



CAFA Platinum Homebuyer

Down Payment Assistance Program

Agenda

- 01 Overview
- 02 Review Guidelines
- 03 Homebuyer Education
- 04 Completing URLA, LT Requirements, and LPA/DU visual aid
- 05 Access LHFS Wholesale Website
- 06 Review Fees

Overview

- The **Capital Area Finance Authority (CAFA)** a Housing Finance Agency (“HFA”) is a public benefit corporation with authorization to offer homebuyer assistance programs to qualified homebuyers for the purchase of homes throughout the State of Louisiana except for the parishes of Jefferson and New Orleans.
- Through the program, homebuyers can obtain **FHA, VA, USDA** or **Conventional** loan financing through either **Fannie Mae HFA Preferred** and **Freddie Mac HFA Advantage**



This is NOT a Bond Loan!

- No first-time homebuyer requirement
- No federal recapture tax provision
- Income limits based on Qualifying income only, by Parish regardless of family size
- No need to calculate Household Income (except USDA loans)
- No need for a pre-close compliance review

Program Description

- Second Loan of up to 5% of the final First Mortgage loan amount
- Second Loan funds can be used for down payment or closing costs. Second Loan funds cannot be used for discount points. The permanent interest rate reduction option can be funded by any agency allowable source.
- Second Loan amount must be rounded down to the nearest dollar
- Second Loan amounts are calculated based on the final First Mortgage loan amount, including any financed MI.
- CAFA Platinum Homebuyer Assistance program:
 - 10-year term, 0% interest rate, no monthly payments.
 - Second Loan repayment obligation for the 10-year option is “forgiven” in equal monthly increments after year 5 and will be 100% forgiven at maturity of note.
- During the Second Loan term if a borrower were to refinance or sell their home, they will be subject to repayment of the assistance.
- Second Loans are not eligible for subordination and are not assumable

Guidelines

- **Purchase only:** 30-year fixed rate loans, owner occupied, primary residence
- **Eligible Properties:**
 - SFR 1–4-unit primary residence
 - PUDs
 - Townhouse
 - Condominiums
 - Manufactured Housing – Singlewide and Leasehold are ineligible
- **Eligible Area:** Throughout the state of Louisiana excluding the parishes of Jefferson and New Orleans.
- **Eligible First Mortgage Product:** Fixed 30-year term only, FHA, VA, USDA, Freddie Mac HFA Advantage or Fannie Mae HFA Preferred.
- **Minimum FICO:** 620; Each borrower must have a minimum of one credit score
- **DTI:** Per AUS approval



Guidelines - Continued

- **Income limits:**
 - Qualifying Income as reported and verified on the 1003 application and used for underwriting may not exceed Program Income Limits by Parish.
 - Household income does not apply.
 - Conventional Income Limits
 - Government Income Limits
- **Cash Back:** Other than reimbursement of earnest money or items paid by the Borrower outside of closing, there can be no cash back to the borrower.
 - Remaining assistance must be applied as a principal reduction.
- **Max Loan Amount:**
 - **Government:** \$472,030 or Agency limit, whichever is lower.
 - **Conventional:** \$726,200 or Agency limit, whichever is lower.



Guidelines - Continued

- **Occupancy:**

- Borrower(s) must occupy home within 60 days of closing
- All borrowers must have a valid social security number; ITINs are not allowed
- Follow Agency Guidelines for the following:
 - Borrowers may have ownership interest in other residential property at the time of the loan closing
 - Residency requirements

- **Co-signers:**

- Non-Occupant Co-Borrowers/Co-signers are permitted for FHA only. Co-signers sign the Second Promissory Note but do not sign the Deed of Trust
- Co-signers will be required to executed the Affidavit of Cosigner/Guarantor
- The income of the Co-signers is not required to be considered when determining program eligibility



CAFA Homebuyer Education

- Government:
 - Required if all borrowers are first-time homebuyers.
 - All borrowers on the note must complete the homebuyer education course.
- Conventional:
 - If all occupying borrowers are first-time homebuyers, then at least one borrower is required to take homeownership education
- Homebuyer course is not required for Co-signers and Non-Purchasing spouse.
- Borrowers may select from any homebuyer education course.
- Homebuyer Education must be completed prior to closing.

Conventional – Mortgage Insurance

- Freddie Mac HFA Advantage (LPA) and Fannie Mae HFA Preferred (DU)

Total annual qualifying income \leq 80% AMI	Total annual qualifying income \geq 80% AMI
Charter level Mortgage Insurance: <ul style="list-style-type: none">• 95.01-97% LTV = 18% Coverage• 90.01-95% LTV = 16% coverage• 85.01-90% LTV = 12% coverage• 80.01-85% LTV = 6% coverage• 80% LTV and lower = Not required	Standard Mortgage Insurance: <ul style="list-style-type: none">• 95.01-97% LTV = 35% Coverage• 90.01-95% LTV = 30% coverage• 85.01-90% LTV = 25% coverage• 80.01-85% LTV = 12% coverage• 80% LTV and lower = Not required

- The following MI options are permitted:
 - Borrower paid monthly, split and single premium plans.



