



# SETH MyHome Plus

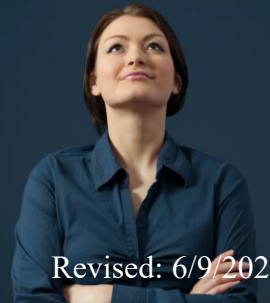
Down Payment Assistance Program

# 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** Resources Available
- 07** Review Fees

# Overview

- The **Southeast Texas Housing Finance Corporation (SETH)** is a public benefit corporation with authorization to offer homebuyer assistance programs to qualified homebuyers for the purchase of homes throughout the State of Texas except for cities El Paso, Grand Prairie, McKinney and Travis County.
- Through the program, homebuyers can obtain **FHA, VA, USDA** or **Conventional** loan financing through either **Fannie Mae HFA Preferred** and **Freddie Mac HFA Advantage**



Revised: 6/9/2025

# This is NOT a Bond Loan!

- No first-time homebuyer requirement
- No federal recapture tax provision
- Income limits based on Qualifying income only, by County regardless of family size
- No need to calculate Household Income (except USDA loans)
- No purchase price limits (follow Agency guidelines)
- 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 towards down payment and/or closing costs
- Second Loan amount must be rounded down to the nearest dollar
- 10-year term, 0%, no accrued interest
  - 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 Texas excluding the cities of El Paso, Grand Prairie, McKinney and Travis county.
- **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 County.
  - Household income does not apply.
  - [FHA and VA Income limits](#)
  - [Conventional Income limits](#)
  - [USDA 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.
- **Purchase Price Limit:** SETH does not have purchase price limits; follow Agency guidelines.



# 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





# Mortgage Credit Certificate (MCC)



## Mortgage Credit Certificate (MCC)

Any MCC is allowed. Follow program specific guidelines.



## SETH MCC

SETH offers an MCC that can be partnered with the SETH MyHome Plus program or be used as a stand-alone MCC

\$2,500 grant for down payment and closing costs is awarded when you combine the SETH MCC with SETH MyHome Plus

Visit Seth's website for more details on the [SETH MCC Program](#).

# SETH MyHome Plus Website

- Visit: <https://www.sethmyhomeplus.com/>
- Password: Noplacelikehome



# SETH Homebuyer Education

- SETH requires Home Buyer Education on all loans.
- Only one borrower on the loan to complete the SETH HBE course.
  - Visit: <https://www.ehomeamerica.org/sethfc1>
- No other Homebuyer Education is allowed.
- The cost for the course is \$100. Fee cannot be charged on the CD.
- SETH provides free homebuyer education for borrowers 80% and below AMI (Charter income limits apply).
  - Email a copy of your commitment confirmation, along with your borrower's email address to [compliance@sethfc.com](mailto:compliance@sethfc.com) for access to the free course
- The course must be completed prior to closing and the receipt of the certificate is a condition for the loan closing.
- Homebuyer Education is not required for a Non-Purchasing Spouse or Co-Signer.



# 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"><li>• 95.01-97% LTV = 18% Coverage</li><li>• 90.01-95% LTV = 16% coverage</li><li>• 85.01-90% LTV = 12% coverage</li><li>• 80.01-85% LTV = 6% coverage</li><li>• 80% LTV and lower = Not required</li></ul>	Standard Mortgage Insurance: <ul style="list-style-type: none"><li>• 95.01-97% LTV = 35% Coverage</li><li>• 90.01-95% LTV = 30% coverage</li><li>• 85.01-90% LTV = 25% coverage</li><li>• 80.01-85% LTV = 12% coverage</li><li>• 80% LTV and lower = Not required</li></ul>

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



# Completing the URLA

## 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

☐ Does not apply

Creditor Name	Lien Type	Monthly Payment	Loan Amount/ Amount to be Drawn	Credit Limit (if applicable)
SETH	<input type="radio"/> First Lien <input checked="" type="radio"/> Subordinate Lien	\$	\$ 11,250	\$
	<input type="radio"/> First Lien <input type="radio"/> Subordinate Lien	\$	\$	\$

- Enter “SETH” 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)?

**B.** If this is a Purchase Transaction: Do you have a family relationship or business affiliation with the seller of the property?

**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?

**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?

**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)?

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

Enter EIN (76-0061310) and make certain "Gov't" is checked (example below).

