



Product Guide DREAM - Government



OHFA Homebuyer Down Payment Assistance Loan Program provides first mortgage financing and down payment assistance to eligible mortgagors. OHFA's mission is to provide housing opportunities for moderate income individuals and families within the State of Oklahoma.

This **DREAM Government** product notice is provided to each Lender known by Oklahoma Housing Finance Agency (OHFA) that is doing business with originating offices in the State of Oklahoma. Lenders have the necessary qualifications to participate with OHFA and have been approved by OHFA Homebuyer Down Payment Assistance Loan Program. This product notice is not a substitute for the First Mortgage guidelines per Federal Housing Administration (FHA), Veterans Affairs (VA) and Rural Development (RD).

ISSUER AND REVIEW AGENT:	
Oklahoma Housing Finance Agency 100 NW 63 rd , Suite 200 Oklahoma City, Oklahoma 73116 405-419-8207 or 1-800-256-1489 ext 8207	OHFA is an instrumentality of government EIN Number: 73-0999618 Oklahoma Housing Finance Agency is exempt from Qualified Mortgage (QM) and Ability to Repay (ATR)
Valenthia Doolin Director of Homeownership valenthia.doolin@ohfa.org 405-419-8156	WEBSITE AND LINKS: www.ohfa.org/Lenders ohfaratelock@ohfa.org – Loan review email ohfaratelock@ohfa.org – Loan rate lock email

ELIGIBLE HOMEBUYERS

- Borrower(s) do not have to be First Time Homebuyers (FTHB)
- Borrowers who occupy as primary residence **may** have ownership interest in other residential properties at the time of closing. Follow FHA, VA and RD guidelines.
- OHFA loan must be primary residence
- ELIGIBLE HOMEBUYERS:
 - First Time Homebuyers (FTHB) and Repeat Homebuyers
 - Co-Signors are permitted – co-signors will never occupy the property, will only guarantee the Note, and must meet the minimum credit criteria. Income for co-signors is not included in maximum income for family. Co-signor will not execute the purchase contract or security instrument, nor will they be in title.

DOWN PAYMENT ASSISTANCE AND APPLICATION

- 3.50% Down Payment Assistance
- Zero percent (0%) interest, zero (0) monthly payment, Second Mortgage filed on the property
- DPA SECOND MORTGAGE DUE ON:
 - Maturity of the First Mortgage
 - Sale or Refinance of the First Mortgage
 - Transfer of Ownership or Primary Residence Status
- DPA calculated on Total Loan Amount (Note Amount)
- Application of down payment assistance (DPA) provided in connection with DREAM Govt loans is to be determined after taking into consideration the extent to which the seller is obligated to pay any portion of the closing costs as provided in the related real estate sales contract
- DPA second mortgage is funded at closing along with first mortgage funds by participating Lender

DOWN PAYMENT ASSISTANCE AND APPLICATION (CONT.)

- APPLICATION OF DPA:
 - First, towards meeting minimum down payment requirement applicable to the first mortgage loan originated
 - Second, toward “normal and customary” closing costs
 - Third, towards reduction of first mortgage loan principal balance
 - Max allowed for the Down Payment Assistance is 3.50% of the total loan amount (note amount). No portion of the DPA funds can be paid to the borrower unless the borrower is being reimbursed for allowed fees associated with the first mortgage loan. This includes additional gift funds from other sources including family members.
 - Allowed reimbursable fees: earnest money, credit report and appraisal fee
 - A principal reduction of the first mortgage loan will be required if any DPA and/or gift funds from any allowable source(s) are remaining after reimbursement of allowable fees

MORTGAGE PRODUCTS AND PROGRAMS

- FHA –Fixed Rate Section 203(b) and 234(c)
- VA – Fixed Rate
- USDA – RD – Fixed –Rural Housing Guaranteed Loan
- DREAM Government ZERO:
 - Lower rate or equal to the current market
 - Allows use of other sources of assistance including Community Seconds and Tribal Funds
 - Borrowers can also receive gift funds from a relative
 - No loan level pricing adjustments
 - No 2nd Mortgage filed on property because there is NO/Zero assistance received from OHFA
- REFINANCE:
 - No mortgage loan may replace an existing mortgage loan except for construction period, bridge loans or similar temporary financing having an original term of 24 months or less. Once a mortgagor occupies home as primary residence then the construction loan is ineligible for refinance.

