



SINGLE FAMILY PROGRAMS

- LENDER TRAINING -

ARKANSAS DEVELOPMENT FINANCE AUTHORITY

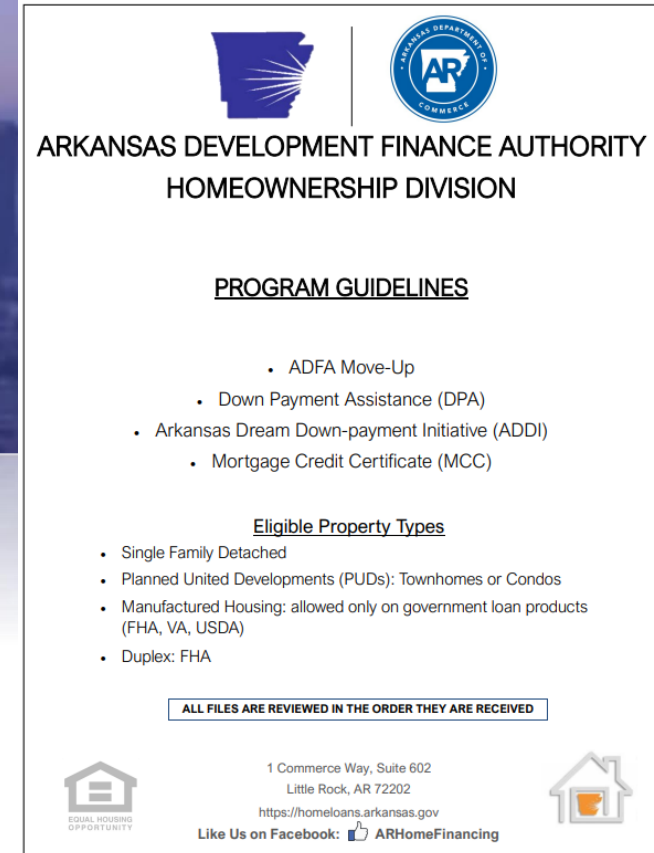
HTTPS://WWW.ADFA.ARKANSAS.GOV



ARKANSAS DEVELOPMENT FINANCE AUTHORITY

SINGLE FAMILY

- ADFA MCC Savings Calculator
- Doing Business with ServiSolutions
- [Lender Program Guidelines](#)
- TRAINING MATERIALS
- MARKETING MATERIALS (FLYERS)
- COMPLIANCE DOCUMENTS



ARKANSAS DEVELOPMENT FINANCE AUTHORITY
HOMEOWNERSHIP DIVISION

PROGRAM GUIDELINES

- ADFA Move-Up
- Down Payment Assistance (DPA)
- Arkansas Dream Down-payment Initiative (ADDI)
- Mortgage Credit Certificate (MCC)

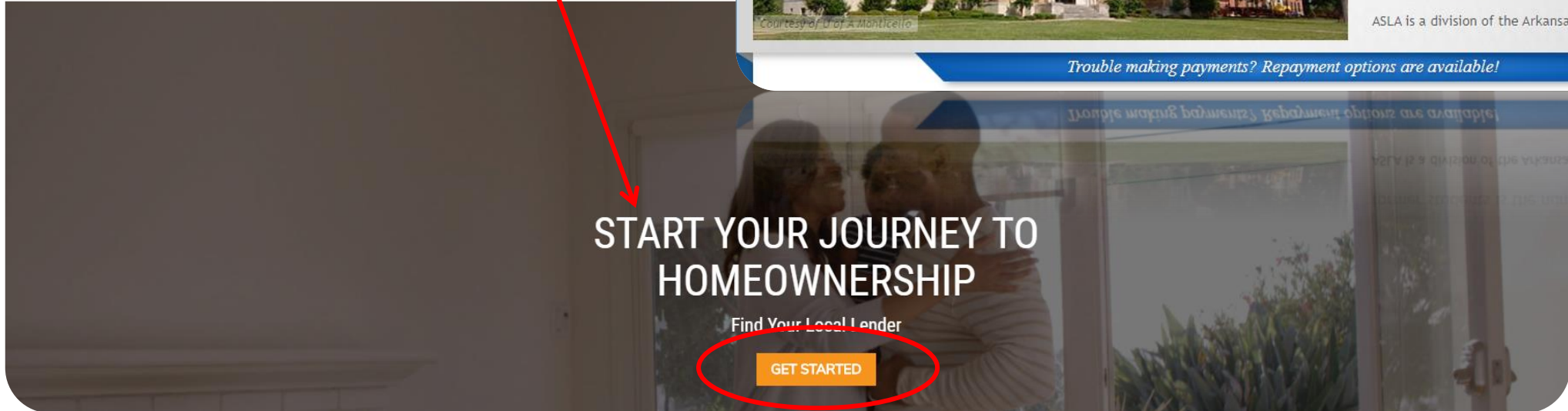
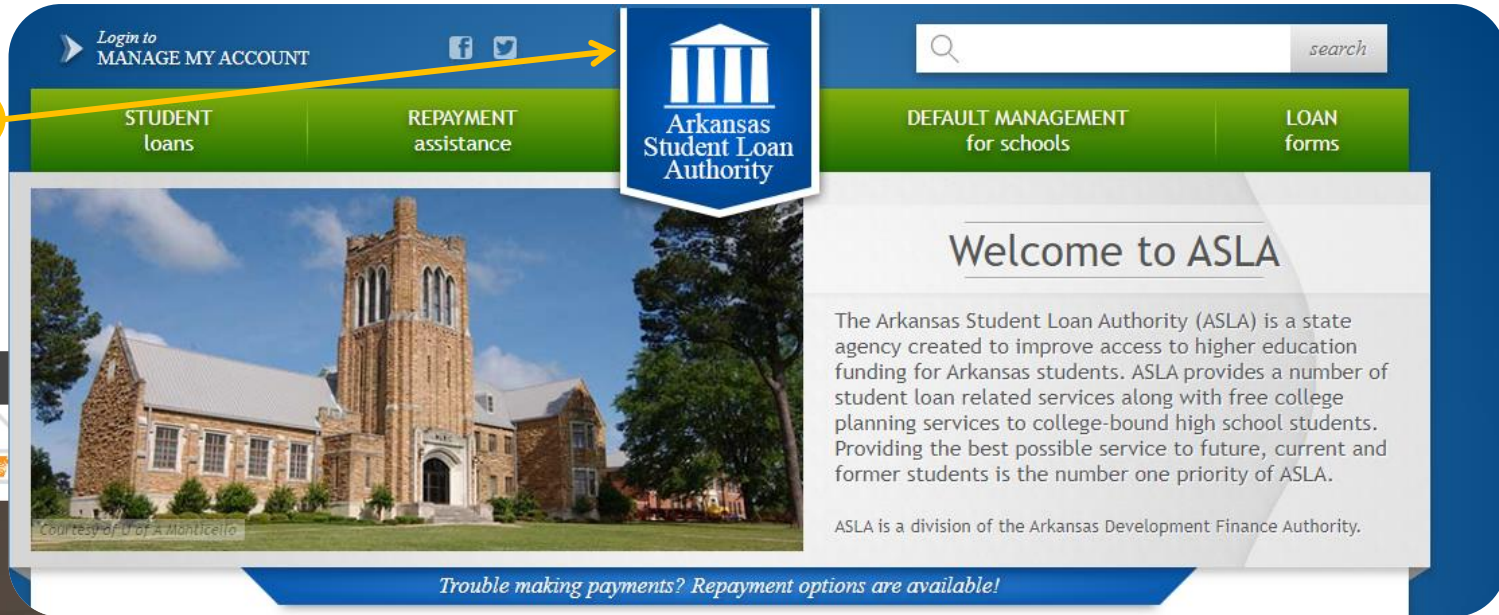
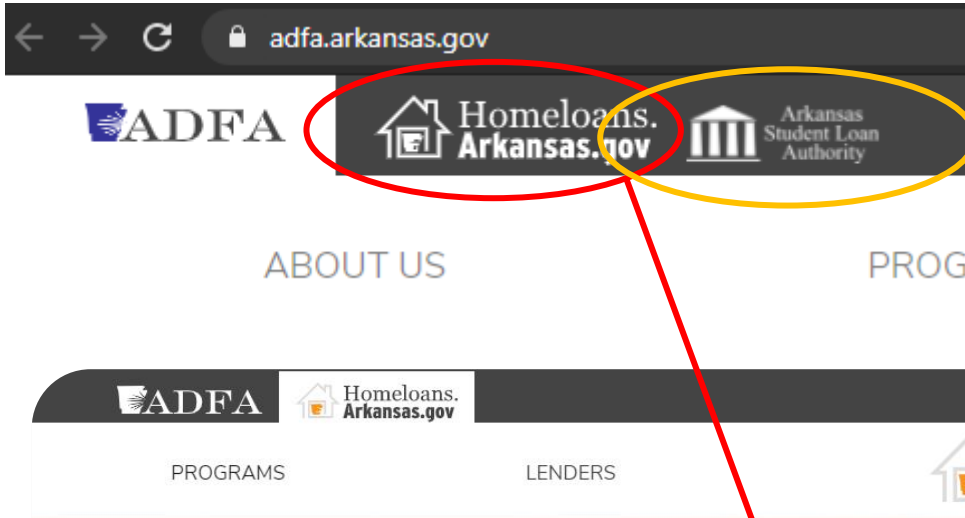
Eligible Property Types

