

Lender FAQ's

AUS = Automated Underwriting Systems

Does IHFA have lending ratio limitations?

* IHFA has lending ratio limitations of 45% with AUS approval. However, mortgage insurance companies may impose certain ratio restrictions on some of their programs regardless of the automated underwriting findings. In these instances, IHFA will defer to their policy.

Does IHFA have credit score restrictions?

* For FHA, VA, and USDA-RD loan programs, IHFA requires a minimum credit score of 580. Loans with credit scores below 620 require AUS approval; the debt-to-income ratio cannot exceed 45%. With the conventional mortgage insurance program, the credit score must be a minimum of 680, with AUS approval. In addition, the mortgage insurance companies may impose credit score limitations on some of their programs regardless of the automated underwriting findings. In these instances, IHFA will defer to their policy.

Will IHFA accept AUS approvals with EA-1, EA-2, or EA-3 levels?

* On the Standard IHFA Loan Program, EA-1 will be acceptable, EA-2 and EA-3 Levels are not allowable.

Does IHFA allow non-occupying co-borrowers (co-signers)?

* Yes. IHFA will allow non-occupying co-borrowers as long as both borrowers meet the minimum mid-credit score requirements of 660 for government loans and 680 for conventional financing. The occupying borrower must be able to qualify on their own with a maximum debt-to-income ratio not to exceed 51%, as well as process to Fannie Mae, FHA, VA, or RD guidelines.

Does IHFA allow sole and separate property?

* Yes. For FHA/VA/Conventional loans IHFA is able to allow for sole and separate transactions. The borrower can take title as sole and separate property provided the borrower and spouse sign the IHFA Borrower Affidavit disclosure certifying that both meet all IHFA MRB program requirements. The spouse's income must be verified and included in the total household income analysis, and the non-borrowing spouse's tax returns must be provided. However, sole and separate property will not be allowed as a means to avoid qualifying for the IHFA loan. Sole and separate property is not allowed for a USDA-RD Loan. IHFA is unable to loan to separated individuals.

Does IHFA require outstanding collections, charge offs, judgments, etc. to be paid off?

* Collections, charge-offs, and judgments in excess of \$5,000 must be satisfied.

With a new loan purchase, will IHFA allow a borrower to rent a portion of their property?

* No portion of the subject property can be used as a rental.

Does IHFA allow manufactured homes?

* Yes. For the IHFA First Loan Program, the manufactured home must be a post-June 15, 1976, doublewide on a permanent foundation. IHFA will not allow a manufactured home that has been moved more than once. Also, IHFA will require a copy of the recorded Statement of Intent to Declare the Manufactured Home as Real Property for the subject property.

What is the current guideline for Foreclosures/Bankruptcy?

* IHFA will follow the AUS approval findings for previous foreclosures and discharged bankruptcies.

What are the income limits for the Advantage and First Loan Program?

* The IHFA income limits can be found online at IdaMortgage.com under Lender Resources.