

DC HFA Program

Last Updated October 3, 2022

The Key to Homeownership in the City!

- Partnership between DC Housing Finance Agency (DC HFA) and Lakeview
- The DC HFA Program was created by the District of Columbia Housing Finance Agency to help **make home ownership affordable and attainable in Washington, D.C.**
- Qualifies as a provider of down payment assistance under Fannie Mae, Freddie Mac, and FHA guidelines.

Let's dive in!



FannieMae.

Freddie Mac



Benefits

Fewer Restrictions & Easier to Use

- No Underwriter Certification
- Assistance is available for both first-time and repeat homebuyers
- No minimum required investment
- Conventional High Balance loans are permitted
- No additional condominium reviews required
 - Condominiums must meet agency/investor guidelines



Program Highlights

- Purchase transactions only
- Owner-occupied, single-family properties, including
 - Condos
 - PUDs
 - Townhomes
- Government and Conventional first loan options available
- Homebuyer Education (in person or online) is required **prior to close per investor/agency guidelines.**
- Proceeds of the optional assistance can be used for **100%** of the borrower's down payment.

Income Limits

- **Program Income Limit:** Refer to [DCHFA](#) for current limit
 - Additional limits may apply depending on product selected.
 - Use [Fannie Mae's income lookup tool](#) to find AMI information.
- **All verified qualifying income must be applied against the applicable program income limit.**
- **Lender must attempt to verify all income listed on the application or disclosed through the loan process.**
 - What is the definition of **disclosed through the process**?
 - Listed on the 1003
 - Shown on the pay stubs
 - Shown on a written verification of employment
 - Shown on tax documents
- If the additional income does not meet investor guidelines (ex. one-time bonus), it does not need to be added to the application and run through the AUS. However, the Underwriter must indicate on the 1008/applicable government forms why it was not used for qualification.
Example: “Verified that borrower’s bonus was one-time.”

Qualifying Income Examples

Example 1

- The 1003 lists a second job, but it is not needed to pass ratios.

Does the income need to be developed?

- **Yes**, review the income documentation and determine if the income meets the guidelines: continuity, history, etc.
 - **If it does**, add it to the LOS and run through AUS for qualification.
 - **If it does not**, the underwriter documents why.

Example 2

- The underwriter reviews a pay stub and sees a bonus or overtime income that was not listed on the 1003.

Does the income need to be developed?

- **Yes**, review income documentation and determine if the income meets guidelines: continuity, history, etc.
 - **If it does**, add it to the 1003, LOS, and run through AUS for qualification.
 - **If it does not**, the underwriter documents why.

First Mortgage Loans - Conventional

- Fannie Mae's **HFA Preferred** loans and Freddie Mac **HFA Advantage** loans only
 - Standard Freddie Mac and Fannie Mae loan products are not permitted.
 - High Balance loans must utilize DU and Fannie Mae's HFA Preferred.
- **LTV/CLTV:** Up to maximum **97/105%***
 - High Balance loans are limited to **95/105%**
- All Borrowers must have a **FICO score** of no less than **640**
- Co-signors and non-occupant co-borrowers are not permitted
- **DTI:** Not to exceed **50%** subject to a DU or LPA approval
- **Underwriting: Approve/Eligible** from DU or **Accept/Eligible** from LPA; manual underwriting and/or non-traditional credit are not permitted
- **Employment and income documentation follow DU/LPA findings**, with a few exceptions:
 - Tax transcripts are required when utilizing 1040 income, working for family, or using WVOE as stand-alone income verification.**

Please refer to the [product matrix](#) for complete program guidelines.

(www.LakeviewCorrespondent.com | Delegated/Closed Loan Portal | Product Matrices - Lakeview Affordable Lending)

First Mortgage Loans - Conventional (Continued)

- Lower Charter or Custom Mortgage Insurance coverage is available for loans with **AMI ≤ 80%**

LTV	Coverage
95.01%-97%	18%
90.01-95%	16%
85.01-90%	12%
80.01-85%	6%

- See the product matrix for more information

In the case of conflicting guidelines, lenders must follow the more restrictive guidelines of DC HFA, Fannie Mae or Freddie Mac (as applicable), Mortgage Insurer, Lender, or Lakeview.