- Single Family Detached
- Planned United Developments (PUDs): Townhomes or Condos
- Manufactured Housing: allowed only on government loan products (FHA, VA, USDA)
- Duplex: FHA

ALL FILES ARE REVIEWED IN THE ORDER THEY ARE RECEIVED


1 Commerce Way, Suite 602
Little Rock, AR 72202
https://homeloans.arkansas.gov
Like Us on Facebook: ARHomeFinancing

HTTPS://WWW.HOMELOANS.ARKANSAS.GOV




ADFA Daily Rate Sheet—Email





Arkansas Development Finance Authority



Lock Date:
July 12, 2021

Lock Expiration:
September 10, 2021

DAILY INTEREST RATE SHEET

	30YR FIXED RATE GOVERNMENT MORTGAGE	QUALIFYING INCOME
ADFA MOVE-UP	FHA, VA, RD	3.25% \$137,000
	30YR FIXED RATE CONVENTIONAL MORTGAGE—FREDDIE MAC	
	HFA CONVENTIONAL AT AND LESS THAN 80% AMI	3.375% FREDDIE MAC INCOME LIMITS
	HFA CONVENTIONAL GREATER THAN 80% AMI	3.875% \$137,000
ADFA DPA	10YR FIXED RATE SECOND MORTGAGE SAME AS ADFA MOVE-UP INTEREST RATE	

ADFA is currently working on submission files for Wednesday, July 7, 2021

Lock Date

Lock Expiration

IMPORTANT DATE:

Loan file submission date that ADFA underwriting team is working on.

DO NOT MISSED IMPORTANT INFO:

ADFA will include important information as part the daily rate sheet email to keep you up to date!

ADFA Daily Rate Email

Contact us to sign-up!



Send an email to one of our Compliance Team members to be added to the list:

Denise Wells

Single Family Assistant Manager

(501) 682-5466

Denise.Wells@arkansas.gov

Sharora Jones

Single Family Compliance

(501) 682-5923

Sharora.Jones@arkansas.gov

Leslie Quisenberry

Single Family Compliance

(501) 682-5930

Leslie.Quisenberry@arkansas.gov

Candace Smith

Single Family Compliance

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Candace.Smith@Arkansas.gov

Whitney Barwick

Single Family Compliance

(501) 682-5860

Whitney.Barwick@arkansas.gov

1 Commerce Way, Suite 602

Little Rock, AR 72202

(501) 682-5900

Good to know!

Lender Questions:

Lender.Questions@Arkansas.gov

Award Letters

Award.Letters@Arkansas.gov

CC: Underwriter

WHO IS ADFA?

Housing Finance Authority

1985

Established State Agency

NO

State General Revenue

**ENABLING
LEGISLATION**

Authorize to borrow money and issue bonds for Affordable Housing, various business & economic development projects, and capital improvements for state agencies.

ADFA PROGRAMS

ADDI
SOFT
SECOND MORTGAGE

MCC⁺
FEDERAL
TAX CREDIT

DPA
REPAYABLE
SECOND MORTGAGE

MOVE-UP⁺
FIRST MORTGAGE



+ Available: Stand Alone

ADFA COMPLIANCE:

Overview Review Process

ADDI & MCC REQUIRE A COMPLIANCE REVIEW:

- Programs with household income limits
 - ✓ Income must be verified and approved prior closing for all household members
- ADFA Pre-Closing Review
 - ✓ Checklist & Checklist items must be review and approved
- Once Loan File has been approved, closing documents and award letters can be downloaded from Lender Portal

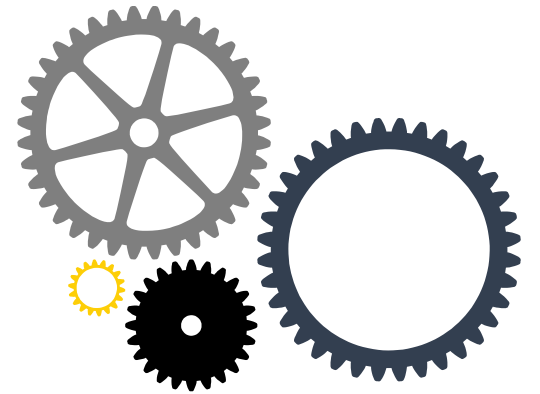
MOVE-UP & DPA REQUIRE A NON-COMPLIANCE REVIEW:

- Programs without household income limits
 - ✓ Income verification documents do not have to submitted
 - ✓ Each mortgage lender is responsible to ensure Borrower (s) meet program guidelines along with AUS – Approval, or Accept Recommendation
- Closing documents and award letters can be downloaded from Lender Portal
- Once Loan Closed, closing documents will be required to be submitted for review.



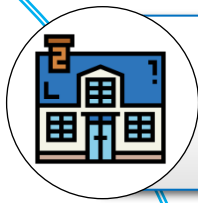
MOVE-UP

ADFA First Mortgage Program

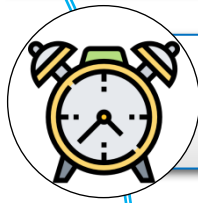


MOVE-UP

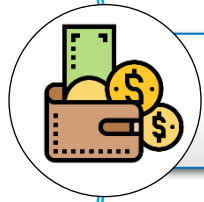
General Program Guidelines



First Lien (purchase only) - 30 Year Fixed Mortgage Program:
VA, RD, FHA, HFA Conventional Less than 80% AMI & Conventional Greater 80% AMI



Follow Conforming Loan Limits for each program agency guidelines



Maximum **Qualifying Income Limit** (140% AMI) **\$137,000**



Rate Lock/Reservation: **10-15 days prior closing or after UW Approval**



Follow Product Guidelines from each program: Looking for **ACCEPT** Recommendation, on LPA; and **APPROVE/ELIGIBLE**, on DU.

MOVE-UP

General Program Guidelines



No 1st Time Homebuyer Requirement: Primary Residence only



Authorized Lender received the rate daily & make the loan reservation:
Reservations made from **9:00am to 7:00pm**; working business days only



Non-occupant Co-Borrowers allowed with FHA loans only



Lenders have the option to charge an **1% Origination Fee**



Loan Funding Fee (\$200) & Tax Servicing Fee (\$71.50)
BOTH: netted at purchase by Master Servicer.




MOVE-UP

Program Underwriting Requirements

	FHA	VA	RD	HFA CONVENTIONAL
Median Credit Score	640			
Maximum DTI	45.000%			
AUS	LPA or DU	DU	GUS	LPA only
	** No Manual Underwriting **			
Property Eligibility	FHA, VA, RD & HFA Conventional Loans: Single Detached, Townhomes & Condominiums FHA, VA & RD: Manufactured Housing FHA: Duplex Homes			
Borrower Eligibility	No First Time Homebuyer Requirement Primary Residence <u>only</u>			

MOVE-UP

Borrower (s) Homebuyer Education Course Requirements

	ONE BORROWER	BOTH BORROWERS	NONE
ANY LOAN + ADDI			
HFA ADVANTAGE CONVENTIONAL + DPA	 *		
ANY OTHER LOAN + DPA			

*Course must be completed by at least one borrower, if all are first time homebuyers by Freddie Mac guidelines.
Follow each programs specific guidelines to meet compliance.