TERMS

- Purchase price: \$356,362; contract sales price cannot exceed the maximum permissible purchase price limit per Exhibit H-2B
- Must by owner/borrower occupied as primary residence within 60 days of closing
- Loans securitized by GNMA – Ginnie Mae
- 30-year amortization
- Security – First Lien, Zero percent (0%) interest, subordinate Second (2nd) Lien
- Fee simple
- No prepayment penalty
- Assumability – A mortgage loan may be assumed by a subsequent homebuyer only if all eligibility requirements of the new mortgagor, the residence, the mortgage loan, and all other Product requirements are satisfied at the time of assumption as if the mortgage loan was being originated for the first time. All assumptions must be submitted to OHFA for Compliance Review and written approvals by all applicable parties must be obtained prior to closing.

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PROPERTY TYPE AND ELIGIBILITY

- Primary owner/borrower residence only - Must **NOT** be used by owner/borrower as an investment property, rental property or as a recreational, vacation or second home
- Properties must be in the State of Oklahoma
- Condominiums – FHA only – refer to US Bank HFA Division Guidelines
- 1 - Unit & 2 - Unit Properties
- 2 - Unit Properties - FHA only; Must be one parcel and one legal description
 - Borrower must occupy one of the units as their primary residence
- New and existing single-family homes
- Manufactured Housing
 - FHA & USDA-RD only (USDA-RD - MH must be existing & meet requirements)
 - Multi section
 - Meet US Bank Guides for Manufactured Housing - posted on US Bank website
 - Minimum Middle Credit score: 660
 - DTI: 45%
 - **NO Manual Underwrites are allowed**

INCOME REQUIREMENTS

- All Dream loans utilize the **annualized qualifying monthly income** of the mortgagor and may not exceed the maximum permissible income per the Exhibit H-1C (Revised: January 1, 2021)
- Qualifying income validated per the lender and lender's underwriter
- Income:
 - \$150,000 – 1 or more persons
- It is the Lender's responsibility to ensure the borrower's income does not exceed the maximum income limits per the products

UNDERWRITING – DEBT TO INCOME – CREDIT SCORE

- All loans must meet standard FHA, VA and RD underwriting guidelines, credit eligibility, Loan to Value (LTV) and appraisal standards. All borrowers' contributions toward the purchase must meet product guidelines and underwriting standards.
- Automatic underwriting – DU or LPA or Rural Development GUS with Approve/Accept
- DPA should be entered in AUS as Zero Percent (0%), \$0.00 monthly payment, subordinate mortgage from State Agency – meets Community Second Guidelines set as a Silent Second
- All borrowers must meet a minimum credit score and DTI for first mortgage

Effective – 02/10/2023	Property	Minimum Middle FICO	Maximum DTI	Reserves
FHA	1-2 unit	640 – 679	45%	AUS determines
FHA	1-2 unit	680	45.01 - 50%	AUS determines
VA, USDA-RD	1 unit	640 – 679	45%	AUS determines
VA, USDA-RD	1 unit	680	45.01 – 50%	AUS determines
Manufactured Housing	1 unit	660	45%	AUS determines

- **MANUAL UNDERWRITE:**
 - Run all loans through your AUS first to obtain a finding of Approve/Accept or Refer Eligible.
 - Loans can be manually underwritten if the lender receives a Refer/Eligible **OR** if the borrower(s) has ZERO/NO credit scores. Lenders **MUST adhere to agency/US Bank guidelines for maximum housing and debt-payment to income ratio – with minimum reserves of 2 months PITI for all loan types**

UNDERWRITING – DEBT TO INCOME – CREDIT SCORE (CONT.)

