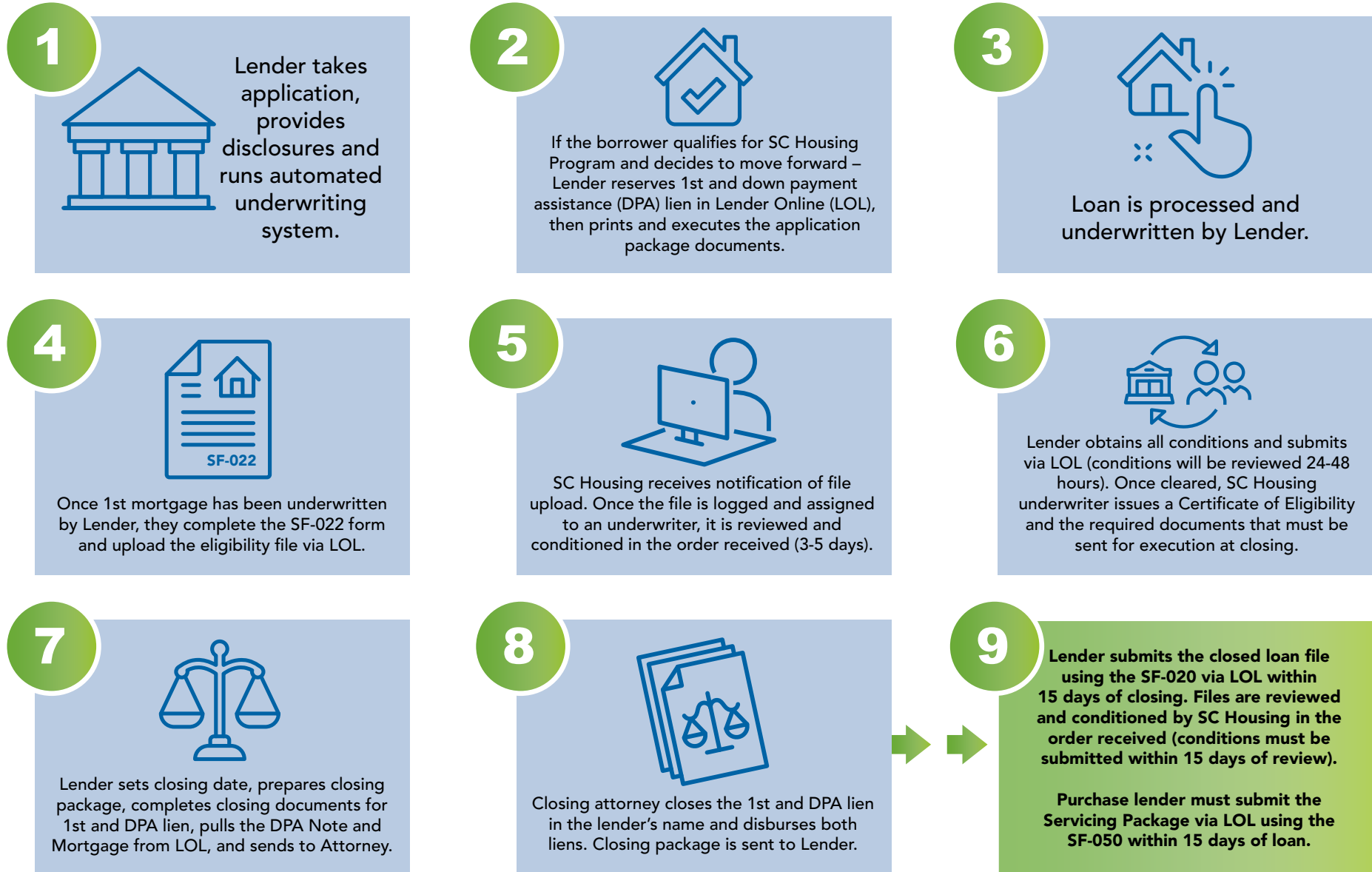


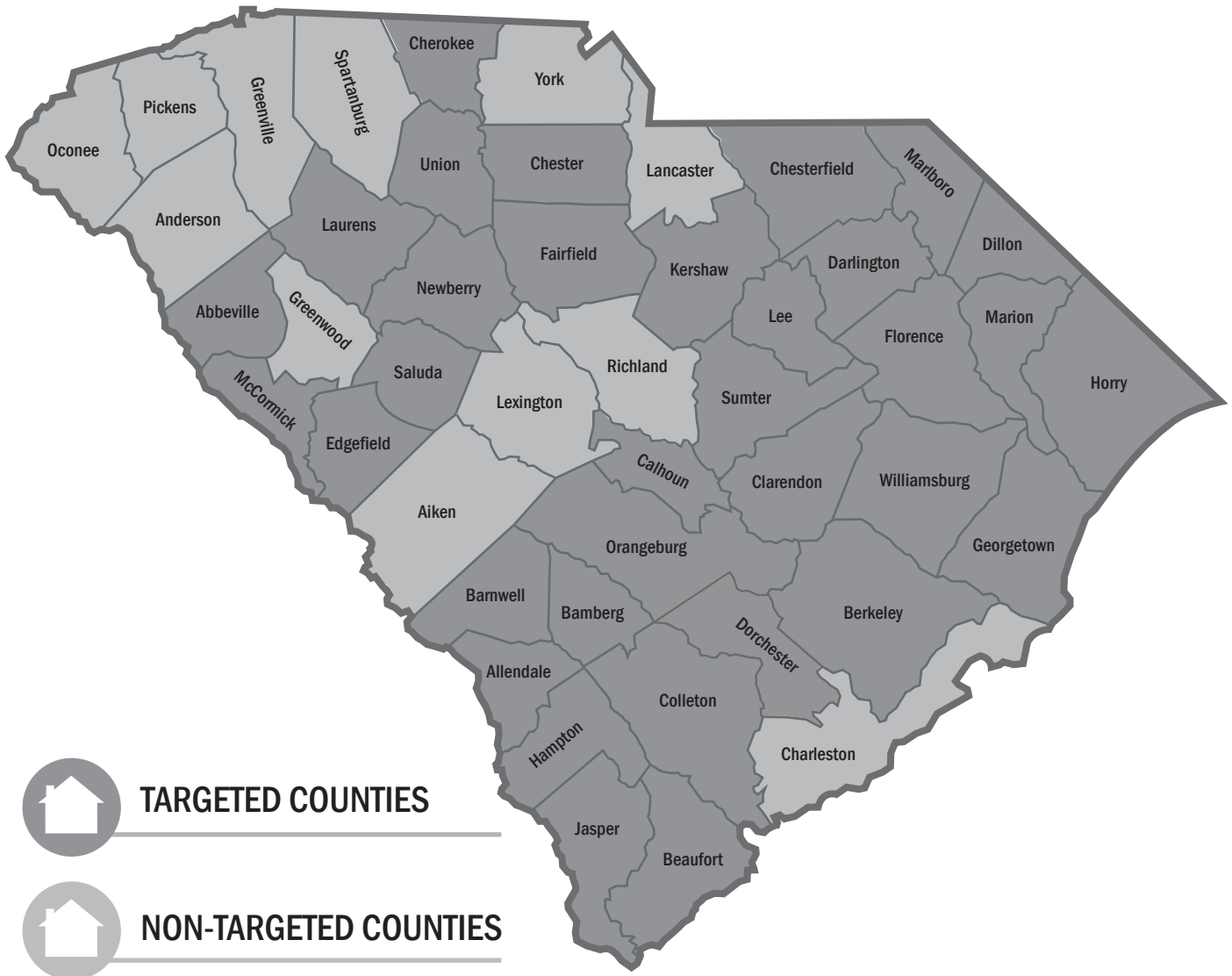
HOMEBUYER PROGRAM (BOND LOANS)

File Submission/Delivery Steps and Timeline



All final recorded documents must be sent to SC Housing via overnight mail within 120 days of closing. Failure to meet this requirement may result in late fees. If you have any questions, please contact Mortgage Production at 803-896-2211 or by email at mortgage.production@schousing.com

Homebuyer (BOND), Conventional and Government Loans





2025/2026 Income and Home Price Limits

The following chart will be used for the SC Housing Homebuyer (Bond) and SC Mortgage Credit Certificate (MCC) Programs

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

2025/2026 Palmetto Home Advantage Income Limits

10 YR FORGIVABLE DPA TERM

CONVENTIONAL, FHA, VA, USDA	135,750 - STATEWIDE
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INCOME AND HOME PRICE LIMITS CAN CHANGE WITH OR WITHOUT NOTICE
 LIMITS WILL REMAIN IN EFFECT UNTIL 2025 LIMITS ARE RELEASED BY HUD
 (EFFECTIVE FOR RESERVATIONS ON AND AFTER 04.15.2025)

program guide



SC Housing Homebuyer (BOND) Program

Effective February 2, 2026

This guide is intended to provide a summary of the program requirements. Loans must also meet all applicable insurer/guarantor (Fannie Mae, Freddie Mac, HUD, USDA/RD, VA) requirements as well as the requirements outlined in the SC Housing Homebuyer Program Manual.

Loan Purpose/Type	Purchase Money Transactions ONLY . Take-out loans (Property must be new construction not previously occupied and less than one-year old) One-time close construction/perm. loans are NOT ELIGIBLE .												
Homebuyer Eligibility	<p>The First Time Homebuyer Eligibility requirement is dependent upon whether a borrower purchases property in a targeted or a non-targeted county.</p> <ul style="list-style-type: none"> Borrowers purchasing property in the following non-targeted counties must not have had an ownership interest in another property within the three years prior to loan closing: <table border="1" data-bbox="358 957 1588 1024"> <tr> <td>Aiken</td> <td>Anderson</td> <td>Charleston</td> <td>Greenville</td> <td>Greenwood</td> <td>Lancaster</td> </tr> <tr> <td>Lexington</td> <td>Oconee</td> <td>Pickens</td> <td>Richland</td> <td>Spartanburg</td> <td>York</td> </tr> </table> <p>The First Time Homebuyer requirement in non-targeted counties may be waived for the following:</p> <p>Veterans – Must have served on active duty in the U.S. Armed Forces (other than active duty for training) and received a discharge other than dishonorable and not previously utilized a waiver to receive a bond funded loan. This waiver is a “one-time exemption”.</p> <p>Borrowers purchasing properties in any other county not listed above are considered targeted and cannot have ownership interest in another property to include a mobile home taxed as real property at the time of loan closing, but may have had an ownership interest in a principal residence within the past three years. Unimproved land is allowed. This requirement applies to all borrowers.</p> <ul style="list-style-type: none"> Must be a US Citizens, Permanent Resident Alien with a “Valid Green Card” – (Alien Registration Receipt Card; INC USCIS Form I-55 I) – <i>VISA of any kind are not eligible</i> <p>SC Housing does not allow cosigners or non-occupying co-borrowers.</p> <p>SC Housing will not permit non-borrowing spouses or others not obligated to the underlying mortgage loan to take title to the subject property.</p>	Aiken	Anderson	Charleston	Greenville	Greenwood	Lancaster	Lexington	Oconee	Pickens	Richland	Spartanburg	York
Aiken	Anderson	Charleston	Greenville	Greenwood	Lancaster								
Lexington	Oconee	Pickens	Richland	Spartanburg	York								
Income and Sales Price Limits	<p>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.</p> <p>Income and Sales Price limits must meet program and insurer/guarantor requirements. Limits are county-specific and are subject to change without notice. Refer to the SC Housing Homebuyer Sales Price and Income Limits that can be found in Lender Online.</p>												
Down Payment Assistance (DPA)	<p>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. 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</p>												

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

Interest Rate

Fixed interest rate ONLY. SC Housing does not offer Buydowns (temporary or permanent)

Term

30-year term

**Reservation/
Extensions**

Rate locks will be accepted from 10:00 AM – 6:00 PM Monday - Friday; excluding state recognized holidays and days that the US Financial Markets are closed for business. Rates are posted daily at <https://lol.schousing.com> and are subject to change without notice.

Rate Lock Periods

- 60 days –Existing Construction
- 120 days – New Construction (Float Down Option available, consult Program Manual)
- Extensions are available – up to 60 days total

7 day	.125%
15 day	.250%
30 day	.500%

**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)
- 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
- 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

**Minimum Borrower
Financial
Contribution**

NONE – unless required by AUS

Property

Single family, one unit; PUDs, attached, 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

**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

	<p>Housing will follow insurer requirement.</p> <ul style="list-style-type: none"> • 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 foreclosure 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 <p>- Maximum Debt to income (DTI) ratio for all programs is the lesser of 45.00% with AUS approval</p>
LTV/CLTV	<ul style="list-style-type: none"> • Unless otherwise stated follow applicable insurer requirements. • VA – LTV 100% + VA Funding Fee – NO MAX CLTV
AUS/Underwriting	<p>Credit underwriting authority is delegated to the participating lender. Loans must be underwritten and approved by lender prior to submission to SC Housing in compliance with applicable AUS Guidelines and receive an acceptable recommendation. NO Manual UW permitted to include manual downgrades by lender’s UW staff.</p> <ul style="list-style-type: none"> • Conventional (Fannie Mae) AUS – DU Approve/Eligible and Lender must select HFA Preferred on the Additional Data Element Screen under Community Lending Section • Conventional (Freddie Mac) AUS – LPA Accept risk class. Lender must select HFA Advantage in LPA. • FHA/VA – DU (Approve Eligible) and LPA (Accept) • USDA – GUS (Accept/Eligible)
Asset/ Employment	<p>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.</p> <p>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.</p> <p>Borrowers leaving a second job to program qualify must have done so prior to application.</p> <ul style="list-style-type: none"> • 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	<p>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.</p> <ul style="list-style-type: none"> • 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. <p>(If returns are submitted, Signed/Dated Tax returns with proof of filing and evidence IRS transcripts are not yet available).</p> <ul style="list-style-type: none"> • Tax Return Extensions will not be accepted by SC Housing on any program offered <p>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.</p>
Mortgage Insurance Requirements	<p>Private mortgage insurance (PMI) is required on all loans over 80% LTV. MI can be Borrower Paid – Monthly, Financed, Split or Single Premium</p> <ul style="list-style-type: none"> • 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

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.