Completing the URLA

URLA DETAIL

Section 4: Loan and Property Information: 4b. Other New Mortgage Loans on the Property

4b. Other New Mortgage Loans on the Property You are Buying or Refinancing			<input type="checkbox"/> Does not apply	
Creditor Name	Lien Type	Monthly Payment	Loan Amount/ Amount to be Drawn	Credit Limit (if applicable)
Capital Area Finance Authority	<input type="radio"/> First Lien <input checked="" type="radio"/> Subordinate Lien	\$	\$ 11,250.00	\$
	<input type="radio"/> First Lien <input type="radio"/> Subordinate Lien	\$	\$	\$

- Enter “Capital Area Finance Authority (CAFA)” as the “Creditor Name”
- Check “Subordinate Lien” under “Lien Type”
- Do not enter a monthly payment amount under the “Monthly Payment” field
- Enter DAP dollar amount under “Loan Amount / Amount to be Drawn”

Section 5: Declarations: 5a. About this Property and Your Money for this Loan

5a. About this Property and Your Money for this Loan	
A. Will you occupy the property as your primary residence? If YES, have you had an ownership interest in another property in the last three years? If YES, complete (1) and (2) below: (1) What type of property did you own: primary residence (PR), FHA secondary residence (SR), second home (SH), or investment property (IP)? (2) How did you hold title to the property: by yourself (S), jointly with your spouse (SP), or jointly with another person (O)?	<input type="radio"/> NO <input type="radio"/> YES <input type="radio"/> NO <input type="radio"/> YES
B. If this is a Purchase Transaction: Do you have a family relationship or business affiliation with the seller of the property?	<input type="radio"/> NO <input type="radio"/> YES
C. Are you borrowing any money for this real estate transaction (e.g., money for your closing costs or down payment) or obtaining any money from another party, such as the seller or realtor, that you have not disclosed on this loan application? If YES, what is the amount of this money?	<input type="radio"/> NO <input checked="" type="radio"/> YES \$ 11,250.00
D. 1. Have you or will you be applying for a mortgage loan on another property (not the property securing this loan) on or before closing this transaction that is not disclosed on this loan application? 2. Have you or will you be applying for any new credit (e.g., installment loan, credit card, etc.) on or before closing this loan that is not disclosed on this application?	<input type="radio"/> NO <input type="radio"/> YES <input type="radio"/> NO <input type="radio"/> YES
E. Will this property be subject to a lien that could take priority over the first mortgage lien, such as a clean energy lien paid through your property taxes (e.g., the Property Assessed Clean Energy Program)?	<input type="radio"/> NO <input type="radio"/> YES

- 5a, item C - Mark “Yes”
- Enter DAP dollar amount in the blank field

Please Note: The above sections are the only entries needed for DPA. Do not enter amounts in any other sections of the URLA.

LT Requirements

LT REQUIREMENTS

LT should reflect the correct secondary lender name matching the lender name on the note.

Enter EIN (72-1013030) and make certain "Gov't" is checked (example below).

Mortgage Information

Amortization Type (Check only 1)

- ☐ Fixed-Rate-Monthly Payments
☐ ARM 1 ☐ 3 ☐ 5 ☐ 7 ☐ or 10 ☐ yr
ARM Index
ARM Margin
☐ Int. Rate Buydown

Loan Information

Mortgage w/o UFMIP \$
Total UFMIP \$
Mortgage w/ UFMIP \$
Interest Rate %
Qualifying Rate %
(1 Yr. ARM)
Loan Term (in months)

Loan Purpose (Check all that apply)

- ☐ Purchase
☐ No Cash-Out Refinance
☐ Cash-Out Refinance
☐ Simple Refinance
☐ Streamline Refinance
☐ Construction-to-Permanent
☐ Energy Efficient Mortgage
☐ Building On Own Land
☐ HUD REO
☐ 203(k)
☐ Standard
☐ Limited
☐ Other

Secondary Financing

Source/EIN CAFA/72-1013030
☒ Gov't ☐ NP ☐ Family
☐ Other

Amount of Secondary Financing

\$ 11,250.00

Gifts Seller Funded DAP ☐ Y/N

1.) Source/EIN
☐ Gov't ☐ NP ☐ Family
☐ Other

Amount of Gift \$

2.) Source/EIN
☐ Gov't ☐ NP ☐ Family
☐ Other

Amount of Gift \$

AUS Entries – LPA Visual Aid

Enter the following into specified fields:

- Offer Identifier: **“HFA Advantage”**
 - Is the Other New Mortgage an Affordable Second? **“Yes”**
 - Is the Affordable Second Payment Deferred? **“Yes”**

The screenshot shows a form titled "Other New Mortgage Loans on the Property You are Buying or Refinancing". Red arrows point to the following fields:

- Creditor Name ***: CAFA
- Creditor Type ***: ☒ Business, ☐ Individual
- Lien Type ***: Second Lien
- Monthly Payment**: \$ 0.00
- Loan Amount / Amount Drawn ***: \$ 15000.00
- Is the Other New Mortgage an Affordable Second?**: ☒ Yes, ☐ No
- Is the Affordable Second Payment Deferred?**: ☒ Yes, ☐ No
- HELOC ***: ☐ Yes, ☒ No
- Funds Source Type ***: Local Agency

A red box highlights the "Funds Source Type" field with the following text: "Select the source* of the Affordable Second from the drop down selection. Only one **Funds Source Type** may be selected for each Affordable Second entered."