Effective – 1/3/2023	Property	Minimum Middle FICO	Housing Ratio	Total Debt	Reserves
FHA	1-2 unit	640	31%	43%	Refer Eligible/2 months
VA	1 unit	640	-	41%	Refer Eligible/2 months
USDA-RD	1 unit	640	34%	44%	Refer Eligible/2 months

- OHFA UNDERWRITING OVERLAYS:
 - Homebuyer Education **NOT** required
 - Additional Second Mortgages or liens of any kind must be prior approved by OHFA
 - Mortgage Credit Certificates not allowed
 - Originating lenders are required to re-purchase defective mortgage loans
 - Multiple OHFA loans not allowed
 - Not allowed to be used as rental or vacation home, co-op, or investment home
 - Properties with greater than 10-acres in the legal description for the collateral must be determined, by the participating lender's underwriting, to meet all loan type requirements for residential lending and excess acreage at the time of purchase, not at any future date post purchase
- Non-U.S. Citizens – Non-Permanent Resident Alien:
 - OHFA follows Investor and Master Servicer guidelines related to US residency status requirements for all loan types.
 - For more in-depth information please refer to the US Bank HFA Lending Guide, Section 711.3.1 at [AllRegs Online](#)

HAZARD INSURANCE COVERAGE

- HAZARD INSURANCE COVERAGE FOR 1-2 FAMILY PROPERTIES, PUD'S & CONDOMINIUMS
 - Amount of Coverage – If the policy does not indicate guaranteed replacement or 100% full replacement cost of the insurable improvements, the insurance limits must at least equal the higher of:
 - The unpaid principal balance (UPB) of the first mortgage
 - 80% of the full replacement cost of the insurable improvement
 - **IMPORTANT NOTE:** The coverage must not exceed the replacement cost of the insurable improvements even when the UPB exceeds the replacement cost.
 - Type of Coverage – Must be all risk or named perils with extended coverage
 - Maximum Deductible for:
 - FHA & VA loans – Deductible does NOT exceed the greater of \$2,500 or 2.5% of the face amount of the policy
 - USDA-RD loans – The maximum insurance deductible permitted is 5% of the total coverage amount for hazard insurance and \$10,000 for flood insurance unless state law requirements differ.
 - See Condominium Project Review – Policies and Procedures – Insurance Requirements for on Walls in H06 Insurance refer to **711.12 FHA - Eligible Properties, 712.13 VA – Eligible Properties and 715.12 USDA-RD – Eligible Properties**
 - For more in-depth details on insurance, deductibles, etc., please refer to the US Bank HFA Lending Guide at [AllRegs Online](#)

LOCKING – RESERVING – PRICING

- LOCKING/RESERVING:
 - All loans are locked/reserved through OHFA Lenders Login located under the Lenders Login tab or the Lender/Realtors tab on our website
 - Print Loan Confirmation for your records
- FEES:
 - Investor Funding Fee* of \$475 (effective 9/15/2025) (reflected in Box A of the LE & CD)
 - Tax Monitoring Fee* of \$84 (reflected in Box A or B of the LE & CD)
 - No Review Fee is charged by OHFA

*The Investor Funding Fee and Tax Monitoring Fee should not have “Bond”, “OHFA”, “HFA”, “Agency” or “US Bank” associated with it on the LE or CD. These fees are the Lender’s fees until the loan is purchased by US Bank; and are never OHFA’s fees.

- INTEREST RATES:
 - OHFA daily rates are effective at 10 am CST. Rates will be posted on OHFA’s website– www.ohfa.org/interest-rates/ and emailed to lenders as a courtesy.
 - Rates are subject to change based on secondary market
 - Lenders will be given a one (1) hour notification of rate change before being subject to the new interest rate
- LENDER SRP PRICING:
 - Reservation to 65 days - purchase: 102.50%
 - 66 days - 75 days purchase: 102.25%
 - 76 days - 90 days purchase: 101.75%
 - 91 days - 120 days purchase: 101.50%
 - 1.00% Origination allowed – Lenders’ Option

OHFA’s additional verbal/email approval is required for US Bank on closed loans purchased after 121 days from reservation - Price: 100.25%

All loans must be delivered to US Bank for purchase. Lender SRP pricing above details reservation to purchase for the appropriate service release premium.