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

County First	<p>Expands mortgage lending in 29 targeted underserved counties of South Carolina by providing enhanced resources and program support to stimulate homeownership in communities where access to credit may be limited. To qualify for this initiative, borrowers purchasing property in the following counties and cannot have an ownership interest in a principal residence at the time of loan closing.</p> <p>Abbeville, Allendale, Bamberg, Barnwell, Beaufort, Calhoun, Cherokee, Chester, Chesterfield, Clarendon, Colleton, Darlington, Dillon, Edgefield, Fairfield, Georgetown, Hampton, Jasper, Kershaw, Laurens, Lee, Marion, Marlboro, McCormick, Newberry, Orangeburg, Saluda, Union or Williamsburg County</p>
Families with Disabilities	<p>Offers financing solutions tailored to households that include an individual with a disability, ensuring affordability, and the stability needed for long-term success.</p> <p>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.</p> <ul style="list-style-type: none"> • Long-term disability income from an employer or insurer • Supplemental Security Income (SSI) through Social Security • Social Security Disability Insurance (SSDI) <p>Borrower(s) cannot have ownership interest in another property to include a mobile home taxed as real property at the time of closing.</p>
First-Generation Homebuyer	<p>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.</p> <p>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.</p>
Housing Choice Voucher	<p>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.</p>

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.

program guide

SC Housing Homebuyer Program

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.

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

- **Funding Fee of \$500**

- Extension and late delivery fees, if applicable - may be paid by borrower, lender, builder, seller, or realtor

• **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

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.

property insurance coverage and deductible

Lender must ensure that all property insurance coverage and deductible limits comply with insurer requirements and those established by SC Housing or those required by Fannie Mae/Freddie Mac

Hazard, Wind/Hail, Flood and Walls-In (HO-6)

- **Coverage** - The minimum acceptable amount of hazard insurance coverage is the lesser of;
 - The outstanding principal balance of all outstanding mortgages at closing;
 - Maximum insurable value per appraised value less the land value per the URAR, or an amount sufficient to replace the structure or the combined balance of all outstanding mortgages.
- **Max. Deductible** - The maximum allowable deductible for all perils (to include wind/hail and flood) is 5% of the face amount of the policy, unless a lower amount is required by the insurer.

delivery requirements

Closed Loan File - SC Housing is the servicer on all SC Housing Homebuyer Program (BOND LOANS). First mortgage and second DPA must be delivered to SC Housing within 15 days of closing via our e-Mortgage Docs portal in Lender Online in accordance with the SF-020

Servicing Package - The lender must submit the Servicing Package to **SC Housing** within 20 days of purchase using the Servicing Package Checklist (Form SF-050)

Final Documentation - The lender must submit all final mortgage loan documentation for the first mortgage and second DPA mortgage purchased by SC Housing. All final mortgage documentation must be delivered to SC Housing within 120 days of loan closing.

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

SC Housing ID's

FHA – 4723009993

VA – 679535

USDA – 591585639

MERS - 1008745

SC Housing EIN 59-1585639

First-Generation Homebuyer Certification

Information for borrower: The purpose of collecting this information is to help ensure that the housing needs of communities and neighborhoods, especially traditionally underserved communities, are being fulfilled. This information will be used to assist in developing programs that may benefit first-generation homebuyers.

Note: Ownership interest in a property includes any real property owned in or outside of the United States. It does not include: heir's property, undeveloped land, a manufactured home or mobile home titled as personal property, or a contract for deed.

Borrower Name (First, Middle, Last, Suffix): _____

By signing below, I, as an applicant for a home mortgage loan, certify that (1) I will occupy the property as my primary residence; and (2) I have had no ownership interest (sole or joint) in another property during the last three years.

I further certify that **one** of the following is also true (check the applicable option):

No parent of mine has had an ownership interest (sole or joint) in a property. If this option is selected, enter names and current address of record of the parent(s). If a parent is deceased, enter their last address of record. **Parent Name:** _____ **Parent Name:** _____ **Parent Address:** _____ **Parent Address:** _____

I aged out of foster care.

I became emancipated.

By signing below, I expressly authorize the Lender and Other Loan Participants (as defined in the *Uniform Residential Loan Application*) to obtain, use, and share this Certification or its contents.

I certify that the foregoing is, to the best of my knowledge and belief, true and correct as of the closing of this mortgage loan.

Signature _____ **Date:** _____

Co-Borrower Name (First, Middle, Last, Suffix): _____

By signing below, I, as an applicant for a home mortgage loan, certify that (1) I will occupy the property as my primary residence; and (2) I have had no ownership interest (sole or joint) in another property.

I further certify that **one** of the following is also true (check the applicable option):

No parent of mine has had an ownership interest (sole or joint) in a property in the last three years. If this option is selected, enter names and current address of record of the parent(s). If a parent is deceased, enter their last address of record. **Parent Name:** _____ **Parent Name:** _____ **Parent Address:** _____ **Parent Address:** _____

I aged out of foster care.

I became emancipated.

By signing below, I expressly authorize the Lender and Other Loan Participants (as defined in the *Uniform Residential Loan Application*) to obtain, use, and share this Certification or its contents.

I certify that the foregoing is, to the best of my knowledge and belief, true and correct as of the closing of this mortgage loan.

Signature _____ **Date:** _____



SC Housing Homebuyer (BOND) Program Housing Choice Voucher Program Initiative

Effective February 2, 2026

The **Housing Choice Voucher Homeownership Program** helps participants who are currently in an approved Public Housing Agency Homeownership Voucher Assistance program, preparing applicants to move from rental to homeownership. Many low-income families have the opportunity to use Federal housing assistance that would otherwise be paid to a landlord as rent to purchase and build equity in a home of their own. This program along with the SC Housing Homebuyer Program provides FHA fixed rate financing with forgivable down payment assistance. Please see the SC Housing Homebuyer Program Guide and Manual for additional details.

<p>Homebuyer Education (PHA Responsibility)</p>	<p>Home Buyer Education and Counseling is required on all loans and must be completed by the Head of Household. The education must be administered by a HUD Certified/Approved counseling Agency. The certificate of completion must be included in the loan file submitted to SC Housing for approval.</p>
<p>PHA Responsibility Housing Authority Administering (HCV)</p>	<p>In accordance with the HUD Housing Choice Voucher (HCV) Homeownership Program the items listed below are the responsibility of the Public Housing Agency (PHA) that administers the Housing Choice Voucher payments.</p> <p>PHA must provide evidence of approval (Approval Letter) for the Housing Choice Voucher (HCV) Homeownership Program - approval letter must certify that the borrower meets all HUD requirements to participate in the HCV Homeownership program including;</p> <ul style="list-style-type: none"> ▪ the amount of monthly assistance provided by the PHA ▪ the family satisfies the minimum income requirement ▪ the family satisfies the employment requirements ▪ the family has not defaulted on a mortgage securing debt to purchase a home under the homeownership option ▪ no family member has a present ownership interest in a residence at the time of loan closing <ul style="list-style-type: none"> ○ in non-targeted counties, may not have had ownership in previous 3 years ▪ the family has entered into a contract of sale in accordance with HUD requirements ▪ evidence (copy of certificate) the family has completed all HUD Approved Homeownership Education and Counseling requirements ▪ PHA determines that the property is eligible (see Eligible Properties below) ▪ the family satisfies all requirements established by the PHA and described in the PHA's administrative plan ▪ provide signed (SF-106) – Borrower Authorization to Release Form allowing exchange of account information on voucher recipients
<p>Monthly Housing Assistance Payment (HAP)</p>	<p>The PHA's housing assistance payment will be paid directly to SC Housing and may only include principal and interest on the mortgage debt, taxes and insurance, and any mortgage insurance premium. SC Housing performs an annual escrow payment analysis for taxes and insurance and will communicate any changes directly to the PHA.</p>

	Participating PHA's	<p>Public Housing Agencies are required to approve borrower(s) prior to making application with an approved lending partner. Each applicant must ensure that their voucher issuing agency does participate in the homeownership program and supports the county where the property is located. Applicant must then complete all requirements of the issuing agency prior to loan application. The process of conversion could take several months to complete.</p> <p>Lenders are encouraged to have their borrower(s) consult their case worker to see if their county participates in this program.</p>
	Participating Lenders	<p>All approved SC Housing Lending Partners can participate in the Housing Choice Voucher Initiative. If a lender chooses not to participate, please refer your applicant to one of the following lending partners :</p> <ul style="list-style-type: none"> • Ameris Bank • First Citizens Bank • Guild Mortgage • New Story Lending • Lower, LLC DBA Premier Nationwide Lending
	Qualifying Income (HAP Payment)	<p>If the monthly voucher assistance (HAP) is needed for credit qualifying purposes, the monthly amount of assistance given by the PHA must be included in the AUS submission as income. The HAP payment must also be added to Compliance (Household) Income for determining program eligibility.</p>
	Property Inspections (PHA Responsibility)	<p>Two separate property inspections are required in addition to a full appraisal</p> <ul style="list-style-type: none"> • HQS inspection - ensure that the property has been inspected by a HUD certified inspector and the property satisfies the HUD HQS inspection standards • HQS deficiencies identified by the PHA must be corrected prior to the purchase of the home • PHAs are encouraged to conduct the HQS inspection <u>before</u> the family spends money to hire an independent home inspector (below) • Separate Home Inspection – ensure that the property has been inspected by an independent home inspector selected by the borrower(s)
<p>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.</p>		

sc housing contact information

Lender Help Desk 803.896.2211 | mortgage.production@schousing.com
Underwriting Questions/File Submission and Status Updates | under.writing@schousing.com

PALMETTO HEROES 2026 PROGRAM



SC Housing Homebuyer (BOND) Program Effective March 16, 2026

SC Housing is pleased to introduce our 2026 Palmetto Heroes Program. The program honors educators, first responders and community service personnel in the fields of law enforcement, corrections, firefighting, emergency medical services and health care, as well as active duty military, reservist and veterans.

Lenders must use this program supplement in combination with the requirements outlined in the **SC Housing Homebuyer Program Guide and Manual**. Rate is published daily and subject to change without notice. All loans must be closed and purchased by SC Housing, no later than **December 31, 2026**.

All approved Lending Partners are eligible to participate. **Borrowers must have a fully executed sales contract for the purchase of a home prior to reserving/locking the interest rate.**

PALMETTO HEROES 2025

In order to qualify for participation in the Palmetto Heroes 2026 program, one or more borrowers **MUST** be employed in one of the following professions and must meet SC Housing's First Time Homebuyer requirements outlined in the Homebuyer (BOND) Program Manual.

EDUCATOR	LAW ENFORCEMENT - CORRECTIONS	FIRE, EMT PARAMEDICS	MILITARY AND RESERVIST	LICENSED MEDICAL PROFESSIONALS
Classroom Teacher	Police Officer	Firefighter (FT or Volunteer)	Active Duty or Veteran	CNA, LPN, RN
Librarian	DNR Officer Game Warden	EMT	SC Reservist (National Guard or Air National)	Phlebotomy, Pharmacy and X-ray Tech
Guidance Counselor	TSA Officer	Paramedic	Army	Audiology and Hearing Tech
School Psychologist	Parole Officer		Navy	Occupational, Physical, and Respiratory Therapist
Speech Language Pathologist	SC DOC/SC DJJ Correctional Officer		Air Force	Dental Hygienist & Assistant
College Professor	State, County or Municipal Detention Center Officer		Marines	Licensed Social Worker
	US Government Federal Bureau of Prisons		Coast Guard	Speech Language Pathologist

Eligible Heroes

Educators – Borrower must be employed as a full-time teacher with an active South Carolina Teacher Certification by a nationally accredited and certified agency or the South Carolina Department of Education. Teachers with new contracts must be scheduled to receive their first pay within 60 days of loan closing and are subject to the Future Income requirements outlined in the Program Manual.

Law Enforcement/Correctional Officers – Borrower must be employed full-time as a state or local law enforcement or correctional officer (as defined by the SC Law Enforcement Training Act) and must be certified by the Law Enforcement Training Council as of the date of the loan application. **Officers employed with Private Security Companies are not eligible.**

Fire Fighters, EMTs and Paramedics – Borrower must be employed full-time as a firefighter (FT or Volunteer), emergency medical technician (EMT) or paramedic with a state or local government agency. EMTs and paramedics may be employed by a company contracted by a state or local government agency to provide emergency medical services. **911 dispatchers are not eligible.**

Active Duty Military, Reservist, Veterans – Borrower must be a member in good standing either with any of the US Armed Services: Army, Navy, Marine Corps, Air Force, Coast Guard, SC National or SC Air National Guard as of the date of loan application. Enlistment must be documented with a statement of service. Veterans must have served on active duty in the U.S. Armed Forces (other than active duty for training) and received a discharge other than dishonorable. **NOTE: Eligible veterans cannot have an ownership interest in another principal residence at the time of loan closing.**

Licensed Medical Professionals – Borrower must be employed full-time in a patient facing position within a hospital, clinic, doctor’s office, nursing home/long term care facility or other medical facility. Borrower must be licensed/certified by the State of South Carolina or by national accreditation. Completion of a college certificate program with a certification issued by the college is not acceptable. Copies of License or Certification are required at the time of review.

Income and Sales Price Limits

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

Income and Sales Price limits must meet program and investor requirements. Limits are county-specific and are subject to change without notice. Refer to the **SC Housing Homebuyer Sales Price and Income Limits** that can be found on our web site at <https://schousing.sc.gov/homebuyers/sc-housing-homebuyer-and-mcc-income-and-home-price-limits>

Down Payment Assistance (DPA)

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 and prepaid items only. Borrower’s must meet all program and insurer first mortgage requirements. No portion of the DPA can be used to pay mortgage insurance premiums, appraisal gap or real estate commission. 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 are responsible for sending Good-Bye letters (First and Second DPA) in accordance with RESPA

Lender shall deliver loans that were originated in accordance with AUS and insurer guidelines as applicable, unless otherwise stated within 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 for Lending Partner use only and not intended for use by individual consumers or borrowers.

SC HOUSING

300-C Outlet Pointe Boulevard, Columbia, South Carolina 29210

SF-022 LENDER Request for Determination of Eligibility

Applicant: _____	Co-Applicant: _____
Property Address: _____	City: _____ State: <u>SC</u> Zip: _____
SCH Loan No.: _____	Loan Amount: _____
DPA Loan No.: _____	2nd Loan Amount: _____

Lending Partner: _____
Contact: _____
Lender Phone: _____ Email: _____

SCH APPLICATION DOCUMENTS

- 1. SF-022 Lender Request for Determination of Eligibility -This must be signed and dated by Lender -See below
- 2. SF-021 Citizenship Status Form -(Resident Alien - must provide copy of front & back of Photo ID, Green Card and Social Security Card) - This form CAN be electronically signed
- 3. SF-025 Mortgage Affidavit and Borrower Certification - This form CAN be electronically signed
- 4. SF-026 Seller/Builder Affidavit - This form CAN be electronically signed
- 5.
- 6. Home Buyer Education Completion Certificate
- 7.

