

HOUSING TRUST FUND – GUIDANCE  
Reference Notes

Guidance sources:

1. HTF Rules, Application Packet and Application Evaluation form.
2. OHFA files, paper and electronic.
  - a. Make e-files of all Board Resolutions and Amendments, and all Legal documents by faxing them to yourself and saving the fax to the appropriate HTF Account folder on the H:\drive.
3. OHFA staff & Doug Eason.

Funds availability:

1. Post uncommitted funds (available for awarding) at [www.ohfa.org](http://www.ohfa.org)
2. HTF funds are not awarded on the basis of future funds availability.

HTF loans:

1. Executed loan documents – make a copy for OHFA file and forward originals to Doug Eason for his “OHFA file”.
2. Verify Project Readiness is met (9 mos. + 3 by DS; App. Packet pg 8).
3. Close before start of construction (if at all possible), to avoid prior claim on collateral.
4. Interest payments are due 12/31 of the 1<sup>st</sup> year of the loan for interest accrued during that year. Subsequent interest and all principal are due at loan maturity.
5. Loan term ends the last business day of the 18<sup>th</sup> month following the month of loan signing, unless the signing occurs on the 1<sup>st</sup> day of a month. The term is therefore 18 full months plus the partial month of signing.

Authorized OHFA signatures:

1. Resolution documents: Richard Lillard, Joe Shockley or Dennis Shockley
2. Real Property documents: Richard Lillard or Joe Shockley (not Dennis Shockley).
3. Wire Transfer: each may sign in only one capacity
  - a. Requested by: Darrell Beavers (and John Marshall)
  - b. Authorized signers: Mary Hooch, LeeAnn
  - c. Smith, Deborah Jenkins, John Marshall (and Dennis Shockley)
  - d. Finance Dept: Eldon Overstreet (and Kurt Fite in his absence)

Resolutions:

1. Timeline established by Darlene Drew.
2. Resolution plus Blue Stuff (agenda item & summary) prepared by HTF-HFA & Doug Eason, and submitted electronically to Darrell Beavers (not to Darlene).
3. HTF applications considered as separate, numbered Agenda items due to limited number, versus a multi-app. spread like HOME or AHTC.

4. Darlene secures Board signature; RaShonda makes 2 hard copies plus electronic copy for HTF-HFA. 1 hard copy for HTF file & 1 mailed to applicant; e-copy sent to Doug Eason.

Draw requests:

1. Holiday schedule – Verify turnaround time at Christmas/New Year's holidays re: OHFA signatures versus vacation schedules and financial institution holidays. Notify borrowers in advance if 4 business day turnaround must be suspended.

Loan repayment:

1. Partial payments will be applied 1<sup>st</sup> to interest and balance to principal.
2. Confirmation of a check clearing OHFA's account – no real way to do this! See Jamie Carlstrom email response of April 30, 2008 (included).

Compliance:

1. HTF funds only - HTF requirements apply and HOME Compliance staff provide.
2. HTF with HOME and/or AHTC funds - the most restrictive Program's requirements apply, i.e. HOME or AHTC, and the respective Compliance staff provide.

Homebuyer debt capacity:

1. Homebuyer debt capacity should be calculated, if necessary, during application evaluation (NDC). Typical ratios: 29% front, 40% back. HOME allows maximum NTE 35% front and 50% back ratios.
2. Homebuyer income and deed affordability-restrictions should be verified before a sale closes, as provided by closing agent or HTF borrower.
3. Mortgage credit worthiness requirements by local banks have tightened during the 2008-09 financial crisis, prolonging the mortgage application process and limiting applicant acceptance. Result is a longer time to sell & close, which may present problems &/or needs for extensions down-road.

Over-income homebuyers cannot be accepted:

1. Letter Darrell Beavers to Larry Eller, 1/29/2009.
2. HTF can only be used for low and moderate income families/households (Legislative intent of the enabling statute and OHFA HTF rules). [TEason email 1/25/09]
3. OHFA, by refusing to release the HTF mortgage on a given property, can prevent the sale of a home constructed with HTF funds from being sold to an over-income family/household. [DEason telecom 1/26,09]

Open items (ref. emails attached):

1. Loan agreement, para. 4 – Doug revising to allow up to 10% profit.
2. Wyndam extension – if yes, NLT 2/25/09 for 3/12/09 Board.
3. CUDI loan balance @ 15% interest.