MOVE-UP

HFA Advantage Conventional Loans: TWO OPTIONS

6.250%*

“Move-Up” Conventional Greater than 80% AMI

Greater than 80% AMI

80%

“Move-Up” Conventional Less than 80% AMI

At or Below 80% AMI

5.375%*

AMI = Area Medium Income

- Borrowers qualifying bases on Freddie Mac Income Limits above 80% AMI
- Slightly Higher Interest Rate
- Standard Mortgage Insurance required. See, [Section 4701](#)
- Borrowers qualifying based on Freddie Mac Income Limits at or below 80% AMI
- Lower Interest Rate
- Allow minimum MI coverage (chartered)

MOVE-UP

Freddie Mac HFA Conventional Income Limits (< 80%AMI)

PAGE 1 OF 2 .					
ARKANSAS DEVELOPMENT FINANCE AUTHORITY					
FREDDIE MAC HFA ADVANTAGE CONVENTIONAL PROGRAM					
2021 INCOME LIMITS					
INCOME LIMITS BY COUNTY, EFFECTIVE 06/16/2021					
FIPS 5-DigitKey	Country Name	2021 Area Median Income (AMI)	Low-income - 80% AMI	2020 Area Median Income (AMI)	AMI change from 2020 to 2021
05001	Arkansas	\$54,400	\$43,520	\$52,500	\$1,900
05003	Ashley	\$54,100	\$43,280	\$52,500	\$1,600
05005	Baxter	\$54,100	\$43,280	\$52,500	\$1,600
05007	Benton	\$73,200	\$58,560	\$71,400	\$1,800
05119	Pulaski	\$70,600	\$56,480	\$72,300	-\$1,700
05121	Randolph	\$54,100	\$43,280	\$52,500	\$1,600
05125	Saline	\$54,100	\$43,280	\$52,500	\$1,600

MOVE-UP

Freddie Mac Conventional Income Limits

LTV	Standard Conventional	HomeReady Conventional	HFA Conventional Less than 80%AMI	HFA Conventional Greater than 80%AMI
95.01 - 97.00%	35%	25%	18%	35%
90.01 – 95.00%	30%	25%	16%	30%
85.01 – 90.00%	25%	25%	12%	25%
80.01 – 85.00%	12%	12%	6%	12%

Reduce Mortgage Insurance for Borrower (s) at or below 80% AMI

Lower Monthly Payments Options:

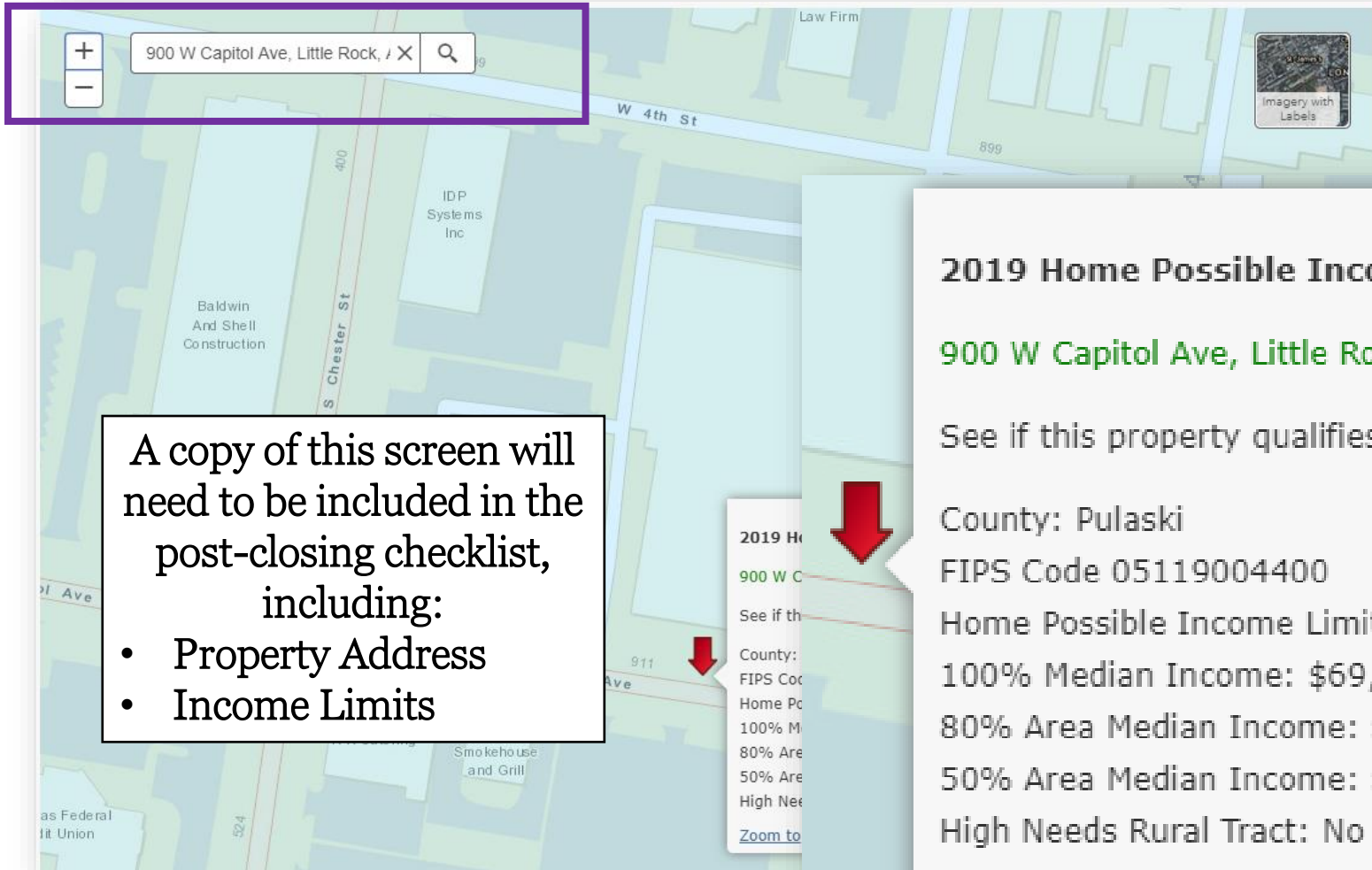
- Single Premium / Split Single Premium
- Monthly Premium

No Upfront Mortgage Insurance

MOVE-UP

Freddie Mac Conventional Income Limits

Home Possible Income and Property Eligibility Tool



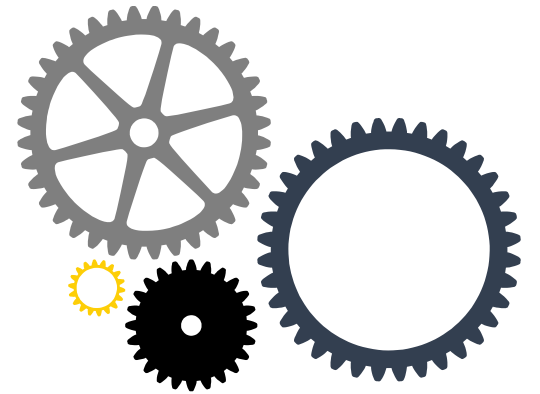
A copy of this screen will need to be included in the post-closing checklist, including:

- Property Address
- Income Limits



ADDI

ADFA Soft Second Mortgage Program



ADDI

General Program Guidelines

1

UP TO \$25,000 – MLO's must fill up ADDI Lender Form A or B

2

SECOND SOFT MORTGAGE: Over a 5-year or 10-year Living Requirement Term

3

FUNDS QUALIFICATIONS: Down Payment, and Closing Cost

4

NEW HOUSEHOLD INCOME – effective June 15th, 2022
& NEW PURCHASE PRICE LIMITS BY COUNTY – effective June 1st, 2022

5

NO FIRST TIME HOMEBUYER REQUIREMENT: Primary Residence Only

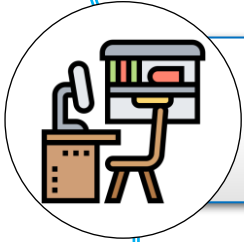
ADDI

General Program Qualifications



ADDI Borrower Form A: one per household

ADDI Borrower Form B: one per household member 18-years of age and older



HOME BUYER EDUCATION COURSE HUD APPROVED: Both borrower(s), prior closing



NEW UPCS ADFA ADDI Inspection – HUD Required

Inspection is order by ADFA once Income and Appraisal is received



Minimum Borrower's Contribution of \$500.00 – Earnest Money

Borrower(s) must have 2 months of reserves (PITI)

ADDI – Borrower Forms A & B

ADDI Borrower Form A – one per household

ADDI BORROWER FORM A HOUSEHOLD COMPOSITION FORM

Arkansas Development Finance Authority – HOME Program
Arkansas Dream Downpayment Initiative (ADDI)

Name:		Home Telephone Number:							
Current Address:	City, State, ZIP Code:	Work Telephone Number:							
Address of Unit to be Purchased:	City, State, ZIP Code:	Message Telephone Number:							
<p>In the table below, list yourself and all other persons who will live in the unit. <i>Note, if a member of the household is pregnant, with a doctor's statement confirming the pregnancy and projected due date, an unborn child may be included when determining household size.</i></p>									
Name	Relationship to Head of Household	Student	Birth Date	Age	Sex	Disabled	Race*	Latino/Hispanic	Citizen/Permanent Resident
	Head of Household	<input type="checkbox"/>			<input type="checkbox"/> M <input type="checkbox"/> F	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>



ADDI Borrower Form B – one household member 18-year-old and older.