LOAN ESTIMATE DISCLOSURE DOCUMENTS

- 8. 1st Mortgage TRID Loan Estimate(s)- Provide only the LE disclosed within 3 days of application if float, re-disclose within and 3 days of rate lock
- 9. DPA (2ND MTG.) Loan Estimate Disclosure(s)- Provide only the LE disclosed within 3 days of lender rate lock

1ST MORTGAGE DOCUMENTS

- 10. Initial 1003 - *TBD FOR PROPERTY not allowed-MUST BE SIGNED & DATED BY ALL PARTIES (and for VA LOANS -VA FORM 26-1802)*
- 11. VA LOANS ONLY - VA COE Print Out
- 12. Alternative DPA/Grant (other than SCH) - Acceptance Letter and/or Approval
- 13. 92900LT/1008/RD3555/VA 26-6393-MUST reconcile to DU/GUS (Compare to Loan Analysis Page of DU they MUST MATCH)
- 14. MI Certificate - Conventional Loans Only
- 15. AUS (DU/LPA/GUS) Findings- Must be Approve/Eligible or Accept unless Manual UW OR REO, if applicable-See guidelines
- 16. Gift Letters & supporting docs (Must include deposit & sourcing docs)
- 17. Rental Verification (only if required per DU)
- 18. Asset Documentation - Provide asset documentation as required by AUS
- 19. Credit Report- Must include OFAC & SAFE SCAN, CR must be the one used with AUS
- 20. SF-041 Zero Income Affidavit - (if applicable)
- 21. Verification of Employment for Borrower(s) - (covering 12 months) If borrower is paid anything other than straight time or base salary, a FULL WRITTEN VOE must be provided with break down of all income received and pay schedule
- 22. Previous Verification of Employment- Borrower(s) - (past 12 months as applicable)
- 23. Pay Stubs - (one month year-to-date) - Borrower(s) - (2 Min.)
- 24. Other Income Documentation (as applicable): DSS Income; SSI; Retirement Distributions - required for all borrower(s)
- 25. Profit Loss Statement- current year - must include company name, address, period covered and be signed & dated - (Self-Employed Only)
- 26. Divorce Decree/Separation Agreement, Child Support/Alimony- Provide evidence of receipt from court or asset doc. supporting rec'd
- 27. W-2's/1099/1098 (covering 12 months including previous employment if applicable)
- 28. SF-027 Non-Taxpayer Affidavit -(as applicable) Required for borrower(s) or occupant(s) who were not required to file taxes
- 29. IRS Tax Transcripts or Tax Returns- Must provide (3 years) for all borrower(s)
- 30. Appraisal Report with Color Photos and Addendum/Final Inspections/Completion Report- (CONVENTIONAL ONLY -Provide evidence that the Appraisal was uploaded to the UCDP for Fannie Mae and Freddie Mac.
- 31. VA LOANS ONLY - Notice of Value by LAPP/SAR
- 32. Contract of Sale with all addendums
- 33. SF-030 Lead Based Paint Disclosure- required for homes built prior to 1978, if not included in contract of sale
- 34. FHA RE Certification & Amendatory Clause
- 35. Attorney/Insurance Preference Form - Must be completed TBD not acceptable
- 36. ONLY BORROWER'S ON THE LOAN CAN HOLD TITLE AT CLOSING. SC HOUSING DOES NOT PERMIT ANYONE NOT OBLIGATED ON LOAN TO HOLD TITLE - (NOTE, MORTGAGE, DEED AND TITLE MUST ALL AGREE WHEN DELIVERED FOR PURCHASE)

The undersigned lender certifies that the loan application, initial (Loan Estimate) loan disclosures and all verifications of employment, income and deposits, and all other loan documents have been processed in compliance with all applicable federal and state laws and regulations and, to the best of the lender's knowledge, the loan complies with all of South Carolina State Housing Finance and Development Authority's (SCHFDA) underwriting standards including but not limited to SCHFDA's e-Signature Requirements and the lender has verified the identify of all borrowers as required under the US Patriot Act. All information provided in support of this loan is true, complete and accurate to the best of the lender's knowledge and belief.

Date

Signature of Lender

Print Name of Authorized Signature

SC HOUSING

Declaration of Citizenship Status

This declaration must be completed for each borrower on the application and all household members who will reside in the property after closing.

Borrower(s):

Property Address:

The below individuals sign and certify that they declare under penalty of perjury that they meet one of the following requirements for citizenship status to comply with SC State Housing Finance and Development Authority program requirements.

- US Citizen by birth, a naturalized citizen or national of the United States
- A non-citizen with eligible immigration status that is lawfully admitted for permanent residence as defined by Section 101(1)(2) of the Immigration and Nationality Act (INA) as an immigrant defined by Section 101(a)(15) of the INA(8 U.S.C 1001(a)(20) and 1101(a)(15) respectively. (Permanent Resident Alien)
 - o This must be evidenced by Form I-551 "Permanent Resident Card" (Green Card) - Each party must provide front and back copies of the card and is subject to SAVE verification with the Department of Homeland Security - US Citizenship and Immigrations Services.

Borrower:

Borrower Name		Social Security #	Date of Birth (mm/dd/yy)
SELF	Alien Registration # (if applicable)		<input type="checkbox"/> U.S. Citizen <input type="checkbox"/> Resident Alien
Relationship to Borrower			Nationality (Mark (1) One)
Signature of Borrower		Date	

Co-Borrower:

Co-Borrower Name		Social Security #	Date of Birth (mm/dd/yy)
SPOUSE	Alien Registration # (if applicable)		<input type="checkbox"/> U.S. Citizen <input type="checkbox"/> Resident Alien
Relationship to Borrower			Nationality (Mark (1) One)
Signature of Co- Borrower		Date	

Occupant:

Occupant Name		Social Security #	Date of Birth (mm/dd/yy)
Relationship to Borrower	Alien Registration # (if applicable)		<input type="checkbox"/> U.S. Citizen <input type="checkbox"/> Resident Alien
Check if Adult signing for a child		Nationality (Mark (1) One)	
Signature of Occupant or Adult Family Member		Date	

Occupant:

Occupant Name		Social Security #	Date of Birth (mm/dd/yy)
Relationship to Borrower	Alien Registration # (if applicable)		<input type="checkbox"/> U.S. Citizen <input type="checkbox"/> Resident Alien
Check if Adult signing for a child		Nationality (Mark (1) One)	
Signature of Occupant or Adult Family Member		Date	

Warning: South Carolina Code Section 16-9-10 provides, among other things, that it is unlawful for a person to willingly give false, misleading or incomplete information on a document, record, report or form required by the laws of this State, Any person who violates that section is guilty of a misdemeanor and, upon conviction, must be imprisoned not more than six months or fined not less than one hundred dollars, or both.

I/we the undersigned, as part of my application for a Mortgage Loan and/or Mortgage Credit Certificate (MCC) offered by the South Carolina State Housing Finance and Development Authority (SC Housing), and as a material inducement for SC Housing to issue an MCC or approve a loan from a participating lender for the purchase of a single-family residence and the land appurtenant (Residence), and to verify conformity with state and federal requirements, I attest to the following:

1. **RESIDENCE ADDRESS:** The Residence being purchased is a single-family property located in the State of South Carolina at:

Property Address:

Property County:

2. **RESIDENCE STATUS:** Check the statement that applies (**check one**).

The Residence is **new**, never occupied.

The Residence is an **existing**, previously occupied residence.

3. **OCCUPANTS:** The number of occupants in my household, including me and **ALL other** persons who intend to occupy the Residence as a principal residence, is _____ (**enter total number living in property**).

I certify that all occupants of the Residence being purchased are listed here. All occupants who will be mortgagor(s) including any other person who is expected to both live in the residence being financed and become secondarily liable on the mortgage must furnish all required income documentation (VOE, paystub, tax returns and sign all our documents) and must meet all Program Guidelines (e.g., income not over county limit and cannot have owned a principal residence in the last three years or see #11). Secondarily liable on the debt shall include someone who acts as a surety or guarantor if they also intend to live in the residence being financed. For purposes of this program, a spouse must provide all required income documentation as well as any titleholder who resides in the Residence.

Gross Annual Income (base + OT + other)

Borrower Name: _____ \$ _____

Co-Borrower Name: _____ \$ _____

[Failure to list all borrower(s) will result in loan being denied.]

Non-Borrowing Occupants (must be listed below)

Occupant Name (non-borrower) Age Relationship to borrower(s)

Occupant Name (non-borrower) Age Relationship to borrower (s)

Occupant Name (non-borrower) Age Relationship to borrower (s)

4. **OCCUPANCY CERTIFICATION:** The Residence will be occupied and used as my principal residence within 60 days after the date of loan closing. The Residence **will not be used** as an investment property, vacation home, or rental home and not more than 15% of the area of the Residence will be used in a trade or business. I understand and agree that:

(a) I have been duly notified that if the Residence ceases to be my principal residence that the Mortgage Credit Certificate (MCC) will be automatically revoked and I will no longer be entitled to claim the credit.

(b) The land appurtenant to the Residence does not provide a source of income to the Borrower and is needed to reasonably maintain the basic livability of the Residence. No land can be

separated from the land being financed and offered for sale as a separate residence without permission of SC Housing. Properties cannot exceed 5 acres.

- (c) **As a Non-Borrower Occupant**, I agree to execute all documents required by SC Housing. I certify that I will not have ownership of the Residence or intend to have ownership of the Residence.
- (d) I will notify SC Housing immediately, in writing, if the Residence ceases to be my principal residence or in the event that I vacate the Property, and to keep SC Housing informed of my current mailing address.

5. **COMPLIANCE INCOME CERTIFICATION:** I have enclosed as part of my application evidence of ALL family income for the mortgagor(s), including any other person who is expected to BOTH live in the residence being financed and become secondarily liable on the mortgage. The income used in determining the total annual income will be the income of the mortgagor(s)/titleholders who is both expected to live in the residence being financed, and who will become secondarily liable for the mortgage. I understand **I AM NOT** eligible for a mortgage loan and/or MCC if my annual family income **exceeds** the Income Limits authorized by SC Housing under rules and regulations set by federal and state entities. Income limits are subject to change. **Please complete all questions below:**

- A. I attest, **as a Borrower** that I do or do not receive child support.

I Do (If I do, the amount received per month is \$ _____) I Do Not
- B. I attest, **as Spouse** that I do or do not receive child support.

I Do (If I do, the amount received per month is \$ _____) I Do Not
- C. I attest, **as a Titleholder or Co-Borrower** that I do or do not receive child support.

I Do (If I do, the amount received per month is \$ _____) I Do Not

Documentation Attestation: I have enclosed as part of my application evidence of all income. (e.g., Alimony, Child Support, Award Letters, Part-time Jobs, Pay Stubs, Self-Employment, etc.). **Check one.**

- D. This is to attest I, **as Borrower** am **NOT** providing a copy of divorce /separation / child support documents because. **Check one.**

Does not apply Never Married Other Reason
- E. This is to attest I, **as Spouse** am **NOT** providing a copy of divorce /separation / child support documents because. **Check one.**

Does not apply Never Married Other Reason
- F. This is to attest I, **as a Titleholder or Co-Borrower** am **NOT** providing a copy of divorce /separation / child support documents because. **Check one.**

Does not apply Never Married Other Reason

6. **FIRST-TIME HOMEBUYER CERTIFICATION:** Check the statement that applies (check one):

I individually, or together with another person who will be liable on the mortgage, have not had an ownership interest in a principal residence within 36 months from the date shown below, or closing date, whichever is later. For this purpose, a principal residence includes a single-family residence; condominium stock held by a tenant stockholder in a housing corporation; or any manufactured home (including a mobile home taxed as real property). Prior ownership interest in a manufactured home, which is not permanently fixed to a foundation and was not taxed as real estate is acceptable. For this purpose, an ownership interest means any ownership, whether outright or partial, including property subject to a mortgage or other security interest. The term ownership interest means a fee simple ownership interest, a joint ownership interest by joint tenancy, tenancy in common or tenancy by the entirety, a tenant-shareholder interest in a cooperative, an ownership interest in trust, a life estate interest, and purchase by contract for deed (or similar transaction).

The preceding section (a) is not required because the Residence is located in a targeted Area (as defined and listed on the SC Housing website).

I am exempt from the three-year non-ownership requirement because this mortgage qualifies for the one-time exception to the "First-Time Homebuyer" requirement for Veterans who purchase a home using the proceeds from a Qualified Mortgage Revenue Bond. I certify that I am a veteran defined as a person who served in active duty of the United States Armed Forces or Reserves and who was discharged or released under conditions other than dishonorable. I further certify that I have not previously used this one-time exception for a Mortgage Revenue Bond Tax Exempt financing or Mortgage Credit Certificate assisted loan. List person claiming exempt status.

7. **TAX RETURNS CERTIFICATION:** I am required to provide and hereby authorize the lender and/or SC Housing to request official IRS tax transcripts or true and complete copies of my signed federal income tax returns for the prior three tax years as may be acceptable to SC Housing and the Lender.

Complete the following section only if you **were not** required by law to file federal income tax returns for any year during the preceding three years.

I certify that I **was not** required by law to file a federal income tax return for the following year(s): _____, _____, _____ for the reason(s) stated below:

(Borrower, year) _____

(Co-Borrower/Spouse, year) _____

(Additional Mortgagor(s), year) _____

(Titleholder(s), year) _____

Check the following section only if closing for the MCC-assisted loan (Mortgage Credit Certificate) or applicable Mortgage Loan will occur between January 1st and April 15th, **and** you have not filed your federal income tax return for the prior year.

I certify that if Mortgage closing is occurring between January 1 and April 15 and I have not yet filed my federal income tax return for the prior year that when I file my federal tax return for the prior year, I will neither be entitled to, nor claim deductions for real estate taxes or interest on indebtedness with respect to a principal residence for that year.

8. **TAX LIABILITIES:** Any borrower, spouse, or other interested party who will hold title to the property, who has **unpaid, unsatisfied, and/or unreleased federal or state tax liabilities** (either unpaid balances or liens) are ineligible for SC Housing Programs. Any tax lien must be satisfied prior to loan purchase and evidence to support the satisfaction or release of the lien must be included in the loan file.

A borrower, spouse, or other interested party who will hold title to the property and has established an installment agreement with the Internal Revenue Service, owes a cumulative total for all tax years of \$5,000 or less, and has at least a three-month timely payment history will not be considered ineligible in accordance with insurer requirements.

9. **PURCHASE PRICE CERTIFICATION:** I certify that the total cost of acquiring the Residence as a completed residential unit is equal to or less than \$_____.

