



**Idaho Housing
and Finance**
ASSOCIATION

Your Key to Housing Opportunities

Residential

Mortgage

Loans

Opening Doors for Idahoans

www.ihfa.org

www.idamortgage.com



Residential Mortgage Loans

What is a Residential Mortgage Loan?

The Idaho Housing and Finance Association provides reduced interest rate mortgage loans to qualified Idaho families and individuals on a first-come, first-served basis.

Because of the below-market interest rate loans IHFA offers, many families and individuals who would otherwise be unable to afford mortgage payments are able to become home owners.

All FHA, VA, conventional and USDA-RD guaranteed loans are eligible.

What is an "IQ" Loan?

In addition to the conventional Residential Loan, IHFA has an alternative called the "IQ" or Interest Qualifier Loan. This loan allows borrowers to pay a lower interest rate for the first three years of their mortgage, when they're first starting out. In the fourth year, the borrower pays a **one-time** interest rate increase for the remaining mortgage life.

This makes it possible for a home owner to weather the first years of home ownership, and, in some cases, allows those with limited incomes the chance to purchase their own home.

What are the IQ Loan Conditions?

- The IQ interest rate will only increase once in the life of the mortgage, unlike a regular adjustable rate mortgage (ARM) that varies depending on the loan and market conditions.
- The interest rate and resulting monthly payment are known up front.
- There is a maximum income ceiling that varies according to county (see income limits insert).
- Almost any lending institution can assist you with an IQ Loan.
- Borrowers who choose an IQ Loan qualify under the lower of the two rates.



Buydown Interest Rate Plan

For FHA and conventional loans, the home seller, buyer, or any other party is permitted to buy down the interest rate and to subsidize, in part, the buyer's payment, up to the first two years of the mortgage loan. For VA loans, the home seller, or any party other than the veteran buyer, is permitted to buy down the interest rate.

Buydown Options

1. A two-year buydown, where the loan is written down 2 percent the first year and 1 percent the second year, with the buyer paying the full payment the third year and thereafter; or
2. A one-year buydown, where the loan is written down 1 percent the first year, with the buyer paying the full payment the second year and thereafter.

Loan Assumption Requirements

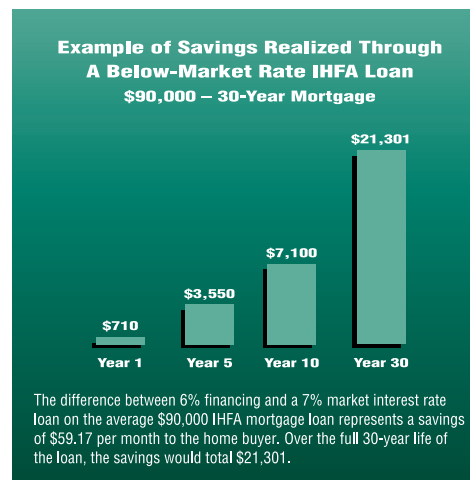
IHFA mortgage loans are assumable at the IHFA interest rate, provided the assumption meets both federal and IHFA regulations outlined in items 1 through 3 on insert. Assumptors must have incomes within the federal income limits, as of the effective date of the assumption, or they cannot assume the loan. Federal limits for both acquisition cost and income are established annually and are subject to change.

Recapture Tax Reimbursement

IHFA has taken the confusion and worry out of recapture, a 1991 federal tax passed to prevent abuses of low-interest mortgage programs. It rarely affects IHFA borrowers. These three conditions must all be met before recapture takes effect:

- A rapid increase in household income, and
- The home is sold within nine years of the loan closing, and
- There is a net profit on the sale of the home.

We have eliminated the concern this tax may cause by fully reimbursing you for any recapture taxes. In the rare event that you are affected by this tax and no new wage earner is included in the home within the first two years after the time the loan was made, we will **REIMBURSE** you.



Easy Steps to Securing an IHFA Home Loan:

IHFA is pleased to partner with Idaho participating lenders and REALTORS® to assist Idaho home buyers throughout every step of the home-buying process.

If the home buyer meets IHFA's income guidelines and locates a home within IHFA's sales price limits (see enclosed list), he/she enters into a purchase agreement or contract, subject to receiving IHFA financing. The home buyer applies for the loan with a lender offering IHFA home loans (see other enclosed list) and completes the mortgage loan application, affidavit and other mortgage documents.

