



**Idaho Housing  
and Finance**  
ASSOCIATION

*Your Key to Housing Opportunities*

**Residential**

**Mortgage**

**Loans**

*Opening Doors for Idahoans*

[www.ihfa.org](http://www.ihfa.org)



## Residential Mortgage Loans

### What is a Residential Mortgage Loan?

The Idaho Housing and Finance Association provides reduced interest rate mortgage loans to qualified Idaho families and individuals on a first-come, first-served basis.

Because of the below-market interest rate loans IHFA offers, many families and individuals who would otherwise be unable to afford mortgage payments are able to become home owners.

All FHA, VA, conventional and USDA-RD guaranteed loans are eligible.

### What is an "IQ" Loan?

In addition to the Residential Loan, IHFA has an alternative called the "IQ" or Interest Qualifier Loan. This loan allows borrowers to pay a lower interest rate for the first three years of their mortgage, when they're first starting out. In the fourth year, the borrower pays a **one-time** interest rate increase for the remaining mortgage life.

This makes it possible for a home owner to weather the first years of home ownership, and, in some cases, allows those with limited incomes the chance to purchase their own home.

### What are the IQ Loan Conditions?

- The IQ interest rate will only increase once in the life of the mortgage, unlike a regular adjustable rate mortgage (ARM) that varies depending on the loan and market conditions.
- The interest rate and resulting monthly payment are known up front.
- There is a maximum income ceiling that varies according to county (see income limits chart).
- Almost any lending institution can assist you with an IQ Loan.
- Borrowers who choose an IQ Loan qualify under the lower of the two rates.

### Buydown Interest Rate Plan

For FHA loans, the home seller, buyer, or any other party is permitted to buy down the interest rate and to subsidize, in part, the buyer's payment, up to the first two years of the mortgage loan. For VA loans, the home seller, or any party other than the veteran buyer, is permitted to buy down the interest rate.

### Buydown Options

1. A two-year buydown, where the loan is written down 2 percent the first year and 1 percent the second year, with the buyer paying the full payment the third year and thereafter; or
2. A one-year buydown, where the loan is written down 1 percent the first year, with the buyer paying the full payment the second year and thereafter.

### Loan Assumption Requirements

IHFA mortgage loans are assumable at the IHFA interest rate, provided the assumption meets both federal and IHFA regulations outlined in items 1 through 6. Assumptors must have incomes within the federal income limits, as of the effective date of the assumption, or they cannot assume the loan. Federal limits for both acquisition cost and income are established annually and are subject to change.

### Recapture Tax Reimbursement

IHFA has taken the confusion and worry out of recapture, a 1991 federal tax passed to prevent abuses of low-interest mortgage programs. It rarely affects IHFA borrowers. These three conditions must all be met before recapture takes effect:

- A rapid increase in household income, and
- The home is sold within nine years of the loan closing, and
- There is a net profit on the sale of the home.

We have eliminated the concern this tax may cause by fully reimbursing you for any recapture taxes. In the rare event that you are affected by this tax and no new wage earner is included in the home after the time the loan was made, we will **REIMBURSE** you.



**Three Easy Steps to Securing an IHFA Loan:**

1. The prospective home buyer contacts a local lender offering IHFA home loans (see enclosed list), a real estate agent, or calls IHFA's Boise office at (208) 331-4883 or (800) 219-2285. IHFA's telephone number for hearing-impaired persons is 1-800-545-1833, ext. 400.
2. If the home buyer meets IHFA's income guidelines (see enclosed list) and locates a home within IHFA's sales price limit of \$150,000, he/she enters into a purchase agreement or contract, subject to receiving IHFA financing. The home buyer applies for the loan with a bank offering IHFA home loans and completes the mortgage loan application, affidavit and other mortgage documents.
3. The lender makes a reservation with IHFA to receive mortgage funds, the loan closes, and the buyer moves into the home and begins making monthly mortgage payments to IHFA.

The Idaho Housing and Finance Association, a financial services and housing business organization, provides funding for affordable housing in Idaho communities where it is most needed and when it is economically feasible. IHFA is not a state agency under Idaho law, and uses no state funds or state employees to support its operations.



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**Residential Mortgage Loans**

P.O. Box 7899  
(565 W. Myrtle)  
Boise, Idaho 83707-1899  
(208) 331-4883  
(800) 219-2285  
Hearing Impaired  
1-800-545-1833, Ext. 400

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**Borrower Requirements**

Federal and Association regulations apply to everyone who obtains an IHFA mortgage loan. These include the following conditions:

1. The borrower must be a resident of Idaho, must intend to occupy and does, in fact, occupy the financed property as his/her principal residence within 14 days after closing.
2. The borrower must have an acceptable credit and employment history.
3. The home must be used by the buyer as his/her principal residence.
4. The borrower cannot have had an ownership interest in his/her principal residence at any time during the last three years.\*

**This requirement has been eliminated for the following Targeted Counties:\***

Adams	Clark	Lemhi
Bear Lake	Clearwater	Lewis
Benewah	Custer	Lincoln
Bingham	Gem	Oneida
Boise	Gooding	Owyhee
Bonner	Idaho	Payette
Boundary	Jefferson	Shoshone
Canyon	Jerome	Teton
Cassia	Kootenai	Washington

\* These counties are targeted by the U.S. Treasury based primarily on economic conditions and housing stock within that county.

**Borrower Requirements, continued**

5. The borrower cannot have an annual gross income exceeding the following limits:

<b>County</b>	<b>1 or 2 Person Household</b>	<b>3 or More Person Household</b>
Ada	\$55,000	\$60,000
Bannock	49,200	56,000
Blaine	56,400	58,700
Bonneville	52,900	58,700
Latah	50,500	58,000
Valley	49,900	57,000
Other Non-Targeted Counties	48,900	56,200
Canyon	55,000	60,000
Other Targeted Counties	56,400	58,700

6. The total sales price cannot exceed the following limits:

<b>County</b>	<b>Existing</b>	<b>New Construction*</b>
All Counties	\$150,000	\$150,000

\* Never been occupied

**IHFA Participating Lenders:**

Academy Mortgage Corporation  
Action Mortgage Company  
American Home Mortgage  
Bank of Commerce  
Bank of Idaho  
Canopy Mortgage  
Charter Mortgage  
Citizen's Community Bank  
Countrywide Home Loans  
D.L. Evans Bank  
FirstBank Northwest  
First Federal Savings Bank of Twin Falls  
First Financial Corporation  
First Horizon Home Loans Corporation  
First Mortgage Company  
First Priority Mortgage, LLC  
GMAC Mortgage  
Global Credit Union  
Home Federal Savings & Loan Association  
Idaho Independent Bank  
Intermountain Community Bank  
InterWest Mortgage  
Ireland Bank  
M & T Mortgage Corporation  
Magic Valley Bank  
Major Mortgage  
Mountain West Bank  
National City Mortgage  
Northwest Wholesale Mortgage  
Pacific Republic Mortgage Corporation  
Panhandle State Bank  
Republic Mortgage Home Loans, LLC  
U.S. Bank, N.A.  
Washington Federal Savings & Loan Association  
Washington Mutual Bank  
Washington Trust Bank  
Wells Fargo Home Mortgage, Inc.  
Young Mortgage  
Zions Bank