

# **Lender FAQ's**

## *AUS = Automated Underwriting Systems*

### **Does IHFA have lending ratio limitations?**

\* IHFA no longer has lending ratio limitations with AUS approval. However, mortgage insurance companies may impose certain ratio restrictions on some of their programs regardless of the automated underwriting findings. In these instances, IHFA will defer to their policy.

### **Does IHFA have credit score restrictions?**

\* For most IHFA loan programs, IHFA no longer requires a minimum credit score. However, with the conventional lender-paid mortgage insurance program, the credit score must be a minimum of 621 or above, with AUS approval. For the lender-paid mortgage insurance option, IHFA will only reimburse our participating lenders a maximum of 2.50% premium. In addition, the mortgage insurance companies may impose credit score limitations on some of their programs regardless of the automated underwriting findings. In these instances, IHFA will defer to their policy.

### **Will IHFA accept AUS approvals with EA-1, EA-2, or EA-3 levels?**

\* On the Standard IHFA Loan Program, EA-1 will be acceptable, however, the lender-paid mortgage insurance option is not available. EA-2 and EA-3 Levels are not allowable. (*Workforce Housing Expanded Programs with E-1 levels will have higher pricing. Call IHFA for price quote.*)

### **Does IHFA allow non-occupying co-borrowers (co-signers)?**

\* Yes. IHFA will allow non-occupying co-borrowers, as long as the occupying borrower can qualify on their own with maximum 35/50% lending ratios, as well as process to Fannie Mae, FHA, or RD guidelines.

### **Does IHFA allow sole and separate property?**

\* Yes. The borrower can take title as sole and separate property provided the borrower and spouse sign the IHFA Borrower Affidavit disclosure certifying that both meet all IHFA MRB program requirements. The spouse's income must be verified and included in the total household income analysis, and the non-borrowing spouse's tax returns for the must be provided. However, sole and separate property will not be allowed as a means to avoid qualifying for the IHFA loan. IHFA is unable to loan to separated individuals.

### **Does IHFA require outstanding collections, charge offs, judgments, etc. to be paid off?**

\* IHFA will follow the AUS approval findings for all outstanding derogatory accounts.

### **With a new loan purchase, will IHFA allow a borrower to rent a portion of their property?**

\* No portion of the subject property can be used as a rental.

### **Does IHFA allow manufactured homes?**

\* Yes. For the Standard IHFA Loan Program, the manufactured home must be post-June 15, 1976, doublewide on a permanent foundation. IHFA will not allow a manufactured home that has been moved more than once. Also, IHFA will require a copy of the recorded Statement of Intent to Declare the Manufactured Home as Real Property for the subject property.

### **What is the current guideline for Foreclosures/Bankruptcy?**

\* IHFA will follow the AUS approval findings for previous foreclosures and discharged bankruptcies.

### **What are the income limits for the Workforce Housing Expanded Loan Program?**

\* The IHFA Workforce Housing income limits can be found on the [IdaMortgage.com](http://IdaMortgage.com) website under the Lender Toolbox.