First Mortgage Loans – FHA

- 203b or limited 203k available
- **96.5 LTV/CLTV** – per FHA guidelines
- All borrowers must have a **FICO** score of no less than **640**
- Co-signors and non-occupant co-borrowers are not permitted
- **DTI:**
 - **≤ 45%** subject to a DU or LPA approval
 - **> 45%** minimum **680** FICO required, not to exceed **50%** subject to a DU or LPA approval
- **Underwriting: Approve/Eligible** from DU or **Accept** from LPA
 - Manual downgrades are permitted only if additional information was not considered in the Approve/Eligible or Accept/Eligible decision, subject to:
 - **660** minimum **FICO** score for all borrowers
 - **43%** maximum **DTI**

In the case of conflicting guidelines, lenders must follow the more restrictive guidelines of DC HFA, FHA, Lender or Lakeview.

Optional Second Mortgage Assistance Programs – DC Open Doors

- Can be paired with Government and Conventional first mortgages
- **3%** assistance for conventional loans and **3.5%** assistance for FHA loans
- Open to first-time and repeat homebuyers
- Open to all neighborhoods and wards
- Open to both residents and non-residents of DC
- No maximum sales price limit
- Can be paired with a Mortgage Credit Certificate (MCC)
- Down Payment Assistance second mortgage loan:
 - Proceeds may be used to fund up to **100%** of the borrowers' cash to close.
 - **0%** interest non amortizing.
 - Due upon sale, refinance, or if you no longer occupy the property as a primary residence
 - Not eligible for subordination.

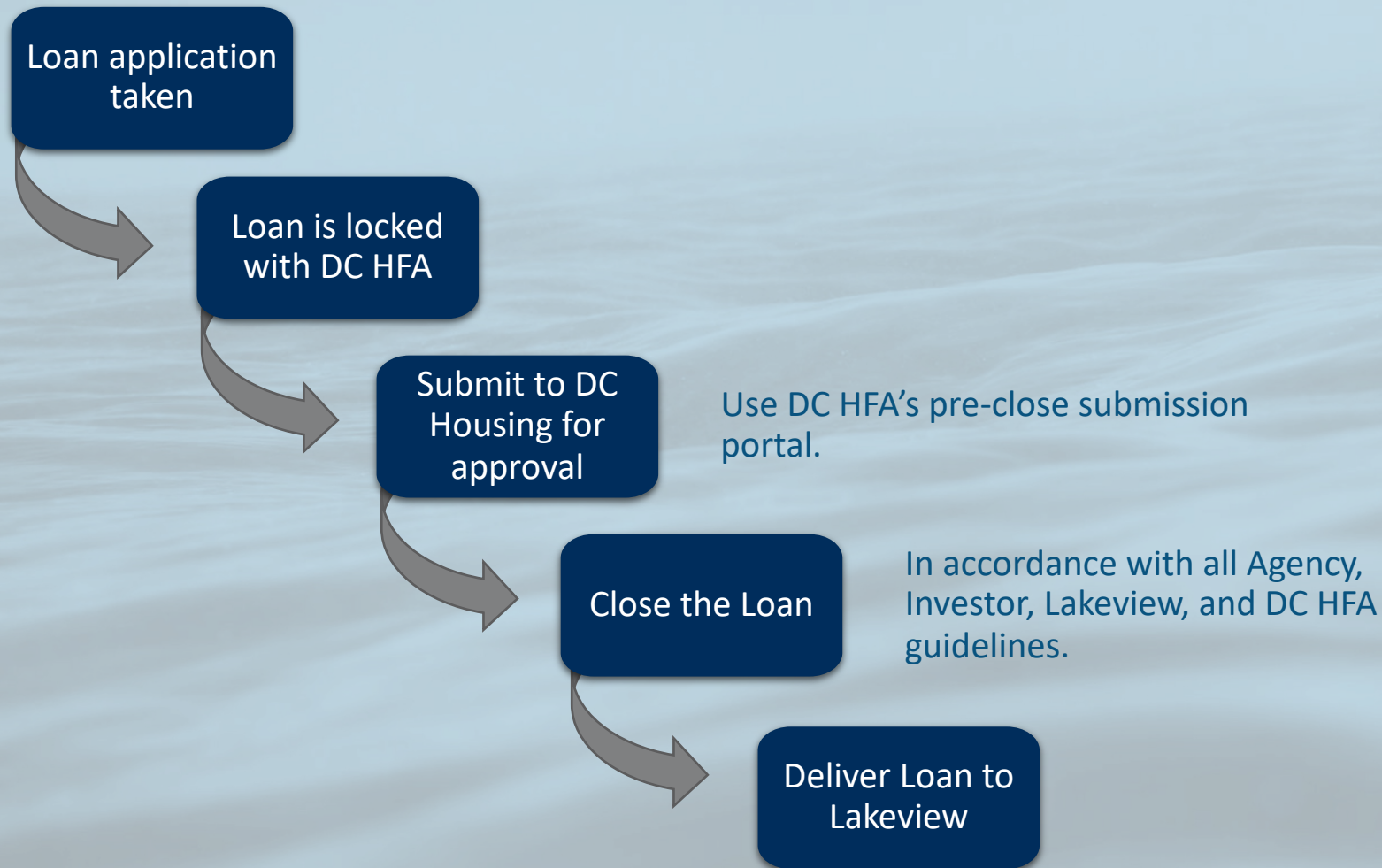
Optional Second Mortgage Assistance Programs- DC4Me