The total acquisition cost of the land and the completed Residence includes:

- (a) Other amounts paid by me to the seller and not in the contract price (such as money for extra work, allowance overages, or reimbursement of any seller-paid points not in the sales contract price) or paid by a person related to me or for the benefit of me, to the seller or a person related to or acting on behalf of the seller.
- (b) A reasonable cost estimate of completing or repairing the Residence must be included in the acquisition cost, whether or not the construction is completed. A cost estimate of completing the Residence at closing, includes such construction items as, labor, materials, commissions, builder's fees, hook-up and tap-on fees, permits, architectural fees, site improvements, subcontracted items, construction loan interest, etc.
- (c) If new construction, the total cost of acquiring the Residence should include the construction cost plus the value of the land. The appraised value of the land should be used if the land has been received by the Borrower as a gift. If the land has been owned by the Borrower for more than two years before construction, the cost of the land is not included. If land has been owned less than two years, include the actual cost of the land.
- (d) Check here, if Residence purchased is subject to ground rent or a leasehold.
- (e) No side deal or agreement, either verbal or written, is presently contemplated for the completion of the Residence or an addition to the Residence.

10. **LENDER CHOICE CERTIFICATION:** I understand that I may seek financing from any lender of my choosing provided that lender and SC Housing have executed the required Lender Participation Agreement and that I am in no way prohibited from seeking financing from any particular lender.

11. **TARGETED AREA CERTIFICATION:** I acknowledge that, if requested, a list of Targeted Areas has been made available to me prior to the execution of the Request for Conditional Commitment.

12. ELIGIBILITY CHANGES CERTIFICATION: I understand and agree that changed conditions in acquisition costs, income and/or program requirements may disqualify me at closing from receiving the Mortgage Loan and/Mortgage Credit Certificate (MCC) although I was eligible at the time of application.
13. NEW CONSTRUCTION CERTIFICATION: I certify that if the Mortgage application is for the purchase of a newly constructed residence, that the Residence has not and will not be occupied prior to loan commitment. If the Residence is a newly constructed, never occupied residence, I certify that the proceeds of the mortgage will not be used to replace an existing mortgage or contract for deed (or similar transaction) unless the existing mortgage or contract for deed (or similar transaction) is for a construction loan of 24 months or less, bridge loan, or similar temporary loan financing of 24 months or less. If the Residence is a previously occupied, existing residence, I certify that the proceeds of the Mortgage will not be used to replace my existing mortgage or my existing contract for deed (or similar transaction).
14. DOWN PAYMENT ASSISTANCE: SC Housing offers down payment assistance (DPA) to qualified first-time homebuyers who have completed an approved Homebuyer Education course and obtained a completion certificate. In the event the DPA is forgivable, there are no payments due unless one of the following occurs:
 - You prepay the first mortgage prior to its scheduled maturity;
 - Title to the Residence is transferred to someone else;
 - You are in default on your first mortgage and it becomes due prior to its scheduled maturity; or
 - You no longer occupy the Residence as your primary residence.If any of the events described above occur, you must repay the outstanding principal amount of the DPA loan. No interest will be collected on the amount of forgivable DPA.
15. HOLD HARMLESS CERTIFICATION: I understand that the Lender and SC Housing will determine my eligibility to receive a mortgage loan and/or MCC. SC Housing will not inspect the Residence for defects and makes no representation as to the physical condition of the Residence. I agree to hold SC Housing harmless from any action or inaction on the part of the Lender, the Seller, the contractors or other involved parties.
16. MCC ONLY – ASSUMABILITY CERTIFICATION: I understand that if a MCC-assisted mortgage loan is to be assumed by a new borrower, the MCC may be issued to the new borrower under certain guidelines. The new borrower's acquisition cost and income limits must not exceed the SC Housing limits in effect at the time of the loan assumption. The new borrower must occupy the unit as a principal residence within 60 days of the assumption, and must be a first-time homebuyer, unless the home is in a Targeted Area. The new MCC will be issued in the same credit amount as for the original MCC. Additionally, the new MCC must comply with any changes in federal, state, or SC Housing policies that have amended the MCC requirements. There will be a nonrefundable MCC processing fee.
17. MCC ONLY – TRANSFERABILITY CERTIFICATION: I understand and agree that if an MCC is issued to me, it is not transferable to another person or property. I also understand that an MCC issued to me may be re-issued only once as a result of a refinance of my existing mortgage, but only if the mortgage being refinanced is from a fixed-rate mortgage into another fixed-rate mortgage. The re-issued MCC will expire on the final payment date of the original mortgage loan. The request for a re-issued MCC must be completed no later than two years after the date of the refinance, and must be made in writing to the Agency with copy of Closing Disclosure.
18. MCC ONLY – TAX ADVICE CERTIFICATION: I have been advised by the Lender to consult a tax accountant or to calculate federal tax consequences as a result of participation in the MCC program and not to rely solely on any statements made by the Lender or SC Housing. I have been advised that use of the MCC will reduce my mortgage interest deduction for federal tax purposes and that the MCC does not offer any state income tax credit. I understand that the maximum annual value of the credit is \$2,000 or the applicable tax credit amount, whichever is less. I acknowledge that depending on my individual tax situation, the MCC may not always provide a benefit to me in any given year.
19. RECAPTURE TAX: As a Mortgagor, I may receive benefits from the Mortgage Loan or MCC such as a tax credit that may reduce my federal income tax liability. As a result, pursuant to Section 143(m) of the IRS Code, I may become subject to a special "recapture tax" for federal income tax purchases. The maximum amount of the recapture is 6.25% of the original principal balance of the loan. You will be provided with additional information about this potential recapture tax at the time of your loan closing. SC Housing will reimburse any borrower the full amount of any recapture tax they are required to pay.
20. MORTGAGE ASSUMPTION: I have been advised that SC Housing may consent to a qualified assumption in accordance with its procedures without jeopardizing the tax-exempt status of its bonds. Without such approval, the Residence may not be sold subject to the mortgage loan and DPA. The execution by the borrowers of a land sale contract, contract for deed, or similar arrangement that transfers ownership and/or changes the occupancy status of the Residence (or the borrower's rights) is a sale of the Residence for this purpose. DPA mortgages cannot be assumed under any circumstance.
21. ESCROWS: Escrows for taxes and property insurance, including hazard, flood and wind/hail (if applicable), are required for the term of the first mortgage. DPA mortgage loans do not require an escrow account.

22. **REFINANCING:** No Mortgage Loan may be used to refinance permanent financing or replacement of an existing loan in connection with the Residence.
23. **APPLICATION ACCURACY:** All information contained in the application filed with the Lender is true and correct and I have no other debt obligations beyond what is listed on the mortgage loan application.
24. **AUTHORIZATION TO RELEASE INFORMATION:** I understand I am obtaining a Mortgage Loan and/or Mortgage Credit Certificate (MCC) through a SC Housing program. As part of the mortgage process, I understand SC Housing or its authorized representatives may need to verify information contained in my loan application and any other documents required in connection with the mortgage loan, pursuant to SC Housing Program requirements, investor requirements, or as part of a quality control program. By signing below, I authorize the lender to release any and all information, records, and documentation that SC Housing may request. Such information may include non-public personal information including, but not limited to social security number, employment history and income; bank, money market, and similar account balances; and copies of income tax returns for the three years prior to mortgage closing.
25. **MATERIAL MISSTATEMENT CERTIFICATION:** I acknowledge and certify this affidavit is being made under penalties of perjury and will be relied on for purposes of determining my eligibility for a MCC and/or Mortgage Loan. **Fraudulent Statements** - Any fraudulent statement will result in (i) the revocation of my MCC or Mortgage Loan, and (ii) a \$10,000 penalty under Section 6709 of the Internal Revenue Code. **Material Misstatements Due to Negligence** - Any material misstatement due to negligence on my part will result in a monetary penalty under Section 6709(a) of the Internal Revenue Code.
- Other Remedies** - In addition, any material misstatement due to negligence or misstatement due to fraud that is discovered before the issuance of a MCC and/or Mortgage Loan will result in denial of my application for a MCC and/or Mortgage Loan. If an MCC has been issued prior to the discovery of a fraudulent statement, then any MCC issued will automatically become null and void without any need for further action by SC Housing. If a Mortgage Loan provided under an SC Housing program has been funded prior to the discovery of a fraudulent statement, the fraudulent misstatement will constitute an event of default and will entitle the holder of the Mortgage to accelerate the Note and, among other remedies, to institute foreclosure.

SIGNATURES REQUIRED

Applicant Signature _____	Date _____
Co-Applicant Signature _____	Date _____
Spouse Signature _____	Date _____
Occupant Signature _____ (18 years of age or older)	Date _____
Occupant Signature _____ (18 years of age or older)	Date _____
Occupant Signature _____ (18 years of age or older)	Date _____

Seller Affidavit

I, the undersigned, as a participant in the sales transaction for a Mortgage Loan and/or Mortgage Credit Certificate (MCC) being submitted by _____ (Borrower's name), which may be approved or issued by the South Carolina State Housing Finance and Development Authority (SC Housing) in connection with the Borrower's purchase from the undersigned of a single-family property ("Residence"), state the following:

1. I certify that I am the legally authorized Seller of the Residence.
2. I certify that the Residence being purchased is a single-family residence located in South Carolina at this address: (check the statement that applies below):

The Residence is new, never occupied, **OR**

The Residence is an existing, previously occupied residence.

Property Address:

Property County:

3. The contract sales price of the Residence is \$ _____ (**required**). The total contract sales price includes the cost of the land (condo type property excluded as appropriate) on which the Residence is located and all other costs of the completed Residence. In making this certification:
 - (a) The Residence is either an existing dwelling or is a new dwelling constructed on land owned by a person other than Borrower prior to construction, and such land is being sold to the Borrower as part of the contract sales price. If new construction, the contract price should include the construction cost, excluding the value of the Borrower's and the Borrower's family's labor, plus the value of the land. The appraised value of the land should be used if the land has been received by the Borrower as a gift.
 - (b) Any other amounts paid to me **and not disclosed** in the contract sales price (such as money for extra work, allowance overages, or reimbursement of any seller-paid points not disclosed in the contract sales price) or paid to a person related to me or for the benefit of me, by the Borrower or a person related to or acting on behalf of the Borrower, which is \$ _____.
 - (c) The contract sales price includes the cost of any labor or materials needed to complete the Residence for habitation.
 - (d) I certify that the total cost of acquiring the property ("Residence") as a fully completed residential unit **does NOT exceed** \$ _____. No side arrangement or agreement, either verbal or written, is presently contemplated for the completion of the Residence or an addition to the Residence, unless the estimated cost of the completion and/or addition is included in the acquisition cost.
4. I understand that this affidavit will be relied on for determining Borrower's eligibility for a Mortgage Loan and/or Mortgage Credit Certificate (MCC).
5. I certify that the price of the residence with respect to which the Mortgage Loan and/or MCC was issued is no higher than it would be without the use of the Mortgage Loan and/or MCC.
6. In connection with the sale of the Residence, neither the undersigned nor anyone acting on behalf of the undersigned has entered into any contract, arrangement or understanding to make any payment to any real estate broker, agent or finder other than _____. The amount of such payment is \$ _____ or _____ % of the purchase price specified in the contract.
7. Under the terms of the contract, the undersigned are obligated to surrender possession of the Residence to the Borrower within 60 calendar days after the closing of said transaction.
8. I acknowledge and understand that this affidavit is being made under penalties of perjury and will be relied on for purposes of determining the Borrower's eligibility for a Mortgage Loan and/or MCC. **Fraudulent Statements** - Any fraudulent statement will result in (i) the revocation of my MCC, and (ii) a \$10,000 penalty under Section 6709 of the Internal Revenue Code. **Material Misstatements due to Negligence** - Any material misstatement due to negligence on my part will result in a monetary penalty under Section 6709(a) of the Internal Revenue Code. **Other Remedies** - In addition, any material misstatement due to negligence or misstatement due to fraud that is discovered before the issuance of a MCC and/or Mortgage Loan will result in denial of the application. If a MCC has been issued prior to the discovery of a fraudulent statement, then any MCC issued will automatically become null and void without any need for further action by SCHFDA.

Seller _____

Date _____

Seller _____

Date _____

SC HOUSING

Certificate of Eligibility

Approval - First Mortgage and DPA

Lender:		Date:	(mm/dd/yy)
1st Mtg. Loan Number:	DPA Loan Number:		
Loan Amount:	Loan Amount:	AUS No.:	
Interest Rate: %	DPA Term: 15 years	Submission No.:	
Term: 360 months		Credit Report Date:	
		COE Expiration Date:	
Borrower Name:			
Co-Borrower Name:			

SC Housing has completed its review of the subject loan for Program Compliance only. SCSHA has determined that the subject loan is eligible for closing. The lender assumes full responsibility for all other documentation, as they relate to credit and collateral, approval and appropriate state and federal compliance regulations. SCSHA will not be held liable for any issues arising from purchase/funding, SCSHA will not be held responsible for any issues or findings from reviews performed by investor, Private Mortgage Insurance (PMI) companies or FHA/HUD post endorsement reviews.

Upon delivery of the Closed Mortgage Loan for Purchase, the following documentation is required:

- 1. SF-020 - Loan Delivery Checklist - signed and dated by a Lender Representative.
- 2. 1st Mortgage TRID Closing Disclosure to include FHA Certification of Seller/Buyer/Agent - Signed by all parties; lender must also provide initial closing disclosure issued 3 days prior to and the final.
- 3. Final 1003 Loan Application and HUD 92900A (FHA Addendum to Loan Application- FHA Only) signed and dated at closing by borrower and lender.
- 4. FINAL 92900LT/1008/VA 26-1802A and FINAL DU Findings- Remit only if submitted through AUS after submission #
- 5. Verbal VOE/Re-Verification of Employment – VVOE w/in 10 calendar days of closing for all borrowers prior to/or after closing
- 6. FINAL Attorney/Insurance Preference Form- Final MUST match actual service providers.
- 7. Final Inspection/Completion Certification, if applicable per appraisal or sales contract (MUST Upload copy into e-Docs)
- 8. Termite Letter (CL100) or Soil Treatment (New Const.) - Performed by licensed company, dated within 45 days of closing. Must provide evidence of any repairs noted in report by licensed contractor.
- 9. Please refer to applicable Program Guides for allowable fees, closing costs and property insurance deductibles Provide proof of payment of Property County & City (if applicable) Taxes with closed loan file
- 10.
- 11. **Conditions as noted below must be included in the post-closing file.**
ONLY BORROWER'S ON THE LOAN CAN HOLD TITLE AT CLOSING. SC HOUSING DOES NOT PERMIT ANYONE NOT OBLIGATED ON LOAN TO HOLD TITLE - NOTE, MORTGAGE, DEED AND TITLE MUST ALL AGREE WHEN DELIVERED FOR PURCHASE
- 12. **FEDERAL INCOME TAXES DUE IN THE AMOUNT OF \$** **MUST BE PAID AT CLOSING BY BORROWER**
- 13. **ON THE CLOSING DISCLOSURE.**
- 14. **BORROWER TO NET \$** **FROM THE SALE OF ASSET OR HOME, PLEASE PROVIDE EVIDENCE VIA CD**
- 15.