REVIEW, APPROVAL AND CLOSING

- ELECTRONIC SIGNATURES ARE NOW ALLOWED ON ALL OHFA DOCUMENTS:
 - Must be certified electronic signatures
 - Script or Cursive type font is NOT allowed
- LOAN REVIEW:
 - Upload loan review documents to the loan via the OHFA Lender Portal
 - Upload **MUST** be made in one pdf formatted document with documents in the order listed below
 - OHFA Documents:
 - ✓ OHFA Loan Confirmation
 - ✓ Loan Transmittal
 - ✓ Uniform Residential Mortgage Application

REVIEW, APPROVAL AND CLOSING (CONT.)

- ✓ Purchase Contract
 - ✓ OHFA Partial Exemption Disclosure (replaces LE for 2nd Mtg)
 - ✓ Loan Estimate
 - ✓ Letter of Explanation - if Spouse is not on loan
- Email notification that the upload has been completed to begin the 72-hour review requirement to OHFA at ohfaratelock@ohfa.org
- Subject Line: OHFA Loan number, Borrower Last Name, and the word "Review"
- Properties with greater than 10-acres: Participating lender underwriters should make a specific note in the Underwriter Comments Section of the FHA Loan Transmittal & Summary (Form HUD-92900-LT) or Underwriting and Transmittal Summary (Form 1008) attesting to the amount of acreage for the subject property, that the loan meets all loan type requirements regarding excess acreage and that the collateral appraisal sufficiently addresses the concern
- **LOAN CONDITIONS/DEFICIENCIES:**
 - Upload only the document or page of a document that is required to be submitted or corrected (not the entire loan package again)
 - Subject line: OHFA Loan number, Borrower Last Name, and the word "Conditions"
- **OHFA LOAN APPROVAL:**
 - ❖ OHFA issues Approval/Award Letter
 - ❖ OHFA issues Down Payment Assistance Letter – Second Lien
 - ❖ OHFA issues Mortgagor's Certification & Income Statement (delivered to borrower(s))
 - ❖ All documents sent/emailed to lender of record
- **LENDER LOAN CLOSING:**
 - Fund OHFA DPA Second Mortgage along with First Mortgage Loan
 - OHFA Down Payment Assistance Letter – Second Lien executed at closing
 - OHFA Partial Exemption Disclosure executed at closing (replaces CD for 2nd Mtg)
 - OHFA Subordinate Mortgage executed at closing
 - OHFA Promissory Note executed at closing
 - OHFA issues Mortgagor's Certification & Income Statement delivered to borrower(s) at closing
- **POST CLOSING (within 5 business days of closing lender MUST provide the following):**
 - Upload copies of the below loan documents to ohfaratelock@ohfa.org
 - Subject Line: OHFA Loan number, Borrower Last Name, and the word "Closing"
 - ✓ Copy of executed Closing Disclosure on the first mortgage
 - ✓ Copy of executed Down Payment Assistance Letter – Second Lien
 - ✓ Copy of executed Partial Exemption Disclosure (replaces CD for 2nd Mtg)
 - ✓ Copy of executed Subordinate Mortgage
 - ✓ Copy of executed Promissory Note

MASTER SERVICER

US BANK CONTACT INFORMATION

General HFA Program Questions - HFA Programs (800) 562-5165 Option 2,
HFA.Programs@usbank.com



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MASTER SERVICER (CONT.)