The lender then makes a reservation with IHFA to receive mortgage funds, the loan closes, and the buyer moves into the home and begins making monthly mortgage payments to IHFA.

There are two ways to determine eligibility:

1. Online:

The prospective borrower can complete an initial online application at www.IdaMortgage.com to find out if they initially qualify. The borrower is then directly referred to a local loan officer active in the IHFA home loan program. A loan officer then works with the referred borrower to continue the home loan application process.

2. Telephone:

The prospective home buyer also may contact by phone a local lender offering IHFA home loans or call IHFA's Boise office at (208) 331-4883 or toll-free at 1-800-219-2285 or 1-866-432-4066. IHFA's telephone number for hearing-impaired persons is 1-800-545-1833, ext. 400.

The Idaho Housing and Finance Association, a financial services and housing business organization, provides funding for affordable housing in Idaho communities where it is most needed and when it is economically feasible. IHFA is not a state agency under Idaho law, and uses no state funds or state employees to support its operations.



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Residential Mortgage Loans

P.O. Box 7899
(565 W. Myrtle)
Boise, Idaho 83707-1899
(208) 331-4883
(800) 219-2285
Hearing Impaired
1-800-545-1833, Ext. 400

www.ihfa.org



Borrower Requirements

Federal and Association regulations apply to everyone who obtains an IHFA mortgage loan. These include the following conditions:

1. The borrower must be a resident of Idaho and must occupy the financed property as his/her principal residence within 14 days after closing.
2. The borrower must have an acceptable credit and employment history.
3. The borrower cannot have been a home owner at any time during the last three years.*

This requirement has been waived for the following counties:*

Adams	Clark	Lemhi
Bear Lake	Clearwater	Lewis
Benewah	Custer	Lincoln
Bingham	Gem	Oneida
Boise	Gooding	Owyhee
Bonner	Idaho	Payette
Boundary	Jefferson	Shoshone
Canyon	Jerome	Teton
Cassia	Kootenai	Washington

* These counties are targeted by the U.S. Treasury based primarily on economic conditions and housing stock within that county.

Borrower Requirements, continued

4. The borrower's annual gross income cannot exceed the following limits:

County	1 or 2 Person Household	3 or More Person Household
Ada	\$57,600	\$66,240
Bannock	51,700	59,455
Blaine	71,200	81,880
Boise	69,120	80,640
Bonneville	56,700	65,205
Canyon	69,120	80,640
Jefferson	68,040	79,380
Kootenai	61,020	71,190
Latah	54,000	62,100
Nez Perce	51,500	59,258
Owyhee	69,120	80,640
Teton	65,040	75,880
Twin Falls	50,850	58,478
Counties listed on front	61,020	71,190
All Other Counties	50,850	58,478

5. The total home sales price cannot exceed the following limits:

County	Existing	New Construction*
Ada	\$219,000	\$222,000
Canyon	265,000	265,000
Kootenai	245,000	245,000
Blaine & Teton	370,000	370,000
All Other Counties	204,000	204,000

* Never been occupied

IHFA Participating Lenders:

Academy Mortgage Corporation
Action Mortgage Company
Affirmative Mortgage
American Home Mortgage
Bank of Commerce
Bank of Idaho
CBH Home Loans
Charter Mortgage
Citizen's Community Bank
Countrywide Home Loans
D.L. Evans Bank
Diversified Mortgage
Executive Home Loans
FirstBank Northwest
First Federal Savings Bank of Twin Falls
First Financial Corporation
First Horizon Home Loans Corporation
First Mortgage Company
First Priority Mortgage, LLC
GMAC Mortgage
Global Credit Union
Great Sky Mortgage
Home 1 2 3
Home Federal Bank
Idaho Central Credit Union
Idaho Independent Bank
Intermountain Community Bank
InterWest Mortgage
Ireland Bank
Lifetime Mortgage
M & T Mortgage Corporation
Magic Valley Bank
Mountain West Bank
National City Mortgage
New Freedom Mortgage
Numerica Credit Union
Panhandle State Bank
Republic Mortgage Home Loans, LLC
The Mortgage Place, LLC
U.S. Bank, N.A.
Washington Federal Savings & Loan Association
Washington Mutual Bank
Washington Trust Bank
Wells Fargo Home Mortgage, Inc.
Vitek Mortgage
Zions Bank