Down Payment Assistance

- 1. SF-073 Award Letter and Acknowledgment - FHA Loans - - WET SIGNED AT CLOSING
 - 2. SF-074 Obligation Letter - ALL BOND DPA Loans - Lender copy (Provided by SCH with COE)
 - 3. SF-075 Notice of Recapture Form - Must be executed at closing (Provided by SCH with COE) - WET SIGNED AT CLOSING
 - 4. SF-033 Borrower/Co-Borrower Closing Affidavit - (Provided by SCH with COE) - WET SIGNED AT CLOSING
 - 5. FINAL TRID Closing Disclosure
-

Closed loan files must be remitted to SC Housing within 15 days of closing

LOSS PAYEE CLAUSE FOR ALL INSURANCE - TITLE AND PROPERTY

SC State Housing Finance and Development Authority, ISAOA, ATIMA
Attn: Mortgage Servicing, 300-C Outlet Pointe Blvd. Columbia, SC 29210

South Carolina State Housing Finance and Development Authority

Steve Clements, Director-Single Family Programs

SC HOUSING

300-C Outlet Pointe Blvd., Columbia, South Carolina 29210

Telephone: (803) 896-2211
www.schousing.com

Award Letter & Acknowledgement

*REQUIRED FOR ALL FHA LOANS

This Letter is intended by the SC Housing to satisfy the requirements of HUD Handbook 4000.1 5.B.5.a for a letter documenting an eligible Government Entity's provision of the borrower's cash to close including the required Minimum Cash Investment.

Date:

Re: Down Payment Assistance (DPA) Loan:

Borrower:

Co-Borrower:

Property Address:

DPA Loan Amount: \$

DPA Loan Terms: **15** years

Dear Sir or Madam:

This letter documents that the SC Housing, a public body corporate and politic of the State of South Carolina, (a §115 entity under the Internal Revenue Code) has awarded down payment assistance to Borrower in the form of the above- described DPA Loan, in an amount not to exceed the amount stated above. The DPA Loan will be secured by a subordinate lien on the Subject Property.

The only relationship between SC Housing and Borrower is as Lender and Borrower, respectively. **This award of down payment assistance is a loan that must be repaid by Borrower according to the terms of the DPA Loan.**

Sincerely,

Steve Clements

Steve Clements, Director
Single Family Programs

By signing below, Borrower(s) acknowledges that this Letter has been received, read, and understood by Borrower(s).

Signature(s) of Borrower(s):

.....

.....

SC HOUSING

300-C Outlet Pointe Blvd., Columbia, South Carolina 29210

Telephone: (803) 896-2211

This letter is intended by the SC Housing to satisfy the requirements of HUD Handbook 4000.1 11.A.4.d.ii and 11.A.5.c.ii to document the source requirements for a Governmental Entity providing the Borrower's Minimum Required Investment.

Date:

Down Payment Assistance (DPA) Loan:

Borrower:

Co-Borrower:

Property Address:

DPA Loan Amount: \$

DPA Loan Terms: **15** years

This letter documents that the South Carolina State Housing Finance and Development Authority ("SC Housing"), a public body corporate and politic of the State of South Carolina and a §115 entity under the Internal Revenue Code, has awarded down payment assistance to Borrower(s) in the form of the above-described DPA Loan. The DPA loan is being issued consistent with one of SC Housing's homeownership programs which include down payment assistance.

In its governmental capacity, SC Housing hereby incurs a legally enforceable liability as a result of its agreement to provide its funds for the above-referenced DPA Loan in order to meet the Borrower's required Minimum Required Investment. The provision of funds is not contingent upon any future transfer of the Borrower's first mortgage to a specific entity. SC Code §31-13-10, et. seq., from the South Carolina Code of Laws grants SC Housing the authority to provide the DPA loan in the jurisdiction where the Property Address is located.

Prior to applying for FHA insurance on the associated first mortgage loan, Lender must do all of the following: (i) put a copy of this letter in the FHA case binder; (ii) endorse to SC Housing the Promissory Note for the DPA Loan; (iii) execute and send a copy of the recorded assignment of the DPA Loan to SC Housing with the original being delivered as soon as reasonably possible following recordation in the applicable jurisdiction; and (iv) send the executed Promissory Note to SC Housing. If the DPA Loan is closed in SC Housing's name or Mortgage Electronic Registration Systems' (MERS) name, (ii) and (iii) above are not required.

Sincerely,

Steve Clements

Steve Clements, Director

Single Family Programs

SC HOUSING

Borrower/Co-Borrower Closing Affidavit

Closing Date: _____ 1st. Loan No.: _____

Borrower: _____ Co-Borrower: _____

Property Address: _____

I, the undersigned, as part of my application for a Mortgage Loan and/or Mortgage Credit Certificate (MCC) through the South Carolina State Housing Finance and Development Authority (SC Housing), and as a material inducement to the Participating Lender ("Lender") and SC Housing to offer a Mortgage Loan product or issue an MCC to the undersigned, in connection with the purchase of a single-family property ("Residence"), and to verify conformity with state and federal requirements, state the following:

1. I hereby certify that the above reference property is located at the address indicated above and that my correct mailing address is also indicated below.

Mailing Address: _____

2. I have reviewed and signed *Mortgage Affidavit and Borrower Certification* executed as part of my application for a Mortgage Loan or MCC and declare there have been no changes in the statements therein and the statements remain true and accurate, except as noted below. *(If no changes noted below, I agree everything remains the same.)*

3. I further state that I have not had an interest in a principal residence within three (3) years prior to the date of loan closing. For this purpose, a principal residence includes a single-family residence; condominium stock held by a tenant stockholder in a housing corporation; or any manufactured home (including a mobile home). Prior ownership interest in a manufactured home which is not permanently fixed to a foundation and was not taxed as real estate is acceptable. I am exempt from the first-time homebuyer requirement if my home is located in a Targeted area or I qualify for the one-time veteran's exception.
4. I acknowledge that the Seller has certified to me that the sales price of the residence is no higher than it would be without the use of an MCC or Mortgage Loan (including down payment assistance (DPA)) provided through SC Housing.
5. I have received from the Lender and signed the "Notice to Mortgagors of Potential Recapture of Federal Subsidy" (Form SF-075)." I understand that if my home is disposed of within the next nine (9) years, the maximum recapture tax payable, *if any*, is the lesser of 6.25% of the 1st mortgage loan amount, or 50% of the gain on the sale.
6. I acknowledge that if I fail to occupy the property described in the mortgage as a principal residence within 60 days after closing, or do not continue to occupy property as a principal residence, without prior written consent of SC Housing, shall constitute a default and all sums secured by the Residence may be declared immediately due and payable and/or the MCC may be revoked.
7. I certify that I have received no notice of layoff and do not have any knowledge of a pending layoff. My outstanding obligations and income are substantially the same as reported on the application.
8. I acknowledge that I have received a copy of the completed Termite Inspection Letter/Report. SC Housing in no way warrants the finding of the termite report or the adequacy of the inspection nor does it warrant the qualifications of any company and/or persons who performed the inspection.
9. All of the conditions, including but not limited to inspections, of the Contract/Offer to Purchase signed and executed by me have been satisfactorily met.
10. I hereby certify that any photographed document(s) provided by me to the Lender and/or any internet document(s) provided by me to the Lender are true and exact copies of the original(s).
11. The undersigned borrower has been advised by the closing agent that the loan documents being executed this date do not have final approval of or acceptance by the investor or guarantor which has issued its commitment to purchase or guarantee the loan. As a condition of Lender proceeding with the closing and disbursement of loan proceeds, I agree to fully cooperate and adjust for clerical errors on any loan documents and will execute and/or provide whatever additional documents may be required in order to make this loan eligible for purchase or guarantee by the investor or insuring agency.
12. I hereby consent that SC Housing and its agents may contact me regarding my loan(s) now and in the future at the number I have provided below, or may provide in the future, regardless of whether such number is a cellular device, using automated telephone dialing equipment and/or prerecorded voice or text messages. I understand that my consent to such communication is not a condition of my loan.
Phone Number: _____
13. I acknowledge that I have not relied on SC Housing or the Lender in determining the potential tax benefits of the MCC. I understand that the MCC offers no state personal income tax credit and may not always provide a tax benefit to me in any given year.
14. I acknowledge and understand that this affidavit is being made under penalties of perjury and will be relied on for purposes of determining my eligibility for a Mortgage Loan or MCC. **Fraudulent Statements** - Any fraudulent statement will result in (i) the revocation of my Mortgage

Loan and/or MCC, and (ii) a \$10,000 penalty under Section 6709 of the Internal Revenue Code. **Material Misstatements due to Negligence** - Any material misstatement due to negligence on my part will result in a monetary penalty under Section 6709(a) of the Internal Revenue Code. **Other Remedies** - In addition, any material misstatement due to negligence or misstatement due to fraud that is discovered before the issuance of an MCC or funding of the Mortgage Loan will result in denial of my application for an MCC or Mortgage. If an MCC has been issued prior to the discovery of a fraudulent statement, then any MCC issued will automatically become null and void without any need for further action by SC Housing. If a Mortgage provided under an SC Housing program has been funded prior to the discovery of a fraudulent statement, the fraudulent misstatement will constitute an event of default and will entitle the holder of the Mortgage to accelerate the Note and, among other remedies, to institute foreclosure.

Borrower Signature _____

Date _____

Co-Borrower Signature _____

Date _____

SC HOUSING

300-C Outlet Pointe Blvd., Columbia, South Carolina 29210

Telephone: (803) 896-2211

www.schousing.com

Recapture Notice to Borrower

(Keep This Document in a Safe Place Until You Sell the House)

Originator:

Loan Number:

Borrower:

Co-Borrower:

Address:

City/State:

South Carolina

County:

Commitment Date:

Loan Amount: \$

Maximum Recapture

Tax Amount: \$

{Loan Amount x 0.0625}

Because you are receiving a mortgage and DPA loan from the proceeds of a tax-exempt bond, you are receiving the benefit of a lower interest rate than is customarily charged on other mortgage loans. If you sell or otherwise dispose of your home during the next nine years, this benefit may be "**recaptured**." The recapture is accomplished by an increase in your federal income tax for the year in which you sell your home. The recapture only applies, however, if you sell your home at a gain and if your income increases above specified levels. You may wish to consult a tax advisor or the local office of the internal Revenue Service at the time you sell your home to determine the amount, if any, of the recapture tax. Along with this notice, you are being given additional information that will be needed to calculate the recapture tax.

The Authority is required to report to the internal Revenue Service the names, addresses, and social security numbers of individuals who receive federally-subsidized financing after December 31, 1990.

The attached pages are designed to assist you in the calculation of the "Recapture Tax." However, the Authority is not responsible for the calculation, and additionally; tax laws and regulations may change after the date of this notice; therefore, you should consult a tax advisor at the time of resale by you of your residence to determine the amount, if any, of such "**Recapture Tax**."

Effective with all loans closed after July 1, 2006, SC Housing will reimburse any recapture tax paid by its borrowers. The reimbursement policy is included with this notice.

The undersigned Mortgagor (s) has (have) received and read a duplicate copy of this **Notice to Mortgagor of information Regarding Potential Recapture Tax**.

Date

Date

**NOTICE TO THE BORROWER (S) OF MAXIMUM RECAPTURE TAX AND
OF METHOD TO COMPUTE RECAPTURE TAX ON DISPOSITION OF HOME**

In accordance with section 143(m) of the Internal Revenue Code, the estimated Maximum Recapture Tax that you may be required to pay upon disposition of this property is the total tax listed on page 1 of this disclosure. This amount is 6.25% of the highest principal amount of your federally subsidized indebtedness with respect to the loan.

A. INTRODUCTION

1. **GENERAL.** When you sell your home, you may have to pay a recapture as calculated below. The recapture tax may also apply if you dispose of your home in some other way. Any reference in this notice to the "SALE" of your home also includes other ways of disposing of your home. For instance, you may owe the recapture tax if you give your home to a relative.
2. **EXCEPTIONS.** In the following situations, no recapture tax is due and you do not need to do the calculations.
 - a. You dispose of your home later than nine years after you close your mortgage loan;
 - b. Your home is disposed of as a result of your death;
 - c. You transfer your home either to your spouse or to your former spouse incident to divorce and you have no gain or loss included in your income under Section 1041 of the Internal Revenue Code; or;
 - d. You dispose of your home at a loss.

B. ACTUAL RECAPTURE TAX

The actual recapture tax, if any, can only be determined when you sell your home, or is the lesser of (1) 50% of your gain on the sale of your home, regardless or whether you have to include that gain in your income for federal income tax purposes, or (2) your RECAPTURE AMOUNT determined by multiplying the following three numbers:

- i) The MAXIMUM RECAPTURE TAX, as described at the beginning of this notice
- ii) The HOLDING PERIOD PERCENTAGE, as listed in column 2 in the table, and
- iii) The INCOME PERCENTAGE, as describe in paragraph C below.

C. INCOME PERCENTAGE

You calculate the income percentage as follows:

- i) SUBTRACT the applicable ADJUSTED QUALIFYING INCOME in the taxable year in which you sell your home, as listed in Column 2 in the Table, from your Modified Adjusted Gross Income in the taxable year in which you sell your home. - (adjusted gross income from Federal tax returns)

Your modified adjusted gross income means your adjusted gross income shown on your federal income tax return for the taxable year in which you sell your home, with the following two adjustments: (a) your adjusted gross income should be INCREASED by the amount of any interest that you receive or accrue in the taxable year from tax-exempt bonds that is excluded from your gross income (under Section 103 of the Internal Revenue Code); and (b) your adjusted gross income must be DECREASED by the amount of any gain included in your gross income by reason of the sale of your home.

- ii) If the amount calculated in (i) above is zero or less, you owe no recapture tax and do not need to make any more calculations. If it is \$5,000 or more, your income percentage is 100%. If it is greater than zero but less than \$5,000, it must be divided by \$5,000. This fraction, expressed as a percentage, represents your income percentage. For example, if the fraction is \$1,000 / \$5,000 your income percentage is 20%.