My wages, including hours worked and/or overtime, tend to vary on a seasonal basis.
 My pay includes periodic bonuses (e.g., annual bonus, quarterly profit sharing, periodic retention bonuses, etc.).
If more than two jobs provide additional information on a separate sheet.

A-3 I receive tips. If yes, in the amount of \$_____ per week.

A-4 I am unemployed. If yes, I have been unemployed since ____/____/____.

A-5 I receive unemployment benefits since ____/____/____. I will will not receive an extension.

A-6 I am not presently unemployed but do have predictable periods of unemployment over the year. If yes, describe:

A-7 I receive periodic payments from Workers' Compensation. If yes, Amount \$_____ per ____ (e.g., week, month, etc.)

A-8 I receive military active-duty allotments. If yes, Amount \$_____ per ____ (e.g., week, month, etc.)

A-9 I receive Veteran's Administration benefits. If yes, Amount \$_____ per ____ (e.g., week, month, etc.)
VA File # _____

A-10 I receive Social Security. If yes, Amount \$_____ per month (include gross amount *before* any Medicare premium)

A-11 I receive Supplemental Security Income (SSI).
Amount: \$_____ per ____ (e.g., week, month, etc.)

Income Verification –
At least 2 months worth
of everything checked
“YES” in Borrower Form B.

ABC Company
289, 80th Road,
10th Block, Koramangala,
Bangalore

Pay Slip
for April-2011

Employee A

Employee Number: 0055 Income Tax Number (PAN): ABCDE1234F
 Function: Sales PF Account Number: KA/PBD/0012345/012/KA/VBN/0
 Designation: Senior Executive ESI Number: ESI 3456
 Location: Bangalore Passport Details: E569871
 Bank Details: 0063784376665, HDFC Bank, J.P. Nagar Visa Expiry Date: 20-Jun-2012
 Date of Joining: 10-Apr-2010


Attendance Details		Value	
Overtime		2	0.00 Hrs

Earnings	Amount	Gross Salary	Deductions	Amount	Gross Salary
Basic Pay	25,000.00	25,000.00	Professional Tax	200.00	200.00
HRA	10,000.00	10,000.00	Income Tax	1,372.00	1,372.00
Conveyance	800.00	800.00	Employees' EPF Deduction	3,000.00	3,000.00
Overtime	200.00	200.00			
Total Earnings	36,000.00	36,000.00	Total Deductions	4,572.00	3,200.00
			Net Amount	₹ 31,428.00	₹ 32,800.00

Amount (in words):
INR Thirty One Thousand Four Hundred Twenty Eight Only

for ABC Company
Authorised Signatory

ADDI – Lender Form A, B & C (ADDI Lender Tool)

ADDI Lender Form A – 
 No property selected, use for Pre-Qualification Purposes. **Optional.**


ADDI Lender Form B –
 MLO must fill up prior making an ADDI Loan Reservation. It will be submitted to ADFA with Compliance Package. **Required.**

ADDI Lender Form C –
 MLO must fill up as a Closing Reconciliation. It will be submitted to ADFA with Post-Closing Package. **Required.**

ADFA ADDI Qualification & Feasibility Tool		
Part A: <i>Optional</i> Buyer Prequalification (<i>specific buyer, unknown house</i>)		See instructions to the right →→→
Used prior to buyer identifying a specific house		
Applicant		
Date		
Loan Officer		
1		Annual Income for HOME Eligibility
2		Annual Income for Underwriting
3	\$0	Monthly Income for Underwriting
4		Existing Debt - Monthly
Confirm no existing non-housing debts.		
5	30%	Max Housing Debt Ratio ('Front End')
6	45%	Max Total Debt Ratio ('Back End').
7	\$0	Max Housing Pmt (before other debt)
8	\$0	Max Total Debt
9	\$0	Max Actual Housing Pmt Ability
10	#DIV/0!	#DIV/0!
11	#DIV/0!	Effective Back End Ratio (Max Pmt + Existing Debt)
12		Taxes (Annual)
13		Insurance (Annual)
14		Association Fees (Annual)
Confirm that no property tax will be due. Ensure that insurance estimate is entered.		
15	\$0	Estimated Monthly Escrow (Tax/Insurance/Fees)
16	\$0	Available for Monthly Principal, Interest, & MI
17		Annual Mortgage Interest Rate
18	0.850%	Annual Mortgage Insurance Premium Rate
19	30	Term (Years)
20	\$0	Approximate Mortgage Qualification Amount
21	\$23,585	Approximate Max Purchase Price at Max \$25K ADDI

ADDI – Lender Form A, B & C (ADDI Lender Tool)

ADDI Lender Form A –
No property selected, use for Pre-Qualification Purposes. **Optional.**

ADDI Lender Form B – 
MLO must fill up prior making an ADDI Loan Reservation. It will be submitted to ADFA with Compliance Package. **Required.**

ADDI Lender Form C –
MLO must fill up as a Closing Reconciliation. It will be submitted to ADFA with Post-Closing Package. **Required.**

ADFA ADDI Qualification & Feasibility Tool			ADFA ADDI Qualification & Feasibility Tool		
Part B: Initial Buyer Underwriting (known buyer, known house)			Part B: Initial Buyer Underwriting (known buyer, known house)		
Page 1 of 2 Submitted w/Commitment Package to ADFA			Page 2 of 2 Submitted w/Commitment Package to ADFA		
Applicant			Applicant	0	
Property			Property	0	
Date			Date	1/0/1900	
Loan Officer			Loan Officer	0	
1		Annual Income for HOME Eligibility	31	\$0.00	Sales Price
2		Annual Income for Underwriting	32		Closing Costs & Prepays
3	\$0	Monthly Income for Underwriting	33		Other Adjustments/Debits (e.g. items paid by seller in advance)
4		Existing Debt - Monthly	34	\$0.00	Total Cash Needed
5		Purchase Price	35		Buyer's Deposit/Earnest Money
6	97.00%	Loan to Value Limit	36		Buyer's Cash At Closing
7	\$0.00	Maximum Loan Based on LTV	37		Buyer investment for "paid outside closing" items
8	30%	Max Housing Debt Ratio ('Front-End')	38		Other Adjustments/Credits (e.g. items unpaid by seller)
9	45%	Max Total Debt Ratio ('Back-End')	39		Buyers Mortgage
10	\$0	Max Housing Pmt (w/out other debt)	40	\$0.00	Total Buyer Assistance Needed
11	\$0	Max Total Debt	41	\$0.00	Other Assistance
12	\$0	Max Actual Housing Pmt Ability	42	\$0.00	ADDI HOME Assistance Needed
13	#DIV/0!	#DIV/0!	43	0.850%	Mortgage Insurance (Orange = Act. Pmt, Yellow = Rate)
14	#DIV/0!	Effective Back End Ratio (Max Pmt + Existing Debt)	44	\$0.00	Principal & Interest Payment
15		Confirm no property taxes are due.	45	\$0.00	Mortgage Insurance Payment
16		Ensure that insurance estimate is entered.	46	\$0.00	Total escrows
17		Association Fees (Annual)	47	\$0.00	Total Pmt (PI + MI + TI Escrows)
18	\$0.00	Estimated Monthly Escrow (Tax/Insurance/Fees)	48	LTV Ratio	Mortgage Limited By
19	\$0.00	Available for Monthly Principal, Interest, & MI	49	#DIV/0!	#DIV/0!
20		Annual Mortgage Interest Rate	50	#DIV/0!	#DIV/0!
21	0.850%	Annual Mortgage Insurance Premium Rate	51	#DIV/0!	First Mortgage LTV
			52	\$0.00	Buyer's cash investment ratio BEI OW \$500 minimum!

