

Date: April 13, 2009

Subject: IdaMortgage program updates

Dear Broker,

IdaMortgage, brought to you by Idaho Housing and Finance Association, would like to update you on the following items.

- If you are looking for information to help your current or past clients with either the new DU Refi Plus program or loan modifications set forth by the Obama Administration, please visit <http://www.makinghomeaffordable.gov/>.
- IdaMortgage is experiencing a high number of reserved loans not being delivered or cancelled. Therefore effective May 1, 2009, we now must begin assessing a fee on loans that have been reserved that are not delivered and not cancelled within 15 days of the loan being declined. The fee will be \$250, and a monthly bill will be sent with the list of the loans reserved and not delivered or cancelled. The fee must be paid within 30 days of the billing date. At that time, the fee will be deducted from the next purchase or loan closing funded by IHFA.
- The new Tax Credit 2nd Loan Down Payment Assistance program has a maximum CLTV of 100%. This is a great program to help first-time home buyers achieve their dream of homeownership.
- If you haven't heard yet, the Lender paid mortgage insurance program is no longer available. If you currently have one in your pipeline that has not been locked in, please contact Joan White at joanw@ihfa.org.
- One last item concerning the approval of FHA mortgages. We do not want to set a credit score limit because we feel the IdaMortgage programs are the best for first-time homebuyers. However, there are some credit requirements that need to be met in order for the buyer to be a successful homeowner. An automated approval may be downgraded to a manual underwrite if the findings cannot be validated or if there are significant risk factors without offsetting compensating factors. Also for loans that have not yet closed, IHFA will no longer accept loans with a total debt to income ratio of 50% or more AND credit scores of lower than 600. These buyers should be counseled to help increase their credit score and improve their financial situation before they take on the responsibility of buying a home.
- As of May 1, 2009 in accordance with the new appraisal requirements, IHFA will begin using an appraisal management firm. The details will be forthcoming. Be advised that IHFA will require the appraisal fee before an appraisal is ordered.

- Due to the increased number of FHA loans, we are increasing the underwriting fee to \$199. This will begin with any new applications dated on or after April 15, 2009.

We appreciate your partnership and the valuable work you are doing to help your clients. If you have any questions regarding these updates or other program information, please contact our Homeownership Lending department at resloan@ihfa.org or call 1-800-219-2285.