D. LIMITATIONS AND SPECIAL RULES ON RECAPTURE TAX

1. If you give away your home (other than to your spouse or ex-spouse incident to divorce), you must determine your actual recapture tax as if you had sold your home for its fair market value.
2. If your home is destroyed by fire, storm, flood, or other casualty, there generally is no recapture tax if, within two years, you purchase additional property for use as your principal residence on the site of the home financed with your original subsidized mortgage loan.
3. In general, except as provided in future regulations, if two or more persons own a home and are jointly liable for the subsidized mortgage loan, the actual recapture tax is determined separately for them based on their interests in the home.
4. If you repay your loan in full during the nine-year recapture period and you sell your home during this period, your holding percentage may be reduced under the special rule in Section 143 (m) (4) (C) (ii) of the Internal Revenue Code.
5. Other special rules may apply in particular circumstances. You may wish to consult with a tax advisor of the local office of the Internal Revenue Service when you sell or otherwise dispose of your home to determine the amount, if any, of your actual recapture tax. See Section 143 (m) of the Internal Revenue Code generally. Go to: www.irs.gov

Effective with all loans closed after July 1, 2006, the SC Housing will reimburse any recapture tax paid by our borrowers. The new policy states:

RECAPTURE TAX REIMBURSEMENT

Federal law provides for a *possible* Recapture Tax when homeowners sell their home within the first nine years after receiving a mortgage through the SC Housing. In order to remove the confusion and worry about having to pay a recapture tax when the home is sold, SC Housing will reimburse any SC Housing homebuyer who purchases their home on or after July 1, 2006, the amount of recapture tax the homebuyer pays in connection with the sale of the home.

SC Housing will not calculate the recapture amount. Upon sale or disposition of the residence, the borrower(s) must consult a personal tax adviser or the IRS.

In order to request a recapture tax reimbursement from SC Housing:

- * The borrower(s) first must instruct the IRS, by using IRS Form 4506, to send to SC Housing a copy of each borrower's federal tax return covering the calendar year the residence was sold. This return must include IRS Form 8828 – Recapture of Federal Mortgage Subsidy.
 - o On Form 4506, instruct the IRS to send the information to:
SC Housing
Attn: Servicing/ Recapture Reimbursement Request
300C Outlet Pointe Boulevard
Columbia, SC 29210
- * The borrower(s) must send a written request for reimbursement to SC Housing, by June 30th of the calendar year after the residence is sold, accompanied by the following:

- o a copy of the signed HUD-1 Settlement Statement from the sale or disposition of the property; and
- o the address to which the reimbursement should be mailed; and

Submit requests for reimbursement to:

**SC Housing
Attn: Servicing/ Recapture Reimbursement Request
300-C Outlet Pointe Boulevard
Columbia, SC 29210**

SC Housing will process the request for reimbursement when copies of the borrower(s) tax returns are received from the IRS. State Housing will only reimburse the Recapture Amount actually paid, but will not reimburse fees, interest, expenses or penalties incurred.

Be advised that SC Housing will issue an IRS Form 1099 so the amount of any recapture tax that State Housing reimburses to the borrower will be reported to the IRS as income.



SC Housing Homebuyer Program (BOND)
SF-020 BOND Loan Delivery for Purchase to SC Housing

1st Loan No.:
1st Loan Amount:
Lender Name:

POST CLOSING CONTACT INFORMATION MUST BE COMPLETED

Post Close Contact: Phone: Email:

BORROWER(S)

Borrower: Co-Borrower:
Property Address: City: Zip:

DOCUMENT CHECKLIST - INSURE ALL DOCUMENTS ARE COMPLETED, SIGNED AND DATED

FILES MUST BE STACKED IN ORDER OF THIS CHECKLIST - FAILURE TO COMPLY MAY RESULT IN REQUEST FOR RESUBMISSION.

- ALL TYPED BORROWER NAME MUST MATCH AND MUST BE SIGNED AS TYPED PER WARRANTY DEED - REFER TO PROGRAM MANUAL
ALL NOTES MUST BE ENDORSED OR CONTAIN AN ALLONGE TO - SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY

SC HOUSING BOND AND DPA MORTGAGE LOAN DOCUMENTS

- 1. SF-020 Whole Loan Delivery Checklist- Signed and dated by lender (PLEASE PROVIDE POST CLOSING CONTACT INFO) DPA
2. Original Warranty Deed - TYPED NAMES MUST MATCH - ON NOTE, MORTGAGE AND TITLE
3. DPA Original Note with Allonge or Endorsement - TYPED NAMES AND MUST MATCH WARRANTY DEED
4. DPA TRID Final Closing Disclosure - Escrow section must match escrow section of 1st mortgage CD
5. DPA Award Letter and Acknowledgment (FHA Only) and Recapture Notice PROVIDED WITH COE - (4 Pages) -WET SIGNED
6. SF-033 Borrower Closing Affidavit - WET SIGNED
7.

1ST MORTGAGE DOCUMENTS

- 8. First Payment Letter signed & dated by borrower(s) - MUST reflect MI Premium
9. MI Certificate - CONVENTIONAL Loans ONLY
10. COE Documents required to clear "at closing" conditional requirements listed on COE
11. ORIGINAL Note with Allonge or Endorsement - NAMES MUST MATCH WARRANTY DEED (ENDORSED - SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY, ISAOA, ATIMA)
12. Signature/Name Affidavit
13. Recorded Specific POA for borrower, if applicable
14. Mortgage with riders (PUD, CONDO, TAX EXEMPT, VA Loan Assumption Rider) & legal description
15. Final TRID Closing Disclosure - SIGNED
16. Final TRID Seller's Closing Disclosure or ALTA Settlement Statement - SIGNED
17. HUD Buyer /Seller /Agent Certification(s)
18. Initial Escrow Account Disclosure Statement - WET SIGNED - SC HOUSING DOES NOT PERMIT ELECTRONIC CLOSINGS
19. Property Tax Certification for County & City taxes (PAID TAX RECEIPT) if scheduled to be purchased on or after 11/01
20. Hazard Ins. binder-policy w/1 year's paid prem. (Master Policy for Condo and PUD, if applicable) (CANNOT BE DATED MORE THAN 20 days PRIOR)
21. Wind/Hail Ins. binder w/1 year's paid prem. (If not included in the hazard policy)
22. Flood Hazard Determination Cert and Flood Zone Disclosure (in or out) Pg 2 MUST BE SIGNED - Flood Ins Policy, if applicable
23. IRS W-9 AND 4506-C or 8821 - WET SIGNED
24. Final Loan Application(s) 1003 signed by borrower's or POA (WET SIGNED) and loan officer (CAN BE ELECTRONIC)
25. HUD 92900-A Addendum to the URLA - Direct Endorsement Approval (FINAL Pages 1-4) (Borrower-WET, UW can be Electronic)
26. Repair/Final Inspection with color photos - (HUD 92051 Compliance Inspection Report., if applicable)
27. CL-100 Termite Letter or Soil Treatment dated within 45 days of closing or after- Documentation to support repairs, if applicable
28. FINAL Attorney/Insurance Preference Form - (MUST reference actual providers)
29. Title Commitment / Short Form Title Policy w/8.1 & 9 and all other applicable endorsements dated w/in 60 days of closing FINAL
30. USDA Loan Note Guarantee - FINAL 3555
31. Verbal VOE - 10 calendar days prior to or after closing



SC Housing Made it Home! Program
Effective February 2, 2026

This guide is intended to provide a summary of the program requirements for the SC Housing Made it Home! Program. The Made it Home! Program is limited to one-hundred and thirty (130) new construction single-family homes built by one of the following approved builders – **D.R. Horton, Gainey Construction Co., Housing Development Corporation of Rock Hill, McGuinn Homes, or Oak and Ave Property Group**, specifically in accordance with the Made it Home! Program requirements. This guide is to be used in conjunction with the SC Housing Homebuyer (BOND) program guide and manual (if applicable), or any participating lenders (other) fixed rate first mortgage program.

Loan Purpose/Type	Purchase Money Transactions on Made It Home! Program eligible homes only
Interest Rate and Term	<p>30-year fixed interest rate ONLY (FHA, USDA, VA and Conventional)</p> <ul style="list-style-type: none"> • SC Housing does not offer Buydowns (temporary or permanent) on any of its first mortgage programs • Lenders using a secondary market or in-house portfolio loan may offer buydowns
Income and Sales Price Limits	<p>Made It Home! Program Loans are subject to a maximum income and sales price limit and are contingent on the source of funding for the first mortgage.</p> <p>Maximum Home sales price limit is \$200,000 (min. 1,200 square feet - 3 bedrooms/ 2 baths)</p> <p>Maximum Income limit is \$135,000 (unless using SC Homebuyer Bond Program)</p> <p>If the borrower chooses SC Housing’s Homebuyer BOND program first mortgage, use the county specific income limits on the SC Housing’s Homebuyer Sales Price and Income Limits chart.</p> <p>If the borrower uses an approved lenders first mortgage program, the maximum income is \$135,000.</p>
Down Payment Assistance (DPA)	<p>Made It Home! Program provides borrower’s with down payment assistance (DPA) to help cover any portion of their down payment and closing costs. No portion of the DPA can be used to pay appraisal gap or real estate commission. The Made it Home! Program DPA is a \$25,000, 10-year forgivable zero percent interest-no monthly payment second mortgage.</p> <p>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.</p> <ul style="list-style-type: none"> • DPA liens must be funded by the lender, closed in the lender’s name and assigned to SC Housing at delivery • Lenders are responsible for completing and delivering all TRID disclosures to include a final Closing Disclosure, any addendum and seller certifications must be signed by all parties • Lenders are responsible for sending Good-Bye letters (First and Second DPA) in accordance with RESPA

Eligibility and Submission Requirements

All first mortgage loans must meet all applicable program and insurer (Fannie Mae, Freddie Mac, HUD, USDA/RD, VA) requirements. Upon review of your submission, SC Housing will issue an approval (COE).

Eligibility and submission requirements are based on the First Mortgage Loan Type. The two types of submissions are noted below:

SC Homebuyer (BOND) Program

- Borrowers must meet all SC Homebuyer program requirements outlined in the SC Housing program guide and Manual
- Loan must be registered as a Made it Home! Program loan in Lender Online
- Borrowers must meet the first-time homebuyer definition or be a Veteran eligible for a one-time exemption
- 640 minimum credit score
- 45% maximum DTI
- Property must be occupied as the borrower's principal residence
- SC Housing will issue approval (COE) and Award Letter for both the first and DPA mortgage
- Submission process is the same as a regular SC Housing Homebuyer loan for both eligibility and funding
- Closed loan files (first mortgage and DPA liens) must be submitted to SC Housing for purchase thru Lender Online. Deliver the first and DPA original notes to SC Housing (SF-090). TRID Closing Disclosure (CD) is also required for the \$25,000 DPA lien

Lender's (other) First Mortgage Loan Program

- Lender approves and closes the first mortgage in accordance with lender's applicable program requirements
- If using lender's first mortgage program (inc. DPA) borrowers are not required to meet first-time homebuyer definition
- DPA lien must be registered as a Made it Home! Program DPA loan only in Lender Online
- Borrower cannot own any other real estate at time of closing
- Property must be occupied as the borrower's principal residence
- Lender will submit the following documentation using Lender Online for preliminary eligibility determination for the \$25,000 DPA lien only (SF-080) "MADE IT HOME Request for DPA ONLY – Determination of Eligibility"
 - 1003
 - AUS approval or Lender's underwriting approval (i.e.; 1008, 92900LT etc. for portfolio or manually UW loans)
 - Copy of fully executed sales contract (Maximum sales price \$200,000)
 - Appraisal
 - TRID Loan Estimate (LE) for \$25,000 DPA
 - SC Housing will issue approval (COE) and Award Letter for DPA only
- Closed loan files (second DPA lien only) must be submitted to SC Housing (within 15 days of closing) for purchase thru Lender Online. Deliver the DPA original note to SC Housing (SF-090). TRID Closing Disclosure (CD) is required for the \$25,000 DPA lien.

SC Housing Contact Information and ID's

Lender Help Desk 803.896.2211

mortgage.production@schousing.com

Underwriting Questions/File Submission and Status Updates

under.writing@schousing.com

SC Housing ID's

FHA – 4723009993 VA – 679535 USDA – 591585639

MERS - 1008745 SC Housing EIN 59-1585639

Lender will deliver loans that were originated in accordance with AUS and insurer guidelines as applicable, unless otherwise stated within this program guide. In the case of conflicting guidelines, lender must follow the more restrictive to meet credit, income limit, 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/borrowers.

SC HOUSING

MADE IT HOME PROGRAM Request for DPA ONLY - Determination of Eligibility

Applicant:	Co-Applicant:		
Property Address:	City:	State:	Zip:
DPA Loan No.:	DPA Loan Amount:		

Lending Partner: _____

Contact: _____

Lender Phone: _____ **Email:** _____

Please upload the following documents via e-Docs for review and determination of program eligibility:

- 1. Request for DPA ONLY - Eligibility Determination (SF-080)
- 2. 1008 -(CONV/USDA); 92900LT-(FHA) Loan Analysis-(VA)
- 3. 1003 - FINAL Uniform Residential Loan Application
- 4. AUS Findings - (DU,LPA, GUS)
- 5. Contract of Sale (Max. Sales Price of \$200,000)
- 6. Appraisal
- 7. TRID - LE for 25,000 DPA
- 8. Subordinate Financing Documentation, if applicable

LENDER CERTIFICATION

The undersigned lender certifies that the loan application, initial (LE) and final (CD), all applicable loan disclosures, verifications of employment, income and deposits, and all other loan documents have been processed in compliance with all applicable federal and state laws and regulations and, to the best of the lender's knowledge. The undersigned lender further certifies that all information provided in support of this DPA loan is true, complete and accurate to the best of the lender's knowledge and belief.

Date _____ Signature of Lender _____ Print Name of Authorized Signature _____

SC HOUSING

300-C Outlet Pointe Blvd., Columbia, South Carolina 29210 Telephone: (803) 896-2211

MADE IT HOME PROGRAM CERTIFICATE OF ELIGIBILITY

DPA APPROVAL ONLY

Borrower Name:	DPA Loan Number:	Date:
Co-Borrower Name:	Loan Amount: \$ 25,000.00	COE Expiration
	Term: 120 months	

The lender has selected to use one of their first mortgage program's in accordance with the SC Housing Made it Home DPA Program. We have received a completed Made It Home - Request for DPA ONLY Eligibility Determination (SF-080) and all requested supporting documentation. Your request has been reviewed in accordance with all applicable Program Guides and supporting materials and has been determined to be Eligible. Review of the subject loan was for Program Compliance only. The lender assumes full responsibility for all other documents as they relate to credit and appraisal approval in accordance with all applicable state and federal compliance regulations.