- Reduced interest rate on First Mortgage
- Available with or without **3% down payment assistance loan**
- Must be a first-time homebuyer
- At least one borrower must be a full-time district government employee
 - See [DCHFA.org](https://www.dchfa.org) for eligible employer list.
- Refer to DC Housing for maximum sales price
- Conventional first mortgage only
- Down Payment Assistance second mortgage loan:
 - Proceeds may be used to fund up to **100%** of the borrowers' cash to close.
 - **0%** interest non-amortizing.
 - Due upon sale, refinance, or if you no longer occupy the property as a primary residence.
 - Not eligible for subordination

Second Loan Representation in DU and LPA

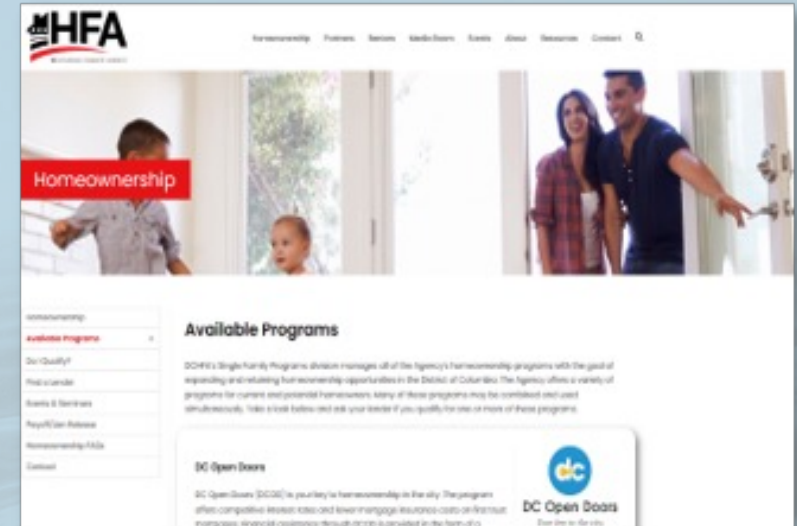
- Within **DU**, second loans are entered as a liability and in the **Community Lending** section. Remember to fill out the correct repayment type for the Community Second as well. **Payments deferred 5 or more years and fully forgiven.**
- Enter the second loan information into the section entitled “**Other New Mortgage Loans on the Property You are Buying or Refinancing**”
 - Answer **Yes** to the question: **Is the Other New Mortgage an Affordable Second?**
 - Answer **Yes** to the question: **Is the Affordable Second Payment Deferred?**