ADDI – Lender Form A, B & C

(ADDI Lender Tool)

ADDI Lender Form A –

No property selected, use for Pre-Qualification Purposes. **Optional.**

ADDI Lender Form B –

MLO must fill up prior making an ADDI Loan Reservation. It will be submitted to ADFA with Compliance Package. **Required.**

ADDI Lender Form C –

MLO must fill up as a Closing Reconciliation. It will be submitted to ADFA with Post-Closing Package. **Required.**

ADFA ADDI Qualification & Feasibility Tool			
Part C: Final Underwriting/Closing Reconciliation			See instructions
Submitted with Post-Closing Package to ADFA			
Applicant			
Property			
Date			
Loan Officer			
31	\$0.00	Sales Price	Change
32		Closing Costs & Prepays	\$0.00
33		Other Adjustments/Charges (e.g. items paid by seller in advance)	\$0.00
34	\$0.00	Total Cash Needed	\$0.00
35		Buyer's Deposit/Earnest Money	\$0.00
36		Buyer's Cash At Closing	\$0.00
37		Buyer investment for "paid outside closing" items	\$0.00
38		Other Adjustments/Credits (e.g. items unpaid by seller)	\$0.00
39	\$0.00	Buyer's Mortgage	\$0.00
40	\$0.00	Total Buyer Assistance Needed	\$0.00
41		Other Assistance	\$0.00
42	\$0.00	ADDI HOME Assistance Needed	\$0.00
43	Line 43 intentionally skipped		
44	\$0.00	Principal & Interest Payment	\$0.00
45		Mortgage Insurance	\$0.00
46		Total escrows	\$0.00
47	\$0.00	Total Pmt (PI + MI + TI Escrows)	\$0.00
48	LTV Ratio	Mortgage Limited By	
49	#DIV/0!	#DIV/0!	#DIV/0!
50	#DIV/0!	#DIV/0!	#DIV/0!
51	#DIV/0!	First Mortgage LTV	#DIV/0!
52	\$0	Buyer's total cash investment	\$0.00

(A) Buyer Prequalification | (B) Initial Buyer Underwriting | (C) Final - Closing Actuals | +

ADDI – Pre-Closing & Post-Closing Timeline Guide

ADDI Timeline Reference Guide–


This will be a roadmap of the new
ADDI Loan (HOME Program) Timeline.

Included on:

ADDI Pre-Closing Checklist
ADDI Post-Closing Checklist

Available by Itself.

***Must Follow ADFA ADDI Program
Guidelines***



**ARKANSAS DREAM DOWN
PAYMENT INITIATIVE**
Arkansas Development Finance Authority

HELPFUL ADDI TIMELINE

PRE-QUALIFICATION (PRE-RESERVATION)

- **ADDI Lender Form A:** Buyer Pre-Qualification Form (ADFA ADDI Feasibility Tool) OPTIONAL, IF NEEDED

COMPLIANCE REVIEW (PRE-CLOSING)

- **ADDI Pre-Closing Checklist** (completed entirely)
- **ADDI Homebuyer Agreement** (signed by Borrowers, and notarized)
- Typed Final Uniform Residential Loan Application (Unsigned)
- AUS Findings (DU, LPA, GUS: Approve/Eligible OR Accepted Recommendation only)
- Borrower's Forms (**must be signed by Borrowers**) :
 - **Borrower Form A:** Household Composition Form (one must be completed per household)
 - **Borrower Form B:** Income/Asset Checklist (one must be completed by each household member 18yo +)
- Lender's Forms (**must be completed entirely by MLO**) :
 - **ADDI Lender Form B:** (Initial Buyer Underwriting Form)
- Income Verification (if applicable, one per each household member 18yo +)
- Latest Federal Tax Returns & W-2's (signed and dated by Borrowers)
- Paystubs (two-months' worth)
- Bank Accounts Monthly Statements (two-months' worth)
- Any supporting documentation checked "yes" under **ADDI Borrower Form B** (Section A & B)
- Real Estate Contract
- **ADDI Seller Notice** (**must be completed, initialed, and signed by Seller**)
- Entire Home Appraisal
- Homebuyer Counseling Certificate: [HUD-Approved Counseling Agency List](#)

***** ADDI INSPECTION *****

After all items above have been uploaded and approved by ADFA, the Inspector will be dispatched:

- Initial Inspection. The inspector has 5 business days to send the results of the inspection to ADFA.
- Final Inspection. ADFA will pay up for a maximum of a total of 3 inspections (Initial, Second, and Final).
- Inspection (Property must passed the following two items) :
 - **ADDI Property Inspection Checklist** (pages 1-13)
 - **ADDI Lead-Based Paint Visual Assessment Form** (page 14)

CONDITIONAL COMMITMENT (SET A CLOSING DATE)

***** ADDI AWARD LETTERS *****

- ADFA will issue the **ADDI Award Letter**, and
- ADFA will order the **Environmental Review**, once approved the **ADDI Conditional Commitment Letter** will be issued. then the Authorized Lender can set a Closing Date.

COMPLIANCE REVIEW (POST-CLOSING)

- **ADDI Post-Closing Checklist** (completed entirely)
- **ADDI Lender Form C** (completed entirely)

ADDI

Borrower(s) Eligibility Requirements



HOUSEHOLD INCOME LIMITS:

Restricted by 80% AMI and per County

PAGE 1 OF 2 .

ARKANSAS DEVELOPMENT FINANCE AUTHORITY
ARKANSAS DREAM DOWNPAYMENT INITIATIVE (ADDI)/HOME PROGRAM
 2022 ADDI HOUSEHOLD INCOME LIMITS

HUD HOME PROGRAM HOUSEHOLD INCOME LIMITS, EFFECTIVE 06/15/2021

NUMBER OF PERSONS/MAXIMUM HOUSEHOLD INCOME AT 80% OF MEDIAN INCOME

COUNTY NAME	1	2	3	4	5	6	7	8
Arkansas	34100	38950	43800	48650	52550	56450	60350	64250
Ashley	33900	38750	43600	48400	52300	56150	60050	63900
Baxter	33750	38550	43350	48150	52050	55900	59750	63600
Benton	46900	53600	60300	66950	72350	77700	83050	88400

Pulaski	44100	50400	56700	62950	68000	73050	78100	83100
Randolph	33750	38550	43350	48150	52050	55900	59750	63600
St. Francis	33750	38550	43350	48150	52050	55900	59750	63600
Saline	44100	50400	56700	62950	68000	73050	78100	83100
Washington	46900	53600	60300	66950	72350	77700	83050	88400

ARKANSAS DEVELOPMENT FINANCE AUTHORITY

- All ADFA Programs Income Limits can be find along with our Programs Guidelines by visiting: WWW.ADFA.ARKANSAS.GOV
- Under **FORMS**, then scroll down the navy subtitle **SINGLE FAMILY**, click on **PROGRAM GUIDELINES**.

ADDI

Borrower(s) Eligibility Requirements



PURCHASE PRICE LIMITS:

Restricted by Property type and per County

PAGE 1 OF 2 .

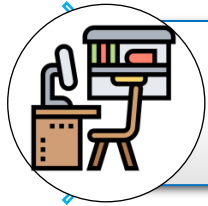
ARKANSAS DEVELOPMENT FINANCE AUTHORITY
 ARKANSAS DREAM DOWNPAYMENT INITIATIVE (ADDI)/HOME PROGRAM
 2022 ADDI PURCHASE PRICE LIMITS
 HUD HOME PROGRAM INCOME LIMITS
EFFECTIVE 06/01/2022

COUNTY NAME	NUMBER OF PERSONS/MAXIMUM HOUSEHOLD INCOME AT 80% OF MEDIAN INCOME		
	<u>EXISTING CONSTRUCTION</u>	<u>DUPLEX</u>	<u>NEW CONTRUCTION</u>
Arkansas	\$158,000	\$202,000	\$251,000
Ashley	\$158,000	\$202,000	\$251,000
Baxter	\$158,000	\$202,000	\$251,000
Benton	\$212,000	\$271,000	\$251,000
Pulaski	\$175,000	\$224,000	\$251,000
Randolph	\$158,000	\$202,000	\$251,000
St. Francis	\$158,000	\$202,000	\$251,000
Saline	\$181,000	\$232,000	\$251,000
Washington	\$210,000	\$269,000	\$251,000

- All ADFA Programs Income Limits can be find along with our Programs Guidelines by visiting: WWW.ADFA.ARKANSAS.GOV
- Under **FORMS**, then scroll down the navy subtitle **SINGLE FAMILY**, click on **PROGRAM GUIDELINES**.