Upon delivery of the closed DPA loan file for purchase, within 15 days of closing. The following documentation must be uploaded into the Lender Online portal prior to purchase:

1. Copy of this Certificate of Eligibility
2. Lender to ensure they are in receipt of all conditions per per the Lender's UW Approval.
3. Lender must utilize the DPA Note and Mortgage forms located in Lender Online. Please date all documents the day of closing.
4. Close the DPA lien in accordance with all federal, state and insurer requirements
5. No other secondary financing allowed other than the program DPA mortgage, unless otherwise noted on this COE. Additional financing has been approved in the amount of \$
In the event additional subordinate financing is used, lien must be in subordinate position to the Made it Home DPA and a copy of the executed note and mortgage for the subordinate financing must be included in the closed loan file
6. Copy of the attached Award letter signed by all borrower(s)

South Carolina State Housing Finance and Development Authority

Steve Clements

Steve Clements
Director, Homeownership

*REQUIRED FOR ALL FHA LOANS

SC HOUSING

300-C Outlet Pointe Blvd., Columbia, South Carolina 29210

Telephone: (803) 896-9001

www.schousing.com

Award Letter & Acknowledgement

This Letter is intended by the SC Housing to satisfy the requirements of HUD Handbook 4000.1 5.B.5.a for a letter documenting an eligible Government Entity's provision of the borrower's cash to close including the required Minimum Cash Investment.

Date:

Re: Down Payment Assistance (DPA) Loan:

Borrower:

Co-Borrower:

Property Address:

DPA Loan Amount: \$25,000.00

DPA Loan Terms: 10 year

Dear Sir or Madam:

This letter documents that the SC Housing, a public body corporate and politic of the State of South Carolina, (a §115 entity under the Internal Revenue Code) has awarded down payment assistance to Borrower in the form of the above- described DPA Loan, in an amount not to exceed the amount stated above. The DPA Loan will be secured by a subordinate lien on the Subject Property.

The only relationship between SC Housing and Borrower is as Lender and Borrower, respectively. **This award of down payment assistance is a loan that must be repaid by Borrower according to the terms of the DPA Loan.**

Sincerely,

Steve Clements

Steve Clements

Director, Homeownership

By signing below, Borrower(s) acknowledges that this Letter has been received, read, and understood by Borrower(s).

Signature(s) of Borrower(s):

Borrower Signature

Co-Borrower Signature

"Housing South Carolina Is Our Business"

SC HOUSING

300-C Outlet Pointe Blvd., Columbia, South Carolina 29210

Telephone: (803) 896-9001

www.schousing.com

This Letter is intended by the SC Housing to satisfy the requirements of HUD Handbook 4000.1 II.A.4.d.ii and II.A.5.c.ii, to document the source requirements for a Governmental Entity providing the Borrower's Minimum Required Investment.

Date:

Down Payment Assistance (DPA) Loan:

Borrower:

Co-Borrower:

Property Address:

SC

DPA Loan Amount: \$25,000.00

This letter documents that the South Carolina State Housing Finance and Development Authority ("SC Housing"), a public body corporate and politic of the State of South Carolina and a §115 entity under the Internal Revenue Code, has awarded down payment assistance to Borrower(s) in the form of the above-described DPA Loan. The DPA loan is being issued consistent with one of SC Housing's homeownership programs which include down payment assistance.

In its governmental capacity, SC Housing hereby incurs a legally enforceable liability as a result of its agreement to provide its funds for the above-referenced DPA Loan in order to meet the Borrower's required Minimum Required Investment. The provision of funds is not contingent upon any future transfer of the Borrower's first mortgage to a specific entity. SC Code §31-13-10, et. seq., from the South Carolina Code of Laws grants SC Housing the authority to provide the DPA loan in the jurisdiction where the Property Address is located.

Prior to applying for FHA insurance on the associated first mortgage loan, Lender must do all of the following: (i) put a copy of this letter in the FHA case binder; (ii) endorse to SC Housing the Promissory Note for the DPA Loan; (iii) execute and send a copy of the recorded assignment of the DPA Loan to SC Housing with the original being delivered as soon as reasonably possible following recordation in the applicable jurisdiction; and (iv) send the executed Promissory Note to SC Housing. If the DPA Loan is closed in SC Housing's name or Mortgage Electronic Registration Systems' (MERS) name, (ii) and (iii) above are not required.

Sincerely,

Steve Clements

Steve Clements

Director, Homeownership

program guide



Palmetto Home Advantage Program

Effective February 2, 2026

Palmetto Home Advantage helps First Time Homebuyers and Move-up or repeat buyers purchase a home. The program offers Conventional (with reduced MI) or Government financing with forgivable down payment assistance (DPA). Loans must also meet all applicable insurer requirements and those outlined in the Lakeview Loan Servicing program matrices locate at <https://www.lakeviewcorrespondent.com/hfa-matrices>

Loan Purpose/Type	<p>Eligible - Purchase Money Transactions ONLY</p> <p>Not Eligible - One-time construction loans</p>
Homebuyer Eligibility	<p>The Palmetto Home Advantage Program is not limited to first-time homebuyers. Move-up and repeat home buyers are eligible.</p> <p>Borrower(s) cannot have an ownership interest in more than two financed residential properties, to include the subject property as of the Note Date. Subject property must be an owner-occupied primary residence.</p> <p>Non-occupant borrowers are permitted as follows;</p> <ul style="list-style-type: none"> • Conventional (Fannie and Freddie) for one-unit property with max LTV of 95% and 105% TLTV, follow insurer and Lakeview guidelines • FHA – follow FHA and Lakeview requirements – 203K Limited available (Consult Lakeview Loan Servicing requirements for specifics) • USDA/VA – NOT PERMITTED
Income and Sales Price Limits	<p>Income and Sales Price limits must meet program and investor requirements.</p> <p>State wide Income Limit - \$135,750.00 - Use standard credit qualifying income (not total household income)</p> <p>Home Price Limits – subject to any maximum specified by insurer, MI and AUS approval</p> <p>Income limits must be equal to the borrower(s) total income listed on the application including commission, bonus and overtime. Limit is not dependent on family size. Use standard credit qualifying income (not total household income). The income used for approval must be consistent on the I003, I008, 92900LT, VA Loan Analysis and AUS.</p> <ul style="list-style-type: none"> • Conventional – Fannie Mae - Refer to Mortgage Insurance Requirements for applicable coverage based on AMI (see Mortgage Insurance section below) as determined by “Fannie Mae Area Median Income Lookup Tool” https://ami-lookup-tool.fanniemae.com/amilookuptool • Conventional - Freddie Mac Refer to Mortgage Insurance Requirements for applicable coverage based on AMI (see Mortgage Insurance section below) as determined by “Freddie Mac Home Possible Income and Property Eligibility Tool” https://sf.freddiemac.com/working-with-us/affordable-lending/home-possible-eligibility-map
Down Payment Assistance (DPA)	<p>Down Payment Assistance (DPA) must be used for down payment and closing cost.</p> <p>Down Payment Assistance is available with a 0%, 3% or 4% of the total first mortgage loan amount (including UPMIP, Funding or Guarantee Fee) through a forgivable second mortgage with a 10-year term and zero percent-no payment interest rate. This is not a grant.</p>

DPA can now be used to pay Conventional Single Premium MI. No portion of the DPA can be used of offset appraisal gap or cover real estate commission. 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.

- DPA must be closed in the lender’s name on the required SC Housing note and mortgage and registered in MERS at delivery to Lakeview Loan Servicing.
- The DPA Note is endorsed to South Carolina Housing Finance and Development Authority and is delivered along with the First Mortgage Note to Lakeview Loan Servicing
- Any amounts exceeding credit for POC items and a principal reduction, lender must reduce the loan amount of the first mortgage by the difference prior to closing the loan
- Lenders are responsible for the initial Loan Estimate and Closing Disclosure – only allowable closing cost on the DPA second mortgage are those required to record the mortgage
- Lenders will be responsible for sending the Good-Bye letters (First and Second DPA) in accordance with RESPA

Interest Rate

Fixed interest rate ONLY. SC Housing does not offer buydowns (temporary and permanent).

Term

30-year term

**Reservation/
Extensions**

Rate locks will be accepted from 10:00 AM – 6:00 PM Monday - Friday; excluding state recognized holidays and days that the US Financial Markets are closed for business. Rates are published daily and are subject to change without notice. Any request for modifications or request for extensions to an existing reservation should be sent via email to lockdesk@schousing.com – Please include borrower name and SC Housing loan number in your request.

Rate Lock Periods

- 60 days – New and Existing Construction - Do not lock the interest rate at the time of application, wait until ready to deliver to SC Housing for Review
- **Rate Lock Expiration – Loans must be closed and be funded by the master servicer “Lakeview Loan Servicing” by lock expiration**
- Loans aged more than 45 days after the note date and receipt of the credit and closing file in fundable condition will not be purchased by Lakeview Locks may be extended and must be requested prior to the rate lock expiration. Extension requests after the rate lock expiration is subject to relock at worse case pricing
- Extensions are available – up to 30 days total

7 day	.125%
15 day	.250%
30 day	.375%

- Loans may be reserved Monday – Friday between 10:00 AM and 6:00 PM
- Interest rates are subject to change without notice and are posted in Lender Online
- If a rate lock is withdrawn or canceled, the lender cannot initiate a new lock for the same property until 60 days after the withdrawal/cancellation date
- Each rate lock applies to a specific borrower and property.
 - If the property is not purchased and the borrower places a contract on a different property, a new rate lock can be requested subject to current market rates

**Homebuyer
Education**

SC Housing requires at least one borrower to complete an online or classroom-based homebuyer education course that meets National Industry Standards for Homeownership and Counseling, or be provided by a HUD-approved counseling agency (Government and Conventional). Framework Home View and Credit Smart, issued by Fannie Mae and/or Freddie Mac meet this requirement for both Conventional and Government loans. Homebuyer education certificates are valid for twelve (12) months.

**Minimum Borrower
Financial
Contribution**

NONE – other than AUS or insurer required down payment or reserves

<p>Property</p>	<p>Single family, one unit; two-unit permitted on Fannie, Freddie and FHA ONLY; PUDs, attached, detached; condominiums; true off frame modular homes (not eligible for USDA); Manufactured Housing (Fannie, Freddie, FHA and USDA ONLY) Full Appraisal meeting all insurer and AUS requirements and evidence of UCDP upload must be provided - Accessory Dwelling Unit (ADU) not permitted; Property Inspection Waiver (PIW allowed- Conventional only, subject to AUS and insurer requirements)</p> <p>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.</p> <p>Repair and Final Inspections – All inspections required must meet applicable insurer requirements.</p> <p>CL-100/Soil Treatment required if referenced in the sales contract or appraisal.</p> <ul style="list-style-type: none"> Any damage or recommended repairs noted in report must be addressed with evidence of completion, prior to purchase
<p>Manufactured Housing</p>	<p style="text-align: center;">Manufactured Housing is <u>ONLY</u> available as Fannie, Freddie, and FHA</p> <p>Loans are subject to the requirements below. Please consult any additional requirements established by HUD/FHA and Lakeview Loan Servicing</p> <ul style="list-style-type: none"> Minimum FICO of 660 and maximum DTI Ratio not to exceed 45% New construction or existing units constructed in 1994 or later Must be or have been directly transported from the manufacturer or dealership to the site Designed as a one-family dwelling Doublewide or greater, single wide units are NOT ELIGIBLE Finished floor area of not less than 400 square feet HUD Certification Label affixed or have obtained a letter of label verification issued on behalf of HUD, evidencing the house was constructed on or after June 15, 1976 in compliance with the Federal Manufactured Home Construction and Safety Standards Designated to be used as a dwelling with a permanent foundation built in accordance with the Permanent Foundation Guide for Manufactured Housing (PFGMH) Must be built and remain on permanent chassis Have the towing hitch and running gear removed <p>Required Documentation</p> <ul style="list-style-type: none"> HUD Certification Label PFGMH (Permanent Foundations Guide for Manufactured Housing) Certification <p><u>NOW AVAILABLE - USDA</u> Manufactured Housing Loans are subject to the requirements below. Please consult any additional requirements established by USDA and Lakeview Loan Servicing</p> <ul style="list-style-type: none"> Minimum 640 FICO Max DTI 45% Doublewide or greater manufactured homes only Leaseholds and Community Land Trusts not eligible Unit must not have had ANY alterations or additions since construction in the factory Follow USDA 7 CFR 3550.73 for full program guidelines GUS approve/eligible
<p>AUS/Underwriting</p>	<p>Credit underwriting authority is delegated to the participating lender. Loans must be underwritten and approved by lender prior to submission to SC Housing in compliance with applicable AUS Guidelines and receive an acceptable recommendation.</p> <ul style="list-style-type: none"> Conventional (Fannie Mae) “HFA Preferred” DU receive Approve/Eligible and Lender must select HFA Preferred on the Additional Data Element Screen under Community Lending Section- AUS must reflect SFC 118, 127 and 782. LPA findings are not permitted for delivery under this program Conventional (Freddie Mac) “HFA Advantage” LPA receive Accept risk class recommendation. Lender must select HFA Advantage in the Offering Identifier field of LPA. DU Findings are not permitted for delivery under this program FHA/VA – DU (Approve Eligible) and LPA (Accept) USDA – GUS (Accept/Eligible)

Manual Underwriting

Manual underwriting is permitted on FHA products ONLY. Lenders must follow Lakeview Loan Servicing specific requirements,

Manual Downgrade permitted with a min. **660 credit score** and only in cases that approve/eligible or accept AUS recommendations are received and overall insurability and eligibility of loan are not affected.

Credit/DTI Requirements

- All borrowers must have at least one credit score. Follow applicable insurer requirements for determining the middle credit score for each borrower. SC Housing will adhere to
 - All borrowers must have a minimum credit score of **640** (min. 660 for Manufactured Housing)
 - FHA Manual Downgrade loans are permitted with a minimum credit score of **660** for all borrowers
- Follow insurer and AUS requirements for repayment of collection accounts
- Follow insurer timing requirements for previous bankruptcy and foreclosure.
 - For USDA loans, if a borrower is in Chapter 12 or 13 BK, the applicant must obtain approval from bankruptcy court/trustee to enter into a mortgage transaction, if not loan is ineligible
- Any outstanding judgement/lien or outstanding tax liability must be satisfied in full prior to or at closing. If satisfied at closing – a payoff statement 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)** is the lesser of **50%** or the AUS approval, except;
 - FHA Manufactured Housing is limited to a max **45% DTI regardless of AUS Approval**
 - FHA Manual Downgrade limited to the lesser of **43% DTI** or the AUS approval

Unless otherwise stated below - follow applicable insurer requirements.

