SC HOUSING

Mortgage Production

LOAN OFFICER TRAINING

BOND PROGRAM

South Carolina State Housing Finance and Development Authority

The **SC Housing Homebuyer program (BOND Program)** assists low-to-moderate income borrowers with down payment assistance and Conventional, FHA, VA or USDA 30 year fixed rate mortgages at competitive interest rates.

Homebuyer Program Eligibility

Eligible Loan Types

- Conventional
- FHA
- VA
- USDA

Down Payment Assistance available for qualified borrowers.

Targeted Counties

Borrowers purchasing properties in targeted counties **may** have had ownership interest in a principal residence (including a mobile home that is permanently affixed and taxed as real property) but **cannot** have an ownership interest in such at the time of loan closing.

- Must be a US Citizen or Permanent Resident Alien with a "Valid Green Card" (Alien Registration Receipt Card; USCIS Form I-551)
- VISA of any kind are not eligible

This requirement applies to all borrowers.

First-Time Homebuyer Requirement

Borrowers purchasing in the following counties **must not** have owned a principal residence within the past three years:

Aiken	Greenville	Lexington	Richland
Anderson	Greenwood	Oconee	Spartanburg
Charleston	Lancaster	Pickens	York

Veteran Exception
Eligible veterans may receive a one-time waiver of the first-time homebuyer requirement.

Income & Sales Price Limits

Sales Price and income limits apply **by county** in which the property is located.

SC Housing does not allow cosigners or non-occupying co-borrowers.

SC Housing will not permit non-borrowing spouses to be on the title.

All borrowers must occupy the home as their principal residence.
Investment properties are not permitted.

Program guidelines and requirements are subject to change. Please refer to the current Program Guide for complete details.

2025/2026 Income and Home Price Limits

The following chart will be used for the SC Housing Homebuyer (Bond) Program

SC HOUSING
Financing Housing. Building SC.

15 YR FORGIVABLE DPA TERM

NON-TARGETED	1 or 2 Persons	3 or more Persons	Home Price Limit
Aiken	90,500	104,075	450,000
Anderson	90,500	104,075	450,000
Charleston	110,900	127,535	450,000
Greenville	97,300	111,895	450,000
Greenwood	90,500	104,075	450,000
Lancaster	93,700	107,755	450,000
Lexington	92,700	106,605	450,000
Oconee	90,500	104,075	450,000
Pickens	97,300	111,895	450,000
Richland	92,700	106,605	450,000
Spartanburg	90,500	104,075	450,000
York	112,200	129,030	450,000

TARGETED	1 or 2 Persons	3 or more Persons	Home Price Limit
Beaufort	135,000	157,500	450,000
Berkeley	133,080	155,260	450,000
Calhoun	111,240	129,780	450,000
Dorchester	133,080	155,260	450,000
Fairfield	111,240	129,780	450,000
Saluda	111,240	129,780	450,000
ANY COUNTY NOT LISTED ABOVE– USE THESE LIMITS	108,600	126,700	450,000

DON'T SEE YOUR COUNTY LISTED?
Use limits on bottom row

What is SC Housing Compliance Income?

Compliance Income used for program eligibility is based on **total income** for anyone that is listed on the loan application and/or holding title to the property at closing.

Refer to program manual for more specific details.

LOANS & DOWN PAYMENT ASSISTANCE

Loans can be done with or without down payment assistance. Our DPA is a **15-YEAR FORGIVABLE, ZERO PERCENT INTEREST – NO PAYMENT** second mortgage.

The DPA is $10,000 which can be used to cover the borrower's down payment, closing cost, prepaid items to include Single Premium MI (Conventional) only.

NOT ALLOWED
No portion of the DPA can be used to pay appraisal gap or real estate commission.

Borrower's must meet all program and insurer first mortgage requirements. DPA must be paid in full upon sale, refinance, or if property is no longer the borrower's primary residence prior to maturity.

SUBORDINATION of the DPA is not permitted.

All liens must be closed in the lender's name and assigned to **SC HOUSING** at delivery.

Lenders are responsible for completing, delivering and documenting all required **TRID DISCLOSURES** to include a final Closing Disclosure, any addendum and seller certification must be signed by all parties.

