, F.A.C. defined in subsection 67-45.001(12) of this rule.
- (e) Maintains the basic livability of the residence and will not be used for business purposes to generate additional income for the Eligible Borrower does not provide, other than incidentally, a source of income to the Eligible Borrower (including child care services, on a regular basis for compensation).

~~(11) "Lender" means any bank or trust company, mortgage banker, savings bank, credit union, national banking association, savings and loan association, building and loan association, insurance company, or other financial institution or governmental agency authorized to transact business within the State of Florida which institution customarily provides services in the financing of mortgages for real property in Florida. Lenders must be qualified FHA, VA, RHS, Government National Mortgage Association (GNMA), FannieMae, or Federal Home Loan Mortgage Corporation Association (FHLMC) originators and servicers or sellers and servicers as required by the program documents and approved as a participant for the particular Single Family Bond Program, or any other public or private loan program approved by the Corporation's Board of Directors, under which the Down Payment Assistance Loan is subordinated.~~

(12) "Maximum Acquisition Price Cost" means the maximum purchase price of a Single Family Residence, as prescribed in the IRS Revenue Procedures 94-55, hereby incorporated by reference. A copy of this document may be obtained by contacting the Single Family Bonds Administrator at 227 North Bronough Street, Suite 5000, Tallahassee, FL 32301-1397. Acquisition Price limits are also subject to the applicable FHA/VA/RD limits for the Counties. means the Maximum Acquisition Cost under the Corporation's Single Family Bond Program.

(13) "Participating Lender" means the entity signing a Master Mortgage Purchase Agreement and all applicable Supplements to the Master Mortgage Purchase Agreement, which, by virtue of executing represents that it is a home mortgage lending institution or entity:

(a) participating in the local private home lending market;

(b) that is an FHA-approved mortgagee (with direct endorsement underwriting authority preferred), or a VA-approved lender (with automatic approval authority preferred), or an RD approved lender (unless waived by the Corporation or its designee);

(c) with respect to Conventional Mortgage loans, is a Fannie Mae or Freddie Mac approved lender in good standing, has errors and omissions coverage of at least \$300,000, meets the requirements of the Corporation or its designee with respect to financial status and is acceptable to a Fannie Mae or Freddie Mac PMI Insurer, if applicable;

(d) which can make the representations and warranties and covenants set forth in the Mortgage Purchase Agreement; and

(e) which has agreed to and will originate Mortgage Loans itself or through correspondent mortgage lending institutions.

(143) "Permanent Loan" or "Loan" means a loan to a borrower under the Homeownership Florida Home Ownership Assistance Program's Permanent Loan Program as more fully described in Rule Chapter 67-~~5046~~, F.A.C.

(154) "RDHS" means Rural Development Services (formerly the Farmer's Home Administration) of the United States Department of Agriculture, its successors and assigns.

(165) "Second Mortgage" means the recorded mortgage securing the ~~Construction Loan, Down Payment Assistance Loan or Permanent Loan,~~ which is subordinate only to the lien of the First Mortgage.

(176) "Single-Family Bond Program" means the Single-Family Mortgage Revenue Bond Program implemented pursuant to Rule Chapter 67-25, F.A.C., or any other public or

private loan program approved by the Corporation's Board of Directors as a substitute for the Single-Family Mortgage Revenue Bond Program.

(187) “VA” means the U.S. Department of Veterans Affairs, an agency of the United States of America, or any successor to its functions.

Specific Authority 420.507(12), (23) FS.

Law Implemented 420.507 (23), 420.5088 FS.

History – New 8-7-95, Formerly 9I-45.001, Amended 12-26-99, 10-29-01, _____.

67-45.002 – Notice of Funding Availability. No change

67-45.003 – General Program Restrictions.

Loans will be subject to the following restrictions:

(1) In no case may an Eligible Borrower receive more than one Down Payment Assistance Loan or any other second mortgage loan offered by the Corporation both a Down Payment Assistance Loan and a Permanent Loan.

(2) Loans shall be made available only to Eligible Borrowers to finance Homes which do not exceed the Maximum Acquisition Price Cost.

(3) No change.

(4) No change.

(5) No change.

(6) No change.

(7) No change.

Specific Authority 420.507 (12), (23) FS.

Law Implemented 420.5088 FS.

History – New 8-7-95, Formerly 9I-45.003, Amended 12-26-99, _____.

67-45.004 – Application Procedures.

(1) Eligible Borrowers ~~shall~~ may apply for a Down Payment Assistance Loan with any Participating Lender which is processing the applicant's First Mortgage Loan application.

(2) Prior to receiving funding for a Down Payment Assistance Loan, Eligible Borrowers shall meet all eligibility requirements as specified in the relevant Single-Family Bond Program documents.

(3) Eligible Borrowers shall execute a note and mortgage for this loan.

~~(2) Applicants may apply for a Downpayment Assistance Loan with any Participant which is processing the Applicant's First Mortgage loan application from funds available from a Corporation's Single Family Loan Program.~~

~~(3) Prior to funding a Downpayment Assistance Loan, Participants shall make application as required in the program documents of the relevant Single Family Loan Program.~~

Specific Authority 420.507 (12), (23) FS.

Law Implemented 420.5088 (2) FS.

History – New 8-7-95, Formerly 9I-45.004, Amended 12-26-99, 10-29-01, _____.

67-45.005 – Terms and Conditions of Loans.

All Down Payment Assistance Loans must be in compliance with the Act and shall adhere to the terms and conditions outlined in Rule Chapter 67-50, F.A.C.

Specific Authority 420.507 (12), (23) FS.

Law Implemented 420.507 (23), 420.5088 FS.

History – New 8-7-95, Formerly 9I-45.005, Amended _____.

67-45.006 – Loan Processing.

(1) All applications and Loans shall be processed by the Participating Lenders in accordance with each Participating Lender's standard underwriting criteria and any additional criteria ~~in regard to Second Mortgages which may be imposed by FHA, VA, FannieMae, Freddie Mac, RD or other parties insuring or guaranteeing the First Mortgage~~ loan.

(2) No change.

~~(3) Upon approval of an application by a Lender, the Corporation shall be contacted by telephone or telecopy, as provided in the applicable program documents, to ascertain the availability of sufficient funds for making the Loans. The Executive Director, or his or her designee, shall either confirm the availability of sufficient funds to make the Loan or shall inform the Lender that the amount requested for the Loan exceeds the funds available to fund the Loan.~~

(34) If sufficient funds are not available in ~~to fund~~ the full amount of the Loan as requested, the application shall be deferred to a waiting list maintained by the Corporation or its designee on a first-come, first-served basis. Such application shall be considered as soon as sufficient funds become available to finance the Loan ~~in full~~, as requested.

~~(5) Confirmation of sufficient available funds for a requested Loan shall be provided first by a telephonic or electronic confirmation by the Corporation or its designee, and then confirmation of fund availability shall be made in writing by the Corporation or its designee to the Lender.~~

Specific Authority 420.507 (12), (23) FS.

Law Implemented 429.5088 FS.

History – New 8-7-95, Formerly 9I-45.006, Amended 12-26-99, 10-29-01, _____.

67-45.007 – Fees.

In connection with the origination of a Down Payment Assistance Loan, the Lender may collect and retain from the Eligible Borrower a \$150.00 ~~\$50.00~~ application fee, payable at the time of application.

Specific Authority 420.507 (12), (23) FS.

Law Implemented 420.507 (19) FS.

History – New 8-7-95, Formerly 9I-45.007, Amended 10-29-01, _____.