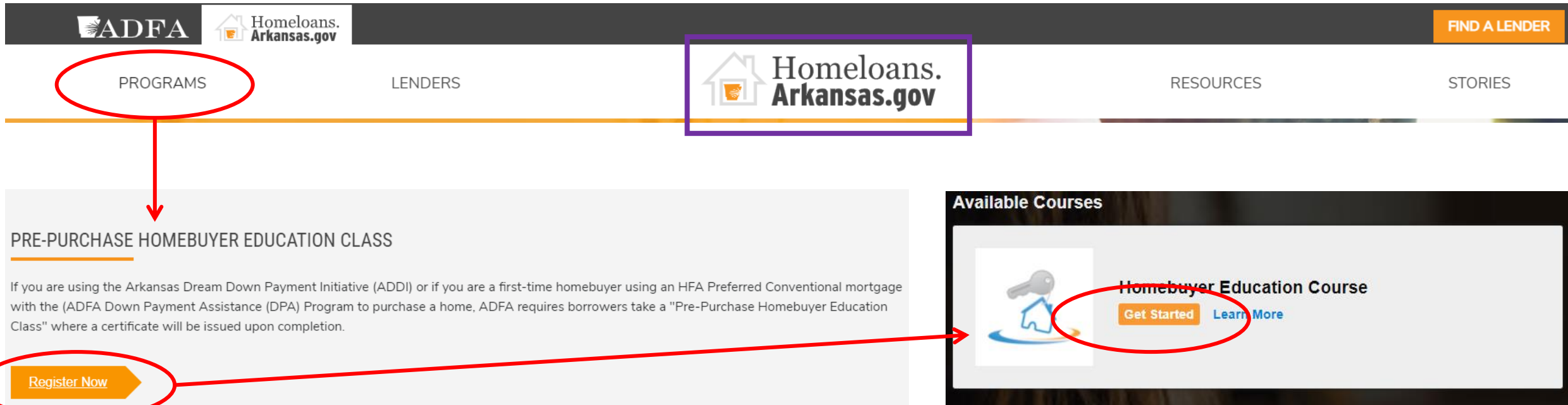
ADDI

Borrower(s) Eligibility Requirements



HOMEBUYER EDUCATION COURSE HUD APPROVED:

Both borrower(s) must take the course, due prior closing of the loan

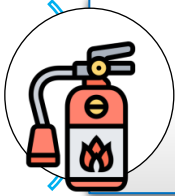


The screenshot shows the website navigation. The 'PROGRAMS' menu item is circled in red, with a red arrow pointing down to the 'PRE-PURCHASE HOMEBUYER EDUCATION CLASS' section. In this section, the 'Register Now' button is circled in red, with a red arrow pointing to the 'Homebuyer Education Course' card in the 'Available Courses' section. The 'Homebuyer Education Course' card has a 'Get Started' button and a 'Learn More' link, both of which are circled in red. The Homeloans. Arkansas.gov logo is also circled in purple in the top navigation bar.

PROGRAMS » ADDI » PRE-PURCHASE HOMEBUYER EDUCATON CLASS

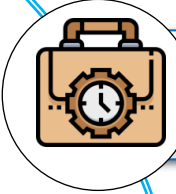
ADDI

Property Eligibility Requirements

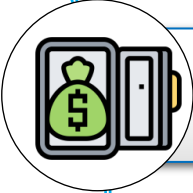


ADDI UPCS INSPECTION/ADAPTATION (HOME PROGRAM):

HUD Requirement: **Health, Quality & Safety Inspection.**



No intended to replace a regular home inspection!



FEEES: ADFA will pay for Initial & up-to, if needed, 2 Additional Re-Inspections



INSPECTORS: Have up to 5 business days to return with inspection results.



INSPECTION: ADFA will dispatch the inspectors once the borrower's income and appraisal has been received.

ADDI – Property Eligibility Requirements



ADFA ADDI UPCS INSPECTION:

This inspection is an adaptation/interpretation based on HUD Requirement for the HOME Program

**ADDI
PROPERTY INSPECTION CHECKLIST**

Building Structure & Exterior

Project Address

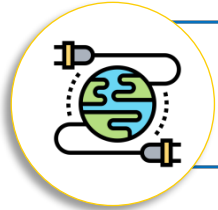
Project City

	Pass	Deficiency	N/A	
Foundations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<i>Describe (issue and location)</i>
A settlement crack or split in the exterior of the lowest structural wall that could compromise structural integrity Concrete or masonry wall is flaking, chipping, or crumbling – possibly exposing rebar	<input type="text"/>			
Doors (Exterior)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<i>Describe (issue and location)</i>
Frame, header, jamb, threshold, lintel, or trim that is warped, split, cracked, or broken Hardware or locks are damaged, missing, or not functional, includes locks, panic hardware, overhead door tracks, springs and pulleys, sliding door track, hangers, and door closures Damage on the door surface that affects the surface protection or strength of the door or compromises security, including holes, peeling/cracking/no paint, broken glass, and significant rust Sealing and stripping designed to resist weather or caulking is missing or deteriorated A door is missing, stuck, or inoperable	<input type="text"/>			
Walls (Exterior)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<i>Describe (issue and location)</i>

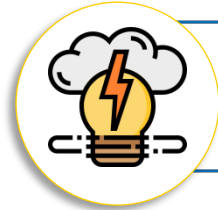
ADDI UPCS INSPECTION SECTIONS:

1. State & Local Property Maintenance Codes
 2. Site & Grounds
 3. Building & Structure Exteriors
 4. Building Systems
 5. Interiors
 6. Lead-Based Paint Visual Assessment Form
- IMPORTANT DISCLOSURE: Let Realtors and Borrowers know about the 1978 Lead-Based Paint Requirement!**

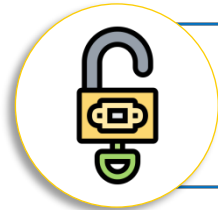
ADDI UPCS INSPECTION: MOST AVOIDABLE MISTAKES



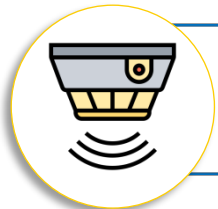
UTILITIES: Utilities must be turned on.



GFCI OUTLETS (Ground-Fault Circuit Interrupter): Kitchen & bathrooms.



WINDOWS: Open/close properly and have window screens.



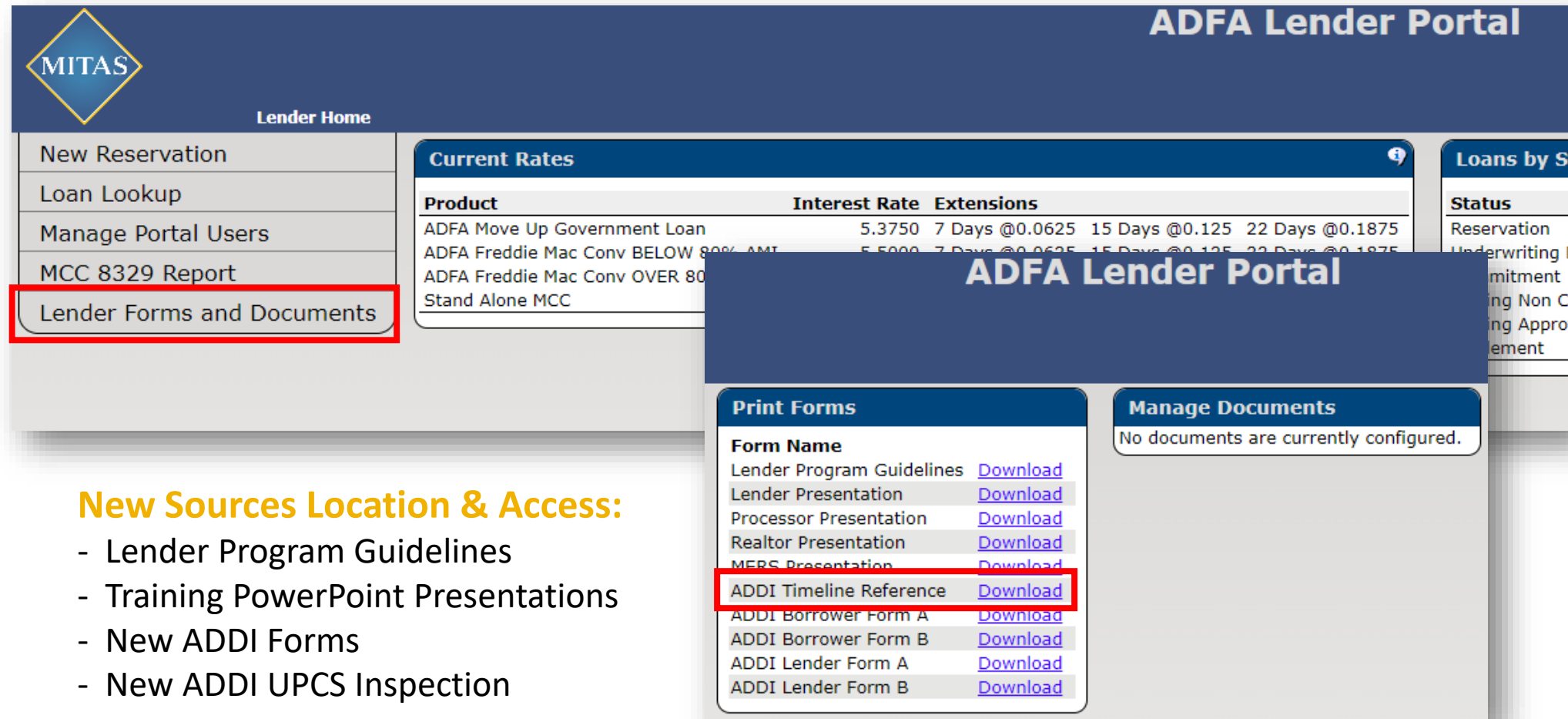
SMOKE DETECTORS: Installed prior inspection.