Lenders will be responsible for sending the **GOOD-BYE LETTERS** (First and Second DPA) in accordance with **RESPA**.

HOMEBUYER EDUCATION

- **Education and Counseling** or be provided by a HUD-approved counseling agency
- May be completed through **classroom** instruction or **online coursework**
- **Required for all SC Housing programs** (Fannie Mae, Freddie Mac, FHA, USDA, VA)
- **Must be completed by at least one borrower,** even if they have owned a home before
- **Must** be completed within the **past 12 months** prior to closing

Eligible education courses include:

- **Fannie Mae's Home View course** (Available on all programs and all AUS)
- **Freddie Mac's Credit Smart course** (Available on all programs and all AUS)
- **Any NIS or HUD-approved homebuyer education course offered by a mortgage insurance (MI) company**
- **Any other HUD-approved homebuyer education course**

PROPERTY ELIGIBILITY

ELIGIBLE PROPERTY TYPES

- Single family, one unit
- PUDs, attached or detached
- Condominiums
- Off frame modular homes

Full Appraisal meeting all insurer and AUS requirements and evidence of UCDP upload must be provided - Accessory Dwelling Unit (ADU) or Property Inspection Waivers (PIW) not permitted

- Properties cannot exceed 5 acres
- Properties containing multiple parcels are not eligible

Condominiums must be fee simple and meet all applicable insurer and AUS requirements. If required, approval must be provided from insurers automated Project Management system.

REPAIR AND FINAL INSPECTIONS

All inspections required must meet applicable insurer requirements. In addition, SC Housing reserves the right to request additional information and/or repairs to include properties appraised "AS IS". This includes any items deemed appropriate based on the review of the appraisal or those that pose a safety and soundness issue or is a condition of the sales contract.

In addition, all properties must include an adequate and functioning heating source and a fully functioning cooking source (stove/oven).

CL-100 / SOIL TREATMENT

- CL-100 must be completed, signed and dated within **45 days** of closing by the borrower on all existing properties
- Soil Treatment Certification is required for all new construction properties
- Any damage or recommended repairs noted in report must be addressed with evidence of completion **prior to purchase**

SC Housing reserves the right to request additional information and/or repairs to ensure the property meets all program and insurer requirements.

CREDIT/DTI REQUIREMENTS

- All borrowers must have at least one usable credit score. Follow applicable insurer requirements for determining the middle credit score for each borrower. SC Housing requires a minimum **640 FICO** score for all programs. In the event that the insurer requires a higher minimum, SC Housing will follow insurer requirement.
- Follow insurer and AUS requirements for repayment of collection accounts
- Follow insurer timing requirements for previous bankruptcy and foreclosure. Borrowers who has had a previous SC Housing foroclosure are not permitted to participate in the SC Housing Homebuyer program.
- Any outstanding judgement/lien or permitted tax liability must be satisfied in full prior to or at closing. If satisfied at closing – a payoff statement valid through the day of closing must be provided and evidence of payment reflected on the closing disclosure
- SC Housing will allow an established tax payment plan meeting applicable insurer requirements; provided that the outstanding balance for all years owed does not exceed **$5,000** and a minimum of 3 consecutive months payments have been made
- Maximum Debt to income (DTI) ratio for all programs is the lesser of **45.00%** with AUS approval

LTV/CLTV

- Unless otherwise stated follow applicable insurer requirements.
- VA – LTV **100%** + VA Funding Fee – **NO MAX CLTV**

AUS / UNDERWRITING

Delegated Credit Underwriting

Credit underwriting authority is delegated to the participating lender. Loans must be underwritten and approved by the lender prior to submission to SC Housing in compliance with applicable AUS guidelines and must receive an acceptable automated underwriting recommendation.

NO Manual Underwriting Permitted

Manual underwriting and manual downgrades by lender underwriting staff are not permitted.

1. CONVENTIONAL (FANNIE MAE)

- DU – Approve/Eligible
- Lender must select HFA ***Preferred*** on the Additional Data Element Screen under Community Lending Section

2. CONVENTIONAL (FREDDIE MAC)

- LPA – Accept Risk Class
- Lender must select ***HFA Advantage*** in LPA.