AUS Entries – DU Visual Aid

Enter the following into specified fields:

- Community Lending Product: “HFA Preferred”
 - Select: “Deferred Fully Forgiven”

The screenshot shows a web form titled "L3. Mortgage Loan Information". The form contains several input fields and checkboxes. The following fields are highlighted with red boxes to indicate where data should be entered:

- Mortgage Type Applied For ***: A dropdown menu with "Conventional" selected.
- Community Lending Product**: A dropdown menu with "HFA Preferred" selected.
- Community Seconds Repayment Structure**: A dropdown menu with "Deferred Fully Forgiven" selected. The dropdown is open, showing options: "Please select", "Deferred Fully Forgiven", "Deferred Not Fully Forgiven", and "Non Deferred".
- Loan Term ***: A text input field containing "360".
- Mortgage Lien Type ***: A dropdown menu with "First Lien" selected.

Other fields and options visible in the form include:

- Amortization Type ***: A dropdown menu with "Fixed Rate" selected.
- Loan Features**: A group of checkboxes for "Balloon / Balloon Term", "Interest Only / Interest Only Term", "Negative Amortization", "Prepayment Penalty / Prepayment Penalty Term", and "Temporary Interest Rate Buydown / Initial Buydown Rate".
- Product Description**: A text input field.
- 0.0000%**: A text input field, likely for an interest rate.
- CLEAR ALL VALUES**: A link at the bottom left.
- Cancel** and **Done**: Buttons at the bottom right.

LHFS Wholesale Website

Please visit the LHFS website to find comprehensive guidelines:

- <https://wholesale.lhfs.com/guidelines>


https://wholesale.lhfs.com/guidelines

QUICK LINKS

- [Loss Payee / Mortgagee Clause](#)
- [Turn Times](#)
- [Rate Lock Policy](#)
- [Affiliated Business Certification](#)
- [Borrower E-Sign Instructions](#)
- [Broker Compensation Change Request](#)
- [2024 Agency Loan Limits](#)
- [2023 Agency Loan Limits](#)
- [Fannie Mae Underwriting FAQ](#)
- [Fannie Mae Loan Lookup](#)
- [Freddie Mac Loan Lookup](#)
- [FHA Mortgage Limits](#)
- [FHA Mortgage Letters](#)
- [Natural Disaster Affected Areas](#)
- [Requirements Regarding Properties Located in Designated Disaster Areas](#)
- [LDP](#)
- [GSA \(Click "Search Records"\)](#)
- [Payoff Demand Request](#)

GUIDELINES AND MATRICES

Underwriting Overlay Matrix	
Tax Transcript Policy	
Student Loan Matrix	
Escrow Holdback Policy	
Residency Status Policy	
Solar Panels Policy	
CO Detectors, Smoke Alarms, and Water Heater Requirements	
Conventional	▼
Government	▼
Non-Conforming/Jumbo	▼
Manufactured Homes	▼
Down Payment Assistance Programs	^
Within Reach™	▼
CAFA (Louisiana) *New Program Available*	^
CAFA Overview Presentation	
CAFA Platinum Homebuyer Assistance Program - Government	▼
CAFA Platinum Homebuyer Assistance Program - Conventional	▼

FHA Sponsor ID: 

VA ID: 906523000

LHFS Wholesale Website

Resources available:

- Overview Presentation
- Term Sheets
- Income Limits

CAFA (Louisiana) *New Program Available*	^
CAFA Overview Presentation	
CAFA Platinum Homebuyer Assistance Program - Government	^
CAFA Platinum - Government Guidelines	
CAFA Platinum - Government Income Limits	
CAFA Platinum Homebuyer Assistance Program - Conventional	^
CAFA Platinum - Conventional Guidelines	
CAFA Platinum - Freddie Mac Income Limits	
CAFA Platinum - Fannie Mae Income Limits	



Lock & Fees

- 45-day lock
- Borrower Paid Compensation: 1.0% (May not exceed LPC Agreement with LHFS)
- Admin Fee: \$1,145
- Processing Fee: May not exceed \$995
- Reasonable and customary fees in accordance with Agency guidelines.
- Discount points not allowed
- Second Loan Fees: Recording fee and Second Loan transfer taxes are allowed. No other fees are permitted.



Thank you

If you have any questions, please contact your LHFS Account Executive or reach out to our Community Lending team at: CommunityLending@LHFS.com