LTV/CLTV

LTV/CLTV	Conventional Fannie and Freddie*	FHA	USDA	VA
One Unit	97% / 105%	96.5% / 105%	100% / 105% - USDA will guarantee up to 100% Appr. Value + G-Fee	100% + VA Funding Fee NO MAX CLTV
Two Unit	95% / 105%*			

Asset/Employment

Assets - SC Housing will follow insurer and AUS requirements for asset and gift verification. 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. All sources of income must be legal and in accordance with all applicable federal, state and local laws, rules and regulation

- 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.
- A 4506-T/4506-C form is required to be signed at closing for all transactions

Tax Returns/Transcripts

- Tax transcripts are required in the following circumstances:
 - When the tax returns are used to qualify a borrower. The number of years provided must be based on the AUS findings. Income verified via tax returns includes but is not limited to the examples listed below:
 - Self-employment income
 - Rental income
 - Other income sources (i.e. Dividend Interest, Capital Gains, Alimony, etc.)
 - When a written VOE form 1005 is used as standalone income verification
 - Employment by a family member
 - When amended tax returns have been filed, transcripts are required and must support the

amended income

- W2/1099 transcripts will not be required when all income for that borrower is derived from W-2 wage earner and/or 1099 fixed income

Mortgage Insurance Requirements

Conventional - Private mortgage insurance (PMI) required on all loans over 80% LTV. Refer to Lakeview Program Matrices for acceptable MI Companies. MI can be Borrower Paid – Monthly, Financed, Split or Single Premium – **LENDER PAID MI is not eligible**

LTV	BELOW 80% AMI	ABOVE 80% AMI
95.01 – 97%	18%	35%
90.01 – 95%	16%	30%
85.01 – 90%	12%	25%
80.01 – 85%	6%	12%

Government (FHA, USDA, VA) - Follow AUS and insurer requirements

Interested Party Contributions

Follow insurer requirements

Eligibility/ Compliance File Submission

Loan files must be submitted to SC Housing via Lender Online <https://www.lol.schousing.com> with documents in the order of the checklist. Files not delivered in order or missing documents may be returned for re-submission.

The following documentation is required by SC Housing prior to closing for determination of program compliance and eligibility. Upon review of acceptable documentation, a Certificate of Eligibility will be issued:

- Request for Eligibility Determination Form “PA-001”
- Notice to Borrower Form “PA-002” (For Loans with DPA Only)
- 1008 – Uniform Underwriting and Transmittal Summary (Conventional and USDA Loans)
- 92900LT – FHA Loan Underwriting Transmittal Summary (FHA Loans)
- VA Loan Analysis (VA Loans)
- 1003 – Uniform Residential Loan Application
- AUS Findings
- MI Certificate
- Homebuyer Education Certification

program guide

Palmetto Home Advantage Program

lender allowable fees and charges

• **First Mortgage**

- Origination fee allowed (paid to lender)
- Discount Points may not be charged.
- Reasonable and customary fees provided fees do not exceed the amounts charged for non-SC Housing loans. Fees may be charged lump-sum or individually. Fees must be directly related to actual services rendered for providing the loan, whether or not those fees are paid to a third party or collected by the Participating Lender for providing those services.
- **Fees deducted at the time of purchase - This fee may be charged to the borrower if permitted by the applicable insurer.**
- Tax service fee \$85. Funding Fee of \$500
- Extension and late delivery fees, if applicable - May be paid by borrower, lender, builder, seller, realtors, as appropriate

• **Second Mortgage**

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

- **High Cost/HOEPA** – Loans that fall under the provisions of High Cost and/or Home Ownership Equity Protection Act (HOEPA) are not eligible
- **High Priced Mortgage Loan (HPML)** loans are acceptable in accordance with insurer guidelines

accrued interim interest and premiums paid to lender

- 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 the borrower has prepaid (including Earnest Money Deposit (EMD) cost for appraisal, credit report, inspections, etc.) Any amounts exceeding credit for POC items and a principal reduction, lender must reduce the loan amount of the first mortgage by the difference prior to closing the loan. No portion of the SC Housing DPA second mortgage may be given as cash back to the borrower.

property insurance coverage and deductible

All property insurance coverage and deductible limits must comply with investor/insurer and Lakeview Loan Servicing's requirements

delivery requirements

Closed Loan File - Seller must deliver the entire loan file (credit and closing package) to Lakeview Loan Servicing within 2 days of Lock Expiration Date. Consult Lakeview Loan Servicing delivery requirements for details. Loans aged more than 45 days from the note date will not be purchased by Lakeview Loan Servicing. Closed Loan File must be delivered electronically to the Seller Portal located at www.lakeviewcorrespondent.com in accordance with delivery requirements and applicable checklist. (PLEASE INCLUDE COPIES OF THE DPA SECOND LIEN NOTE AND MORTGAGE IN YOUR SUBMISSION)

- First Mortgage Note endorsed in Blank
- Second DPA Note is endorsed to South Carolina State Housing Finance and Development Authority and is DELIVERED TO LAKEVIEW along with the first mortgage note.
- The DPA Mortgage must be transferred in MERS to SC Housing – ORG ID - 1008745

Final Documentation - Final Documents for first and second (DPA) including recorded mortgage and original title policy should be delivered to Lakeview Loan Servicing's final document vendor.

Indecomm Global Services
FD-BV-9902
1427 Energy Park Drive
St. Paul, MN 55108
Bayview.Viewpoint@indecimm.net

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

SC Housing ID's

FHA – 4723009993 VA – 679535 USDA – 591585639 MERS - 1008745 SC Housing EIN 59-1585639

SC HOUSING

PA-001 LENDER Request for Determination of Eligibility

Applicant:

Co-Applicant:

Property Address:

City:

State:

Zip:

SCH Loan No.:

Loan Amount:

DPA Loan No.:

DPA Amount:

Lending Partner:

Contact:

Lender Phone:

Email:

Please upload the following documents via e-Docs for review and determination of program eligibility:

- 1. Request for Eligibility Determination (PA-001)
- 2. Notice to Borrower Form (PA-002)
- 3. 1008 -(CONV/USDA); 92900LT-(FHA) Loan Analysis-(VA)
- 4. 1003 - FINAL Uniform Residential Loan Application AUS
- 5. Findings
- 6. Homebuyer Educ. Cert., required for at least one borrower
- 7. Mortgage Insurance Cert - Conventional Loans Only

LENDER CERTIFICATION

The undersigned lender certifies that the loan application, initial (Loan Estimate) and final (Closing Disclosure) loan disclosures and verifications of employment, income and deposits, and all other loan documents have been processed in compliance with all applicable federal and state laws and regulations and, to the best of the lender's knowledge, the loan complies with all of South Carolina State Housing Finance and Development Authority's (SCHFDA) underwriting standards including but not limited to Master Servicer e- signature policies. The undersigned lender further certifies that all information provided in support of this loan is true, complete and accurate to the best of the lender's knowledge and belief.

Date

Signature of Lender

Print Name of Authorized Signature



300-C Outlet Pointe Boulevard, Columbia, South Carolina 29210

Telephone: (803) 896-9001 (800) 476-0412 TTY: (803) 896-8831 www.schousing.com

Notice to Borrower Palmetto Home Advantage Mortgage Program

I acknowledge by signing below that I am applying for assistance from the South Carolina State Housing Finance and Development Authority (SCSHFDA) in the form of a subordinate, second mortgage lien under the Palmetto Home Advantage Mortgage Program.

This Disclosure Notice is required to be presented to me by the originating lender before settlement (commonly called the “closing”) of my mortgage.

As a borrower under this program, I understand that the subordinate second mortgage lien for down payment assistance (“DPA”) has the following terms and conditions as explained by my originating lender:

1. The interest rate on the DPA is 0% and is non-amortizing (requires no monthly payment).
2. A Loan Estimate (LE) disclosure must be provided to me by the originating lender before closing (settlement).
3. The total costs payable by the borrower(s) in connection with the second mortgage lien at closing are limited to recording fees.
4. No attorney's fees can be charged on the second mortgage (lien).
5. I acknowledge that by accepting the down payment assistance (DPA), the first mortgage interest rate may be higher than a loan without down payment assistance (DPA).
6. The DPA funds can only be used for closing costs, pre-paid expenses, and down payment.
7. If I sell the home or refinance my 1st mortgage, I understand that any portion of my 2nd mortgage (DPA) not yet forgiven under the terms of the Promissory Note is required to be repaid to the SCSHFDA. The DPA is not a grant.

If I have any questions about the Program, I will ask my lender or contact SCSHFDA for additional information before signing this document.

Date

Signature of Borrower

Print Name

Date

Signature of Co-Borrower

Print Name

SC HOUSING

300-C Outlet Pointe Blvd., Columbia, South Carolina 29210

Telephone: (803) 896-9001

www.schousing.com

Certificate of Eligibility

Palmetto Home Advantage Program

Approval - First Mortgage and DPA

1st Mtg. Loan Number:	DPA Loan Number:	Date:
Loan Amount:	Loan Amount:	AUS No.:
Interest Rate:	Interest Rate: 0%	Submission No.:
Term: 360 months	Term: 120 months	COE Expiration Date:
Product:	Program:	
Borrower Name:		
Co-Borrower Name:		

The Request for Eligibility Determination for the Palmetto Home Advantage Program and its supporting documentation has been reviewed in accordance with all applicable Program Guides and supporting program materials and has been determined to be Program eligible. South Carolina State Housing Finance and Development Authority's (SCSHFDA) review of the subject loan was for Program Compliance only. The lender assumes full responsibility for all other documents as they relate to credit and appraisal approval and all applicable state and federal compliance regulations. SCHFDA is not liable for any issues arising from purchase/funding reviews performed by Lakeview.

Upon delivery of the Closed Mortgage Loan File for purchase to Lakeview Loan Servicing, the following documentation must be included in the delivery of the credit and closed loan file in accordance with the Delivery File Checklist located in your Lakeview Seller Portal at www.Lakeviewcorrespondent.com

- Lender to ensure they are in receipt of all conditions per the Lender's Underwriting Approval.
 - Close loan in accordance with all federal, state and insurer requirements.
 - All applicable property riders to be signed by borrower(s) and recorded with the FIRST MORTGAGE ONLY.
 - Credit and Closed Loan File must be delivered to Lakeview Loan Servicing in accordance to the program guide and Lakeview's requirements
 - No other secondary financing allowed other than the program DPA mortgage, unless otherwise noted on this COE. Additional financing has been approved in the amount of _____
- NOTE: Additional Financing must meet all insurer requirements for LTV/CLTV/HCLTV and must be in subordinate lien position to ALL SC Housing Liens. A copy of the executed note and mortgage from the additional financing must be delivered in the Post Closing file to the Master Servicer.
- Lender must utilize the DPA Note and Mortgage forms located in Lender Online. Please date all documents the day of closing.
 - In addition to the above documentation, Lender is to obtain and provide the following (if applicable):
 - Lender to obtain appropriate MI Coverage per AUS Findings
 -
 -
 -

South Carolina State Housing Finance and Development Authority

Steve Clements

Director, Homeownership

SC HOUSING

300-C Outlet Pointe Blvd., Columbia, South Carolina 29210

Telephone: (803) 896-9001

www.schousing.com

Award Letter & Acknowledgement

This Letter is intended by the SC Housing to satisfy the requirements of HUD Handbook 4000.1 5.B.5.a for a letter documenting an eligible Government Entity's provision of the borrower's cash to close including the required Minimum Cash Investment.

Date:

SC

Re: Down Payment Assistance (DPA) Loan:

Borrower:

Co-Borrower:

Property Address:

SC

DPA Loan Amount:

DPA Loan Terms:

Dear Sir or Madam:

This letter documents that the SC Housing, a public body corporate and politic of the State of South Carolina, (a §115 entity under the Internal Revenue Code) has awarded down payment assistance to Borrower in the form of the above- described DPA Loan, in an amount not to exceed the amount stated above. The DPA Loan will be secured by a subordinate lien on the Subject Property.

The only relationship between SC Housing and Borrower is as Lender and Borrower, respectively. **This award of down payment assistance is a loan that must be repaid by Borrower according to the terms of the DPA Loan.**

Sincerely,

Steve Clements

Authorized Officer

Steve Clements

Director, Homeownership

By signing below, Borrower(s) acknowledges that this Letter has been received, read, and understood by Borrower(s).

Signature(s) of Borrower(s):

Borrower Signature

Co-Borrower Signature

SC HOUSING

300-C Outlet Pointe Blvd., Columbia, South Carolina 29210

Telephone: (803) 896-9001

www.schousing.com

This Letter is intended by the SC Housing to satisfy the requirements of HUD Handbook 4000.1 II.A.4.d.ii and II.A.5.c.ii, to document the source requirements for a Governmental Entity providing the Borrower's Minimum Required Investment.

Date:

Down Payment Assistance (DPA) Loan:

Borrower:

Co-Borrower:

Property Address:

SC

DPA Loan Amount:

DPA Loan Terms:

This letter documents that the South Carolina State Housing Finance and Development Authority ("SC Housing"), a public body corporate and politic of the State of South Carolina and a §115 entity under the Internal Revenue Code, has awarded down payment assistance to Borrower(s) in the form of the above-described DPA Loan. The DPA loan is being issued consistent with one of SC Housing's homeownership programs which include down payment assistance.

In its governmental capacity, SC Housing hereby incurs a legally enforceable liability as a result of its agreement to provide its funds for the above-referenced DPA Loan in order to meet the Borrower's required Minimum Required Investment. The provision of funds is not contingent upon any future transfer of the Borrower's first mortgage to a specific entity. SC Code §31-13-10, et. seq., from the South Carolina Code of Laws grants SC Housing the authority to provide the DPA loan in the jurisdiction where the Property Address is located.

Prior to applying for FHA insurance on the associated first mortgage loan, Lender must do all of the following: (i) put a copy of this letter in the FHA case binder; (ii) endorse to SC Housing the Promissory Note for the DPA Loan; (iii) execute and send a copy of the recorded assignment of the DPA Loan to SC Housing with the original being delivered as soon as reasonably possible following recordation in the applicable jurisdiction; and (iv) send the executed Promissory Note to SC Housing. If the DPA Loan is closed in SC Housing's name or Mortgage Electronic Registration Systems' (MERS) name, (ii) and (iii) above are not required.

Sincerely,

Steve Clements

Steve Clements

Director, Homeownership



MORTGAGE PRODUCTION General Information 803.896.2211	
Customer Service, Lender Online Login Request mortgageproduction@schousing.com	
Reservation Changes and Lock Extensions lockdesk@schousing.com	
Underwriting Scenarios, File Specific Questions underwriting@schousing.com	
Post Closing Review and Conditions postclosing@schousing.com	
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