



## Program Bulletin 2020-1

### Update to Program Bulletin 2019-11

#### Important Changes to Freddie Mac's HFA Advantage Loan Product

Freddie Mac is implementing certain changes to its HFA Advantage loan product. Freddie will begin representing these changes on Loan Product Advisor submissions dated on or around Feb. 12. Loans delivered to Idaho Housing and Finance Association after March 31 may be subject to these new requirements.

**I. Borrowers with income at or below 80% AMI will continue to receive the current benefits of the HFA Advantage Program. These benefits include:**

- Replacing the current programs, Freddie Mac 50% and 80% AMI- HFA Advantage will now feature new pricing options for your borrowers.
- Borrowers earning up to 80% AMI can receive an affordable subsidy (gift) of 50 basis points (bps) and borrowers earning 50% AMI or less can receive an affordable subsidy (gift) of 100 (bps) for DPCC assistance. These basis points (bps) are calculated on the loan amount, OR
- Borrowers who do not need DPCC assistance will now have the option to choose a lower interest rate instead of receiving the Freddie gift.
- 97% LTV - 105% CLTV.
- Charter level mortgage insurance coverage up to 18%.
- No credit fees in price (Loan Level Price Adjustments).

**II. Borrowers with income greater than 80% AMI will have the following terms:**

- 97% LTV - 105% CLTV.
- Standard mortgage insurance coverage up to 35% (Charter MI does not apply).
- The interest rate will be 50 to 75 bps higher than the current program.

#### **III. Timing and Implementation**

- A complete file must be delivered to Idaho Housing by **March 31, 2020**.
- Loans not purchased by **April 17, 2020** may face additional credit fees. We will work with Freddie Mac to keep this to a minimum.

Idaho Housing will be releasing these Freddie Mac loan program changes on Monday, Feb. 17, 2020.

For more information or assistance, please contact us at [resloan@ihfa.org](mailto:resloan@ihfa.org) or call 1.855.505.4700, ext. 8600.

Thank you for your continued partnership!