



**OHFA Homebuyer  
Oklahoma Tax Advantage Credit (OTAC)**

Purpose	Only First time Homebuyers are eligible to access the Federal First Time Homebuyer Tax Credit program funds to use for down payment, closing cost & pre-paid expenses for the purchase of their primary residence; as allowed under the ARRA legislation
Eligible Borrowers	First Time Homebuyers ONLY
Eligible Uses	<ul style="list-style-type: none"> <li>• Homebuyers obtaining a 1st Mortgage through a participating lender under OHFA Advantage Program.</li> <li>• 2nd Mortgage for down payment, closing costs and prepaid expenses related to the home purchase.</li> <li>• No Cash Back.</li> </ul>
Eligible Property	Per OHFA First Time Homebuyer guidelines.
Income Limit	Per OHFA Advantage guidelines
Loan Amount	1st Mortgage per FHA Guidelines 2nd Mortgage: 6% of First Loan Amount up to \$6,000 lesser of the two.
Loan Term	1st Mortgage: 30 yrs fully amortized with principal & interest 2nd Mortgage: 5 yrs fully amortized with principal & interest.
Interest Rate	1st Mortgage: 6.10% 2nd Mortgage: 2.00%
Underwriting Guidelines	Borrowers must have a 620 minimum credit score. Follow FHA underwriting guidelines when applying the 1st Mortgage; and 2nd Mortgage loan with down payment/closing cost & prepaid expenses. The 2nd Mortgage loan obligation is included in the borrower's total housing expense ratio.
Allowable Fees	1st Mortgage: 0 Origination; 0 Discount Points; \$550 allowable fees for underwriting, processing & document preparation 2nd Mortgage: \$200 maximum for closing fee/processing fee and HUD I. \$175 Servicing Fee collected at closing. \$75 Code Compliance Fee \$85 Tax Service Fee
Closing Documents	1st Mortgage: <ul style="list-style-type: none"> <li>• Mortgage, Note, HUD I</li> <li>• Reaffirmation of Mortgage</li> <li>• Tax Exempt Financing Rider</li> <li>• Notice of Potential Recapture Tax</li> </ul> 2nd Mortgage: <ul style="list-style-type: none"> <li>• Mortgage (Form 3837- FNMA/FHLMC), Note (Form 3937- FNMA/FHLMC) in Oklahoma Housing Finance Agency's name</li> <li>• HUD I</li> </ul>
Loan Funding	Participating lender funds 1st & 2nd loans/mortgages at closing.
Loan Purchase	US Bank purchases 1st & 2nd loans/mortgages from originating lender deducting \$175 service fee from purchase amount.
Servicing	1st and 2nd loans/mortgages combined payments will be made to US Bank.
Prepayment	The Loan can be paid off with no prepayment penalty at anytime The 2nd Mortgage loan is due in full if the 1st mortgage loan is assumed, refinanced or paid off. No prepayment penalty.
Early Repayment Stimulus	OHFA will credit \$200 on payoff of 2nd Mortgage if paid IN FULL within one year of origination
Exclusions	OHFA's 3.5% down payment assistance (1st Gold, OHFA Shield or OHFA for Teachers) may NOT be used in combination with the OHFA's OTAC 2nd mortgage.
Effective Dates	Available for loans reserved on or after August 25, 2009 and closed on or before November 30, 2009 or until available funds are exhausted.

\*FHA Loan Amount = Principal plus Mortgage Insurance Premium