## Mortgage Information

<b>Amortization Type</b> (Check only 1) <input type="checkbox"/> Fixed-Rate-Monthly Payments <input type="checkbox"/> ARM 1 <input type="checkbox"/> 3 <input type="checkbox"/> 5 <input type="checkbox"/> 7 <input type="checkbox"/> or 10 <input type="checkbox"/> yr ARM Index <input type="text"/> ARM Margin <input type="text"/> <input type="checkbox"/> Int. Rate Buydown		<b>Loan Purpose</b> (Check all that apply) <input type="checkbox"/> Purchase <input type="checkbox"/> No Cash-Out Refinance <input type="checkbox"/> Cash-Out Refinance <input type="checkbox"/> Simple Refinance <input type="checkbox"/> Streamline Refinance <input type="checkbox"/> Construction-to-Permanent <input type="checkbox"/> Energy Efficient Mortgage <input type="checkbox"/> Building On Own Land <input type="checkbox"/> HUD REO <input type="checkbox"/> 203(k) <input type="checkbox"/> Standard <input type="checkbox"/> Limited <input type="checkbox"/> Other		<b>Secondary Financing</b> Source/EIN <b>SETH/76-0061310</b> <input checked="" type="checkbox"/> Gov't <input type="checkbox"/> NP <input type="checkbox"/> Family <input type="checkbox"/> Other <input type="text"/> Amount of Secondary Financing <b>\$ 11,250.00</b>	
<b>Loan Information</b> Mortgage w/o UFMIP        \$ <input type="text"/> Total UFMIP                \$ <input type="text"/> Mortgage w/ UFMIP        \$ <input type="text"/> Interest Rate <input type="text"/> % Qualifying Rate <input type="text"/> % (1 Yr. ARM) Loan Term (in months) <input type="text"/>		<b>Gifts</b> Seller Funded DAP <input type="checkbox"/> Y/N 1.) Source/EIN <input type="text"/> <input type="checkbox"/> Gov't <input type="checkbox"/> NP <input type="checkbox"/> Family <input type="checkbox"/> Other <input type="text"/> Amount of Gift \$ <input type="text"/> 2.) Source/EIN <input type="text"/> <input type="checkbox"/> Gov't <input type="checkbox"/> NP <input type="checkbox"/> Family <input type="checkbox"/> Other <input type="text"/> Amount of Gift \$ <input type="text"/>			

# 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”**

Other New Mortgage Loans on the Property You are Buying or Refinancing

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

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". It contains several input fields and checkboxes. Two specific fields are highlighted with red rectangles: "Community Lending Product" which has "HFA Preferred" selected, and "Community Seconds Repayment Structure" which has "Deferred Fully Forgiven" selected. Other visible fields include "Mortgage Type Applied For" (Conventional), "Amortization Type" (Fixed Rate), "Loan Term" (360), "Mortgage Lien Type" (First Lien), and a "Product Description" field. There are also checkboxes for various loan features like "Balloon / Balloon Term", "Interest Only / Interest Only Term", "Negative Amortization", "Prepayment Penalty / Prepayment Penalty Term", and "Temporary Interest Rate Buydown / Initial Buydown Rate". At the bottom, there are buttons for "CLEAR ALL VALUES", "Cancel", and "Done".



# 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](#)

FHA Sponsor ID: 7245500311  
VA ID: 9065230000

## 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*	▼
GSFA Platinum (California)	▼
SETH (Texas) *New Program Available*	▲
SETH Overview Presentation	
SETH MyHome Plus <sup>SM</sup> Down Payment Assistance Program - Government	▼
SETH MyHome Plus <sup>SM</sup> Down Payment Assistance Program - Conventional	▼

# LHFS Wholesale Website

## Resources available:

- Overview Presentation
- Term Sheets
- Income Limits

### SETH (Texas) \*New Program Available\*

SETH Overview Presentation

#### SETH MyHome Plus<sup>SM</sup> Down Payment Assistance Program - Government

SETH MyHome Plus<sup>SM</sup> - Government Guidelines

SETH MyHome Plus<sup>SM</sup> - FHA & VA Income Limits

SETH MyHome Plus<sup>SM</sup> - USDA Income Limits

#### SETH MyHome Plus<sup>SM</sup> Down Payment Assistance Program - Conventional

SETH MyHome Plus<sup>SM</sup> - Conventional Guidelines

SETH MyHome Plus<sup>SM</sup> - Freddie Mac Income Limits

SETH MyHome Plus<sup>SM</sup> - Fannie Mae Income Limits

# Lock & Fees



- 45-day lock
- Borrower Paid Compensation: 2.0% (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](mailto:CommunityLending@LHFS.com)