UW Scenarios and Guidelines - Underwriting Customer Care (800) 200-5881 Option 2,
UWCustomerCare@usbank.com

Lender Training and Onboarding - Joseph.Steele@usbank.com

New Lender Requests, inquiries on existing approved lender accounts and vendor requests –
lender.management@usbank.com

Loan Funding Questions – (800) 200-5881 Option 3

Post-Funding Questions – Post Funding Group - hfa.postfunding@usbank.com

US Bank Home Mortgage /
HFA Division
Excelsior Crossing
9380 Excelsior Boulevard
Hopkins, MN 55343
hfa.programs@usbank.com

- US Bank's HFA Division Lending Guide can be found by going to [Correspondent lending | Corporate and commercial banking | U.S. Bank \(usbank.com\)](#). Scroll down to 'Discover customized partnerships for HFA lending' and click on 'HFA Guidelines'. US Bank's HFA Division Lending Guide can also be found within the Resources section of the US Bank's Lender Portal.

PURCHASE AND SERVICING

- **U.S. BANK PURCHASE & SERVICING:**
 - U.S. Bank will purchase loans approved by OHFA with the mortgage rate and terms reflected on OHFA Approval/Award Letter, less fees, plus down payment assistance provided at closing and appropriate Service Release Premium based on purchase time from pricing model. (see "Locking – Reserving - Pricing" section, above).
 - MERS using MOM documents is the preferred method of transfer of lien to U.S. Bank. A paper assignment of security instrument is acceptable in lieu of MERS transfer and requires a certified copy (cc) of the corporate assignment.
 - Loan Files will be delivered through U.S. Bank's Lender Portal: [Lender Portal \(bkicloud.com\)](https://lenderportal.usbank.com)
 - ✓ Loans must be reserved with OHFA first.
 - ✓ After the loan is locked with OHFA, the system will automatically transmit that to U.S. Bank's system the next day. It will show up in the HFA Reservations tab of Lender Portal.
 - ✓ Before uploading your closed loan file or UW file, you must convert that Reservation to a Registration in Lender Portal. This step is taken to confirm or edit the data we received from the HFA's transmission, but it does not affect the rate or pricing and can be done at any time before uploading your file.
 - ✓ When uploading your files, utilize the loan delivery checklists posted in U.S. Bank's HFA Lending Guide, and include all applicable documentation listed.
 - ✓ Deficiencies will be posted in the Conditions tab of the Lender Portal.
 - ✓ The lender is responsible for servicing the loan until it is purchased by U.S. Bank, and you may need to take the first few payments.

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PURCHASE AND SERVICING (CONT.)

- ✓ Current payment histories are required if payments of any type have been made prior to purchase (first payment, MI, taxes, etc.).
- ✓ The Purchase Advice will be available in the Doc Manager tab of Lender Portal once funded.
- ✓ Logging into Lender Portal:
 - Lender Portal is a web-based system accessed at [Lender Portal \(bkicloud.com\)](http://bkicloud.com)
 - This link is provided via email when each user is granted access to Lender Portal
 - System Administrators will be set up by U.S. Bank
 - Subsequent users will be set up by your company's system administrator
 - For support with Lender Portal: hfa.programs@usbank.com
 - Update password every 90 days
- Collateral Packages: US Bank Home Mortgage
Attn: Note Vault
6th Floor
9380 Excelsior Boulevard
Hopkins, MN 55343
- Defective loans will not be purchased by US Bank

ELIGIBLE LENDERS

Lenders must be approved by US Bank to participate with OHFA. Interested lenders should contact US Bank Home Mortgage HFA Division at Customer Care at 1-800-562-5165, Option 2 or by emailing lender.management@usbank.com. You can also contact Valenthia Doolin, Director of Homeownership, OHFA at 405-419-8156 or by emailing valenthia.doolin@ohfa.org.

****Currently Third-Party Origination not allowed with OHFA****

QUESTIONS

Any additional questions, please contact:

Valenthia Doolin at 405-419-8156 or by email valenthia.doolin@ohfa.org or
Kristina Nichols at 405-419-9257 or by email kristina.nichols@ohfa.org.