OLD HOMES: Health, Quality & Safety hazards will be/could be identify by the Inspector during inspection.

New ADDI Documents

Lender Portal: www.adfa.mitas.com/lenderportal



The screenshot shows the ADFA Lender Portal interface. On the left, a navigation menu includes 'Lender Forms and Documents', which is highlighted with a red box. The main content area features a 'Current Rates' table and a 'Print Forms' section. The 'Print Forms' section lists various documents, with 'ADDI Timeline Reference' highlighted by a red box. A 'Manage Documents' section below it shows 'No documents are currently configured.'

Product	Interest Rate	Extensions
ADFA Move Up Government Loan	5.3750	7 Days @0.0625 15 Days @0.125 22 Days @0.1875
ADFA Freddie Mac Conv BELOW 80% AMT	5.5000	7 Days @0.0625 15 Days @0.125 22 Days @0.1875
ADFA Freddie Mac Conv OVER 80% AMT		
Stand Alone MCC		

Form Name	Action
Lender Program Guidelines	Download
Lender Presentation	Download
Processor Presentation	Download
Realtor Presentation	Download
MERS Presentation	Download
ADDI Timeline Reference	Download
ADDI Borrower Form A	Download
ADDI Borrower Form B	Download
ADDI Lender Form A	Download
ADDI Lender Form B	Download

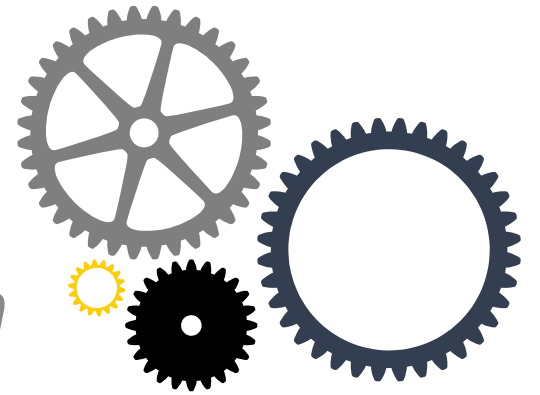
New Sources Location & Access:

- Lender Program Guidelines
- Training PowerPoint Presentations
- New ADDI Forms
- New ADDI UPCS Inspection










DPA

ADFPA Repayable Second Mortgage Program



DPA

General Program Guidelines

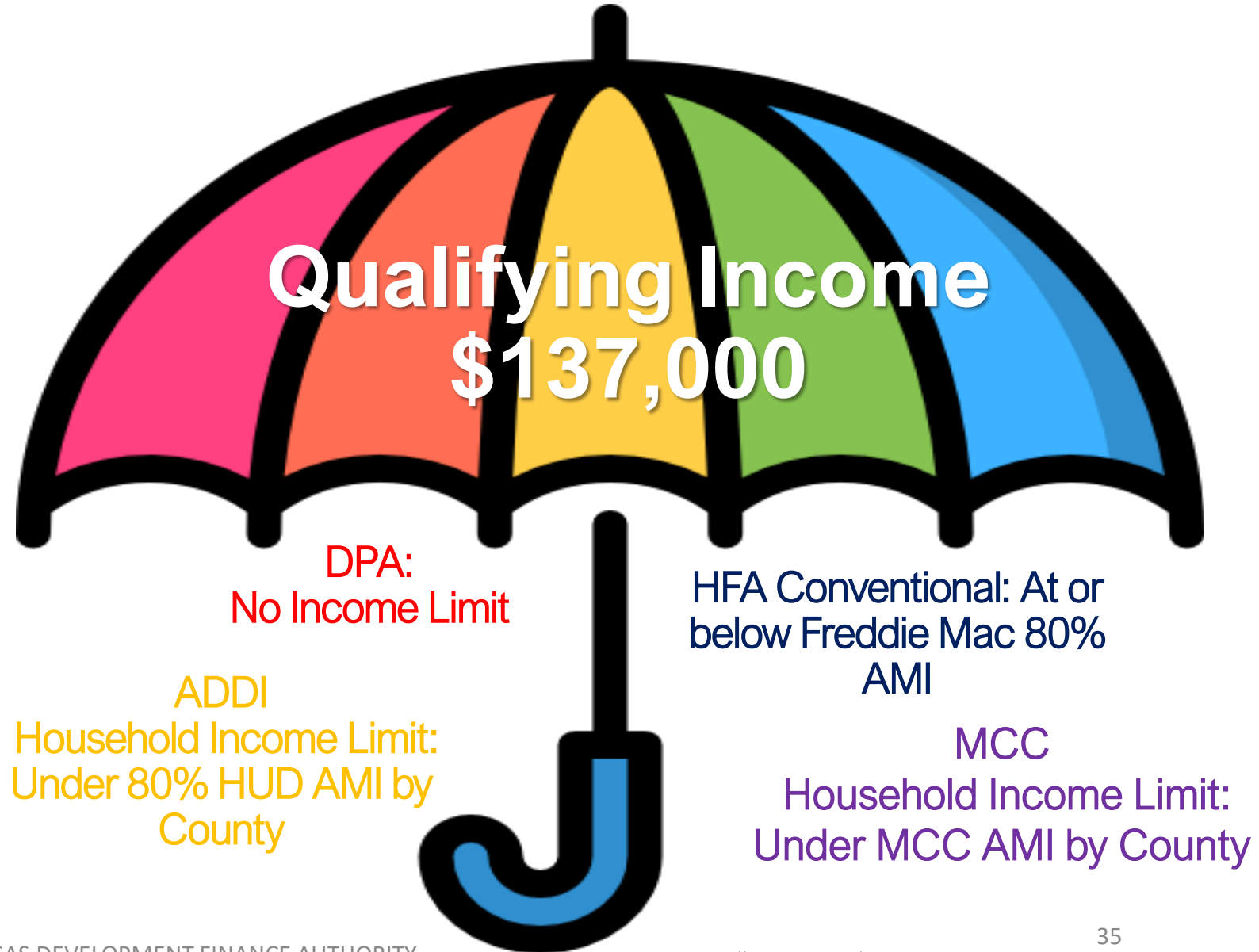
-  FROM \$1,000 UP TO \$15,000
-  10-YEAR AMORTIZATION TERM: Repayable 2ND Mortgage (Conforming Loan Limits)
-  SAME INTEREST RATE AS THE 1ST MORTGAGE
-  FUNDS QUALIFICATIONS: Down Payment, Closing Cost, Principal Reduction & POCs
-  **NO** ADDITIONAL INSPECTIONS: No Additional required by ADFA
-  **NO** HOUSEHOLD INCOME LIMITS
-  **NO** PENALTY FOR PRE-PAYMENT

ADFA PROGRAMS INCOME LIMITS

All Borrowers using any ADFA program are subject to:

Then Borrowers qualify for assistance based on each specific program income limits:

