

Oklahoma Housing Stability Program



The Oklahoma Housing Stability Program provides \$215 million for the new construction of single-family homes for purchase and for rental housing. It also provides down payment and closing cost assistance for homebuyers who purchase homes built with Housing Stability Program financing. Rural and urban Oklahoma communities benefit from these funds.

Developer Subsidy for Rental Housing

The Oklahoma Increased Housing Program offers \$63.55 million in available funds for the new construction of single-family and multifamily rental homes

- Lesser of \$3 million or up to 85% loan to value (LTV)
- Applicants must have a minimum liquid net worth of 5% of the loan amount outside of the development
- 0% interest, 24-month collateralized recourse construction loan
 - Loans not paid in this timeframe, interest rate accelerates to prime plus 3%
- Construction must start within nine months of award
- Developer/builder experience proportionate to the number of proposed units
- Minimum of 5 rental units; maximum of 200 units (scattered sites allowed)
- Rents capped at 125% of the area Fair Market Rent for three years
- 75% of funds will be set aside for developments in rural areas
- No income limits for renters
- Developer fee limited to 10% of each draw
- OHFA will hold 20% of the developer fee until certificate of occupancy is received
- General contractor fee cannot exceed 15% of total development funds
- Adhere to the Oklahoma Uniform Building Code
- Loan must be repaid before submitting another application for rental housing
- Environmental assessment required post-award

Homebuilder Subsidy for Homeownership

The Oklahoma Homebuilder Program offers \$100.7 million in available funds for the new construction of single-family homes for purchase

- 90% financing - homebuilder provides 10% of their own money upfront
- Applicants must have a minimum liquid net worth of 5% of the loan amount outside of the development
- 0% interest, 24-month collateralized recourse construction loan
 - Loans not paid in this timeframe, interest rate accelerates to prime plus 1%
- Construction must start within 180 days of an award
- Developer/builder experience proportionate to the number of proposed units
- Minimum of five homes; maximum of 25 homes (scattered sites allowed)
- 75% of funds will be set aside for developments in rural areas
- Home size: 1,000-2,000 sq. ft.
- Housing Stability Program down payment assistance may be available
- Homes must be owner-occupied for three years; enforced by deed restriction
- There is no income restriction for homebuyers unless down payment assistance is required
- Developer fee limited to 10% of each draw
- OHFA will hold 20% of the developer fee until certificate of occupancy is received
- General contractor fee cannot exceed 15% of total development funds
- Adhere to the Oklahoma Uniform Building Code
- Loan must be repaid before submitting another homebuilder application

Oklahoma Housing Stability Program



Threshold and Scoring Criteria

Threshold requirements for both programs include capacity, market study, financial feasibility and viability, and development readiness

Developer Subsidy for Rental Housing

Selection Criteria (55 points possible)

- Federally declared natural disaster area - 10 points
- Department of Commerce Preference Sites - 5 points
- Proximity to amenities - 10 points
- Visitability - 10 points
- Home Energy Rating System - 10 points
- Amenities - 10 points

Tiebreakers

- 1st priority** - Federally declared natural disaster area
- 2nd priority** - State declared natural disaster area
- 3rd priority** - Lowest cost per bedroom
- 4th priority** - Lottery

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Oklahoma Housing Stability Program



Consumer Down Payment and Closing Cost Assistance

\$40 million has been set aside as part of the Oklahoma Housing Stability Program for Consumer Down Payment and Closing Cost Assistance. This program benefits individuals and families purchasing homes as their primary residence in Oklahoma.

- Grants of 5% of the total loan amount for down payment and closing costs
- Homebuyer must retain the loan and occupy the home for three years
 - Otherwise 100% of assistance must be repaid
 - Following year three, the grant will be forgiven
- Homebuyers utilizing this program must combine it with OHFA's existing down payment assistance
- Available only to buyers purchasing homes produced by the Homebuilder Subsidy Program
- The down payment and closing costs assistance terms will be enforced through a filed deed restriction
- Homebuyers receiving Housing Stability Program down payment and closing cost assistance grants and OHFA subordinate financing will be required to utilize one of the approved participating lenders in OHFA's Single Family Loan Program
 - Ensures lenders meet minimum required standards including interest rate cap, lender fee cap, and satisfactory lender performance in the state of Oklahoma

Income Limits

Gold - Tax Exempt Mortgage Revenue Bond (Government and Conventional)

120% County Area Median Income / Family Size - Household Income

Dream Conventional

\$150,000 annual mortgage qualifying income

Eligibility Requirements

- Homebuyers must first apply the OHFA zero percent interest, no monthly payment down payment and closing cost subordinate mortgage equal to 3.5% of the total approved mortgage loan
 - Due and payable upon maturity or refinancing of the first mortgage loan, sale of the home, transfer of ownership, or change of the primary residence status.
- Minimum 640 representative credit score
 - Exceptions: the HUD 184 mortgage loan and the purchase of a manufactured home require a minimum 660 representative credit score
- Homebuyers may not exceed a calculated debt-to-income ratio of 45% for government loans and 50% for conventional loans

The Oklahoma State Legislature appropriated up to \$10.75 million in administrative fees to OHFA as the designated administrator of the Oklahoma Housing Stability Program.

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