3. FHA / VA

- DU – (Approve/Eligible)
- LPA – (Accept)

4. USDA

- GUS – (Accept/Eligible)

ASSETS

- SC Housing will follow insurer and AUS requirements for asset and gift verification. Additional documentation may be requested to validate consistency and amount of child support received.
- Periodic non-payroll deposits exceeding $500 will require explanation.
- Gifts must meet all documentation and transfer requirements of the insurer.
- Gifts are permitted when provided by a relative, domestic partner, or fiancé/fiancée only and may be used to pay debt off for qualifying purposes.

EMPLOYMENT

- Lender must follow AUS and insurer requirements for verification of both current and previous employment.
- Any letters of explanation regarding gaps of employment exceeding 30 days must be explained by borrower.
- Borrowers leaving a second job to program qualify must have done so prior to application.

- Lender must obtain a verbal verification of employment (VVOE) prior to closing within the time frames established by insurer or any time after closing but prior to funding by SC Housing.

Tax Returns/ Transcripts

IRS tax transcripts are required for all borrowers and other person(s) who are expected both to reside in the residence being financed and to be secondarily liable on the mortgage. Lender must provide the most recent 3 years transcripts for properties located in **Non-Targeted counties.** For properties located in **Targeted Counties**, lender must provide the most recent year's IRS tax transcripts.

Files received after June 15th must have tax transcripts from the previous tax year

All returns for current tax year must be filed by April 15th.

(If returns are submitted, Signed/Dated Tax returns with proof of filing and evidence IRS transcripts are not yet available).

Tax Return Extensions will not be accepted by SC Housing on any program offered

If the borrower(s) and any other person(s) who is expected both to live in the residence being financed and to be secondarily liable on the mortgage are **not required to file tax returns** an **"Affidavit of Non-Taxpayer"** and/or **"Zero Income Affidavit"** must be in the file along with evidence that tax returns have not been filed for the applicable number of years.

WHO MUST BE INCLUDED: Applies to all borrowers and other person(s) who are expected both to reside in the residence being financed and to be secondarily liable on the mortgage.

MI REQUIREMENTS

Private mortgage insurance (PMI) is required on all loans over 80% LTV.
MI can be Borrower Paid – Monthly, Financed, Split or Single Premium

- **Government** – follow AUS and insurer requirements
- **Conventional** – 90.01-97 % - 25% coverage required – Standard MI coverage for LTV 90% or less;
    - Issued by one of the following approved MI Companies – ARCH, ENACT, ESSENT, MGIC, NATIONAL or RADIAN

THIRD PARTY CONTRIBUTIONS

Follow insurer requirements

FEDERAL RECAPTURE

All SC Housing Homebuyer Program 1st and DPA loans are subject to Federal Recapture.

SC Housing will reimburse any borrower that is required to pay a recapture tax to the IRS.

COMMUNITY LENDING INITIATIVES

The four initiatives are only available on FHA, USDA or VA loan products and include:

As a participating mortgage lender, you play an essential role in helping the South Carolina State Housing Finance and Development Authority achieve its mission of expanding access to affordable, sustainable homeownership across South Carolina.

To support this goal, the Authority has developed a suite of Community Lending Initiatives that are designed to reach borrower segments that have historically been underserved. These initiatives not only provide important benefits to homebuyers, but also create opportunities for lenders to expand business in new markets, strengthen community partnerships, and deliver high-quality loans that are eligible for purchase by the Authority.

Each program includes clear eligibility criteria, compliance requirements, and funding features to ensure consistency and successful execution in the secondary market.

COUNTY FIRST

Expands mortgage lending in 31 targeted counties of South Carolina by providing a rate advantage to stimulate homeownership in communities where access to credit may be limited.

To qualify for this initiative, borrowers must purchase a home in the following counties and cannot have an ownership interest in a principal residence at the time of loan closing.