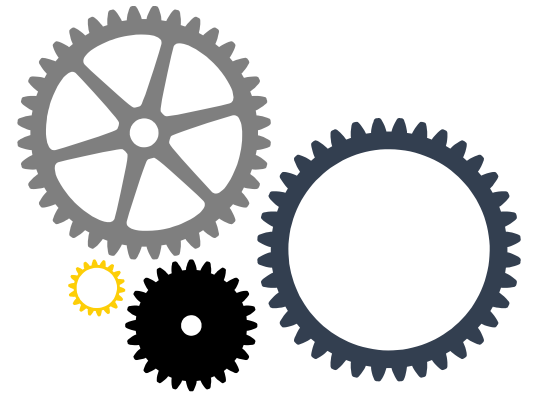
AMI = Area Median Income





MCC

ADFA Federal Tax Credit



MCC

Mortgage Credit Certificate: *Federal Tax Credit*



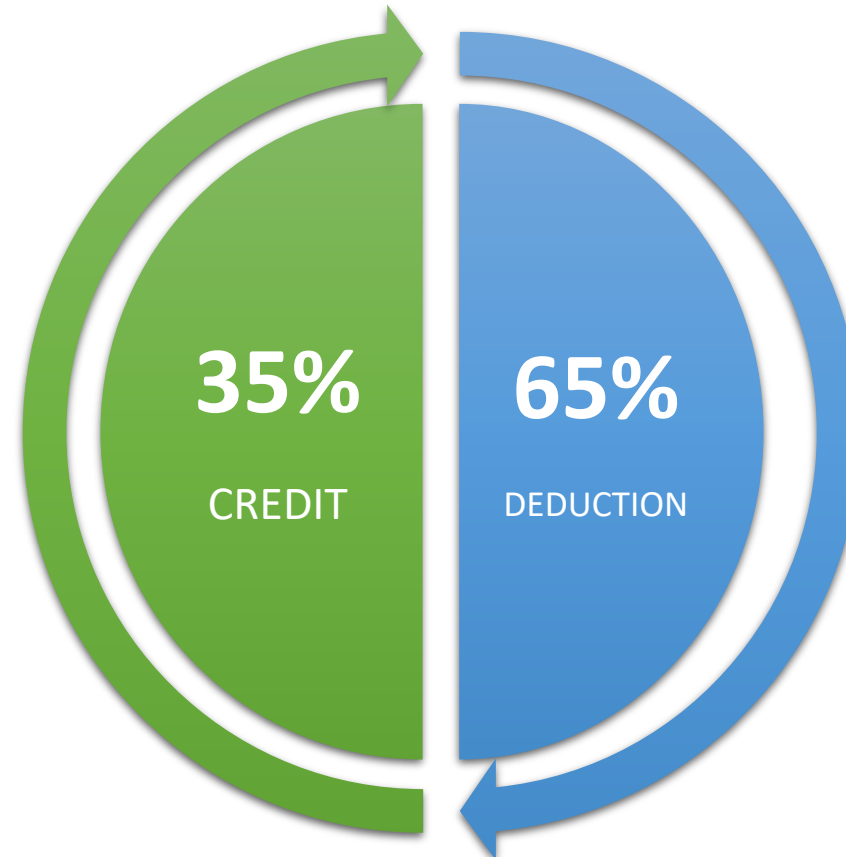
We are not Tax Professionals and cannot give tax advice. We will provide examples of how the MCC works. We recommend that borrowers seek the advice of a qualified tax professional when deciding whether to take advantage of an MCC.

MCC

Dollar-for-Dollar *Federal Tax Credit*

EXAMPLE*: \$7,000 MORTGAGE INTEREST

MCC might allow you to deduct up to 35% of the mortgage interest owed up to a maximum of \$2,000.



Only 65% might be use as a deduction, instead of 100% of Mortgage Interest.

*This example is use for ADFA MCC Education purposes only and shall not be use as a guide or tax advice, for the MCC, or any other of our programs; and shall not represent the ADFA nor any of its employees. Please consult with a professional to see what best benefits your financial picture.

MCC

EXAMPLE: WITHOUT MCC

GROSS INCOME	\$50,000
MORTGAGE INTEREST DEDUCTION	\$7,000
TAXABLE INCOME	\$43,000
FEDERAL INCOME TAX	\$6,450

MCC

EXAMPLE: WITH MCC

GROSS INCOME	\$50,000	
	\$4,550	
MORTGAGE INTEREST	\$7,000	
65% DEDUCTION		
	\$45,450	
TAXABLE INCOME	\$43,000	
"TAXED @15%"	\$6,817.50	
FEDERAL INCOME TAX	\$6,450	
Max MCC Credit	\$2,000	
TOTAL TAXES DUE	\$4,817.50	SAVED \$1,632.50

MCC

Dollar-for-Dollar *Federal Tax Credit*

1

BORROWER MUST BE ONE OF THE FOLLOWING:

- A. 1st Time Homebuyer (no primary residence ownership within last 3 years)
- B. Purchasing home in a Targeted County
- C. Be a Veteran or spouse of a Veteran

2

INCOME RESTRICTED: IRS Income restriction by County, and number of household occupants

3

PURCHASE PRICE LIMIT: \$300,000

MCC

Dollar-for-Dollar *Federal Tax Credit*



BORROWER MUST BE ONE OF THE FOLLOWING:

- A. 1st Time Homebuyer (no primary residence ownership within last 3 years)
- B. Purchasing home in a Targeted County
- C. Be a Veteran or spouse of a Veteran

- A. No own any piece of real estate within the last 3 years.
- B. A targeted county is a qualified census track, or an area of chronic economic distress as designated by the IRS. If property is in a targeted county, the first-time homebuyer requirement does not apply.
- C. Veterans who served in any military branch of the Armed Forces of the United States. Requires **Form DD214** for verification.

MCC

Dollar-for-Dollar *Federal Tax Credit*



INCOME RESTRICTED: IRS Income restriction by County, and number of household occupants

PAGE 1 OF 2.			
ARKANSAS DEVELOPMENT FINANCE AUTHORITY			
MORTGAGE CREDIT CERTIFICATE (MCC)			
2022 INCOME LIMITS			
INCOME LIMITS BY COUNTY AND HOUSEHOLD SIZE, EFFECTIVE 05/23/2022			
N= NON-TARGETED		PURCHASE PRICE LIMIT - \$300,000	
T=TARGETED			
N / T	COUNTY	HOUSEHOLD 1-2 MEMBERS	HOUSEHOLD 3 OR MORE
N	Arkansas	\$72,960	\$85,120
N	Ashley	\$72,600	\$84,700
N	Baxter	\$72,240	\$84,280
N	Benton	\$83,700	\$96,255
N	Pulaski	\$79,111	\$90,978
N	Randolph	\$72,240	\$84,280
T	St. Francis	\$83,280	\$97,160
N	Saline	\$79,111	\$90,978
N	Washington	\$83,700	\$96,255

MCC

Dollar-for-Dollar *Federal Tax Credit*



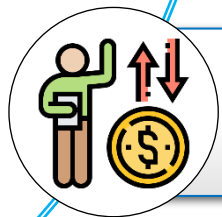
SELF REPORTING TAX: Borrower claims Tax Credit when they file their **Form 1040** annually and must use **Form 8396** to claim the credit.



Each county has an Income Limit that the household cannot exceed based on the size of the household.



Homebuyer can adjust federal withholdings to increase take home pay by **\$166 per month**.



FREE with ADFA Mortgage products
Stand-Alone MCC available: **1/2 Percent Issuance Fee**

MCC

Dollar-for-Dollar Federal Tax Credit

ALL OF THE FOLLOWING MUST BE MET:

- I. Your home is sold or disposed of within 9 years of being purchased, for reasons other than death; and
- II. There is a capital gain on the sale of your home, and
- III. Your household income for the year in which you sell your home exceeds federal recapture tax limits.

**For more information regarding this provision,
please *contact* the IRS or a tax professional.**



MCC CAN'T reduce your Federal Income Tax if you don't owe any taxes!

ADFA FEES

- **ServiSolutions Fees**

- \$200 Loan Funding Fee, *follow ServiSolutions Guidelines*
- \$71.50 Tax Servicing Fee, *follow ServiSolutions Guidelines (\$76.00 effective 07.01.2022)*

- **MOVE-UP Fees**

- Lenders can charge up to 1% Origination Fee + Regular Standard Fees

- **ADDI Fees**

- ADFA does not allow any feeds on ADDI.

- **DPA Fees**

- ADFA allows a \$50 Lender Application Fee to borrower, optional.
- Borrowers can receive cash back at closing to cover POC items, and up to \$100 cash back.

- **MCC Fees**

- Half One Percent Issuance Fee (.5%)– *on Stand Alone MCCs only*
 - Waived Fee when:
 - Use Move-up as First Mortgage
 - Veterans & Spouse of a Veteran (DD214 Form)
- Lender Fee per Certificate \$150
- MCC Reissue Certificate Fee \$150

CONDITIONS: Most Avoidable Mistakes

- **Move-Up: First Mortgage**

- ADFA MOVE-UP CHECKLIST
- Not signing and dating the final 1003
- **EITHER:**
 - Filling out “SECTION 4. LOAN AND PROPERTY INFORMATION” , OR
 - Not checking “YES” on 1003, under “SECTION 5. Declarations”, “Question C”
 - *Is any part of the down payment borrowed?* (Enter Amount for ADDI or DPA)
 - Not submitting Final Lender Loan Approval

- **ADDI: Forgivable/Soft Second Mortgage**

- ADFA ADDI CHECKLIST
 - How many will be in the household
 - Phone numbers for the inspectors to contact for HQS Inspection
 - **Processor Contact Information**

- **DPA: Repayable Second Mortgage**

- ADFA DPA CHECKLIST
- Not signing and dating the final 1003

CONDITIONS: Most Avoidable Mistakes

- **MCC: Mortgage Credit Certificate**

- ADFA MCC CHECKLIST
- Missing Exhibits A, B, C, etc. **Incomplete Files are not review!**
- Exhibit E: make sure date on 2nd paragraph is the same date as on Exhibit B
- Not signing Exhibit G—Lender Signature Required
- Exhibit P: not including closing date, County Income Limit Sheet, and entering wrong loan amounts or Recapture Tax amounts.

- **Income Verification**

- ADFA Only needs VOE and current Pay-Stubs (within 30 days) no past employers.
- Borrowers no signing Federal Tax Returns (ADFA does not need Arkansas State Taxes)

**When something changes on the Loan, it needs to be corrected
on MITAS before printing out documents**

 **ADFA** CONTACT INFORMATION

OUTREACH TEAM



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