

CHAPTER 67-51 HOMEOWNERSHIP ASSISTANCE FOR MODERATE INCOME LOAN PROGRAM

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67-51.001 Definitions.

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

(2) "Corporation" means the Florida Housing Finance Corporation.

(3) "Down Payment Assistance Loan" means a Florida Homeownership Assistance for Moderate Income Program loan in the amount up to \$5,000.

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

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

(b) Whose total annual family income at time of closing is equal to or greater than 80.01 percent of the State or local median income, whichever is greater and does not exceed 115 percent of the local median income limits.

(c) Who are participating in the Corporation's Single-Family Bond Program.

(5) "FannieMae" 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.

(6) "FHA" means the Federal Housing Administration of the U.S. Department of Housing and Urban Development.

(7) "First Mortgage" means the recorded mortgage secured via the Corporation's First Time Home Buyer Program to which the Down Payment Assistance Loan is subordinated and which is superior to any other lien or encumbrance on the property.

(8) "Freddie Mac" means the Federal Home Loan Mortgage Corporation.

(9) "Home" 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 or

FHA standards, which is acceptable to any insurer providing private mortgage insurance, FHA, VA or RD. The dwelling structure shall consist of two-, three- or four-family dwelling units, 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 after financing is provided.

(d) Has a sales price which does not exceed the Maximum Acquisition Price as defined in subsection 67-51.001(10), F.A.C., 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 (including child care services on a regular basis for compensation) unless such income is used to qualify the borrower for the loan.

(10) "Maximum Acquisition Price" means the maximum purchase price of a Single Family Residence, as prescribed in IRS Revenue Procedures 2004-24, hereby incorporated by reference. The Acquisition Price limits are also subject to the FHA/VA/RD limits, hereby incorporated by reference. Copies may be obtained by contacting the Single Family Bonds Program Administrator at 227 North Bronough Street, Suite 5000, Tallahassee, FL 32301-1329.

(11) "Participating Lender" means the entity signing a Master Mortgage Purchase Agreement and the 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) That with respect to Conventional Mortgage loans, is a FannieMae or Freddie Mac approved lender in good standing, has errors and omissions coverage of at least \$300,000, has a minimum net worth of \$250,000, and is acceptable to a FannieMae or Freddie Mac PMI Insurer;

(d) Which can make the representations and warranties and covenants set forth in Section 2 of the Mortgage Purchase Agreement; and

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

(12) "RD" means Rural Development Service (formerly the Farmers Home Administration) of the United States Department of Agriculture.

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

(14) "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.

(15) "VA" means the Department of Veterans Affairs, an agency of the United States of America. Specific Authority 420.507(12), 420.507(24) FS. Law Implemented 420.509, 420.509(11)(c) FS. History--New 12-7-03.

67-51.002 Notice of Funding Availability.

The Corporation shall publish a notice in the Florida Administrative Weekly announcing its intent to provide funding for qualified mortgage loans under the Single-Family Bond Program and the Down Payment Assistance Loan Program. Such notice shall be published at least sixty (60) days prior to the anticipated availability of Loan funds.

Specific Authority 420.507(12), 420.507(24) FS. Law Implemented 420.509, 420.509(11)(c) FS. History—New 12-7-03.

67-51.003 General Program Restrictions.

Loans will be subject to the following restrictions:

- (1) In no case shall an Eligible Borrower receive more than one Down Payment Assistance Loan or any other second mortgage loan offered by the Corporation.
- (2) Loans shall be made available only to Eligible Borrowers to finance Homes which do not exceed the Maximum Acquisition Price.
- (3) Loans will be serviced by the Corporation or its designated servicer.
- (4) Loans shall be evidenced by a properly executed note as evidence of the indebtedness and shall be secured by a properly executed and recorded mortgage, subject only to the lien of the First Mortgage.
- (5) Prepayment of the Loans shall be permitted without penalty.
- (6) Loans are not assumable. Specific Authority 420.507(12), 420.507(24) FS. Law Implemented 420.509, 420.509(11)(c) FS. History—New 12-7-03.

67-51.004 Application Procedures.

- (1) Eligible Borrowers shall apply for a Down Payment Assistance Loan with any Participating Lender that 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 Single-Family Bond Program documents as further described in subsection 67-25.006(2), F.A.C.
- (3) Eligible Borrowers shall execute a note and mortgage for this loan.
Specific Authority 420.507(12), 420.507(24) FS. Law Implemented 420.509, 420.509(11)(c) FS. History—New 12-7-03.

67-51.005 Terms and Conditions of Loans.

- (1) All Down Payment Assistance Loans must be in compliance with the Act and shall adhere to the terms and conditions outlined in this Rule Chapter.
- (2) The loan is amortized for a 10-year period with the interest rate to set between a minimum of 3 percent and a maximum interest rate of 5 percent, which shall be adjusted to be competitive with market rates.
- (3) Repayment is due in the event of sale, transfer, refinancing or failure to occupy the Home as the primary residence without prior approval by the Corporation as outlined in Rule 67-25.014, F.A.C., in which case the Loan is due and payable in full at that time.
- (4) The Down Payment Assistance Loan shall be used for down payment and closing costs associated with the purchase of the Home financed with Single-Family Bond Program funds. Specific Authority 420.507(12), 420.507(24) FS. Law Implemented 420.509, 420.509(11)(c) FS. History—New 12-7-03.

67-51.006 Loan Processing.

- (1) All applications and Loans shall be processed by the Participating Lenders in accordance with the Participating Lender's standard underwriting criteria and any additional criteria imposed by FHA, VA, FannieMae, RD or other parties insuring or guaranteeing the First Mortgage loan.

(2) Loan applications shall be reviewed by the lender originating the First Mortgage on a first-come, first-served basis.

(3) If funds are not available in 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. Specific Authority 420.507(12), 420.507(24) FS. Law Implemented 420.509, 420.509(11)(c) FS. History–New 12-7-03.

67-51.007 Fees.

In connection with the origination of a Down Payment Assistance Loan, the Corporation shall collect from the Eligible Borrower a \$75 application and \$150 servicing fee, payable at the time of application. Specific Authority 420.507(12), 420.507(24), 420.507(4) FS. Law Implemented 420.509, 420.509(11)(c) FS. History–New 12-7-03.