Abbeville, Allendale, Bamberg, Barnwell, Beaufort, Calhoun, Cherokee, Chester, Chesterfield, Clarendon, Colleton, Darlington, Dillon, Edgefield, Fairfield, Florence, Georgetown, Hampton, Horry, Jasper, Kershaw, Laurens, Lee, Marion, Marlboro, McCormick, Newberry, Orangeburg, Saluda, Union, Williamsburg

FAMILIES WITH DISABILITIES

Offers financing solutions tailored to households that include an individual with a disability, ensuring affordability, and the stability needed for long-term success.

Borrower(s) or any household member who have a permanent 100% disability/handicap, as determined by, any of the following, **are not subject to any first-time homebuyer restrictions and apply to all loan programs.**

- Long-term disability income from an employer or insurer
- Supplemental Security Income (SSI) through Social Security
- Social Security Disability Insurance (SSDI)

Borrower(s) **cannot have ownership interest** in another property to include a mobile home taxed as real property at the time of closing.

FIRST-GENERATION HOMEBUYER

Provides first-time homebuyers whose parents did not own a home with the opportunity to build wealth and stability through homeownership, helping to break generational barriers.

Borrower(s), choosing to participate in this program, will be required to complete sign a **First-Generation Homebuyer Certification** form at the time of application.

HOUSING CHOICE VOUCHER

Enables renters with Housing Choice Vouchers to transition into sustainable homeownership, creating a pathway from rental assistance to equity building.

This program along with the SC Housing Homebuyer Program provides **FHA fixed rate financing.**

Please refer to specifics located in the **Housing Choice Voucher Homeownership Program Guide** as well as those outlined here and in the program manual.

Together, we can expand access to homeownership and build stronger communities across South Carolina.

MORE OPPORTUNITIES. STRONGER COMMUNITIES. BRIGHTER FUTURES.

Lender shall deliver loans that were originated in accordance with AUS and insurer guidelines as applicable, unless otherwise stated with this program guide. **In the case of conflicting guidelines, lender must follow the more restrictive to meet the credit, income limits, total debt-to-income ratio, loan and property requirements.

Information contained in this program guide is for Lending Partner use only and not intended for use by individual consumers or borrowers.

LENDER ALLOWABLE FEES AND CHARGES

FIRST MORTGAGE

- Up to 1% origination fee (paid to lender)
- Discount Points may not be charged
- Reasonable and customary fees may be charged provided fees do not exceed amounts charged for non-SC Housing loans. Fees may be charged lump-sum or individually. Fees must be directly related to actual services provided, whether or not those fees are paid to a third party or the Participating Lender.

SECOND MORTGAGE

- Only mortgage recording fees up to $35 may be charged on the DPA
- No title insurance required

HPML/HOEPA

Loans that fall under the provisions of Higher Priced Mortgage Loans (HPML) and/or Home Ownership Equity Protection Act (HOEPA) are not eligible.

FEES DEDUCTED AT THE TIME OF PURCHASE

- Tax service fee: SC Housing charges the Participating Lender a one-time real estate tax service fee of $87
- SC Housing Transfer/Funding Fee of $500
- Extension and late delivery fees, if applicable – may be paid by borrower, lender, builder, seller, or realtor

ACCRUED INTERIM INTEREST AND PREMIUMS PAID TO LENDER

- SC Housing will fund 100% of the amortized balance of the first mortgage on the day of purchase
- Accrued interim interest up to the day of purchase
- Servicing release premium (1.5% UPB first mortgage loan)

CASH BACK TO BORROWER AT CLOSING

Cash back to the borrower(s) at closing cannot exceed the documented amount that borrower has prepaid to include earnest money deposit, appraisal, credit report, inspections. No other DPA funds may be refunded. A principal reduction may be applied towards the first mortgage balance not to exceed one-month PITI payment.

SC HOUSING
CONTACT INFORMATION

LENDER HELP DESK
803.896.2211
mortgage.production@schousing.com

LOCK DESK
lockdesk@schousing.com

UNDERWRITING QUESTIONS/ FILE SUBMISSION AND STATUS UPDATES
under.writing@schousing.com

POST CLOSING
postclosing@schousing.com

SC HOUSING ID's

FHA – 4723009993

VA – 679535

USDA – 591585639

MERS – 1008745

SC HOUSING EIN
59-1585639

WE ARE HERE TO HELP *YOU!*