The Process



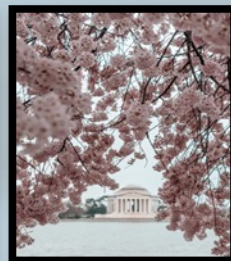
Online Resources

- For more information or questions about the **Second Mortgage** options, refer to the [DC HFA Website](#).
- For more information or questions about the **First Mortgage** or **delivery process** access the Lakeview Correspondent Closed Loan/Delegated portal at: www.lakeviewcorrespondent.com
- Please note access to the site may be limited by your organization. Follow your internal process for obtaining information on program details.



Questions?

Topic	Who to contact
General Product or Process	Contact your internal product development or training team.
Pricing and Program Guidelines	Pricing and guidelines are available in most product and pricing engines. Contact your internal lock desk on how to access pricing.
Loan-level Issues	Consult your Lakeview Business Development Director, Client Manager, or the Lakeview Underwriting Scenario desk (Phone: 855-253-8439, Option 2 or UnderwritingQuestions@Bayview.com), or DC HFA (William Milko wmilko@dchfa.org or 202. 321. 2156) as applicable.



Lakeview Correspondent Portal

Here you will find:

1. Announcements
2. Product Matrices for all affordable lending programs
 - Quick reference guides
 - Delivery file checklists for closing and credit
 - Sample documents
3. Seller Guides
4. Reference library, which houses:
 - Quick reference guides
 - Delivery file checklists for closing and credit
 - Sample documents
5. Training Resources

The screenshot shows the Lakeview Correspondent Portal interface. On the left is a navigation menu with the following items: Main, Loan Registration/Lock/Pricing, Current Rate Sheet, (6033) BayView/Lakeview Closed Loan, - Deliver Loans / TDOCS, - Titanium ULDD/XML Upload, - Reporting, Announcements, Product Matrices and Resources - Bayview, Product Matrices and Resources - Lakeview, Product Matrices - Lakeview Affordable Lending, Product Matrices and Resources - Non-Delegated, Seller Guides, Exclusionary List, Reference Library, Training Resources, User Profile, and Logout. On the right, there are three main sections: 'Daily Turn Times' with a table of turn times, 'Announcements' with a list of recent announcements, and 'Descriptions' with a list of announcement details. Red arrows and numbers 1 through 5 point from the navigation menu to the corresponding sections on the right: 1 points to Announcements, 2 points to Product Matrices - Lakeview Affordable Lending, 3 points to Seller Guides, 4 points to Reference Library, and 5 points to Training Resources.

Daily Turn Times	
All Turn Times are Approximate and Updated Daily	
	Initial Review:
Conv/Gov't/HFA	3 Days
Jumbo	7 Days
Non-Agency	Coming Soon

Announcements

Descriptions

- [2022 All Announcements](#)
- [C2022-09 - HFA, NonAgency, Operational Updates](#)
- [C2022-08 - Website Change and Tax Transcript Ter](#)
- [C2022-07 - Agency, DSCR, Jumbo and Operational](#)
- [C2022-06 - Home in Five and Agency Inv Plus](#)
- [C2022-05 - Agency and DSCR Updates](#)
- [C2022-04 - AIP Expansion, Jumbo Update, Non-Ag](#)
- [Reminders](#)
- [C2022-03 - Agency, VA, HFA, DSCR, Jumbo Plus A](#)
- [C2022-02 - SC Enhancements, Hoosier Homes Exp](#)
- [C2022-01 - Agency Updates](#)
- [2021 All Announcements](#)
- [2020 All Announcements](#)
- [2019 All Major Disaster Announcements](#)



Any Questions?



Thank You

