

Oklahoma Housing Stability Program



Oklahoma Homebuilder Program

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 (The contribution may be in the form of cash on hand, partner contribution, or land already owned by the Applicant. If awarded, an appraisal will be ordered by OHFA to establish land value.)
- 0% interest, 24-month collateralized recourse construction loan
- Loans not repaid in this timeframe; interest rate accelerates to prime plus 4%
- Construction must start within 180 days of an award (75-day extension available)
- Developer/builder experience proportionate to the number of proposed units (Commercial experience may also be accepted in lieu of residential construction experience.)
- Minimum of five homes; maximum of 25 homes (scattered sites allowed)
- 75% of funds will be set aside for developments in rural areas
- Conditioned sq. ft. of homes must be between 1,000-2,000 sq. ft.
- No application fees and no origination fees
- Housing Stability Program Down Payment and Closing Costs 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
- 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
- Preference shall be given to applicants under a federally or state-declared natural disaster area within twelve (12) months of the date of application.
- Proposed Developments must provide an independent third-party Broker's opinion
- The collateral for the loan will be the land, any structures built on the land, and any materials purchased for the development.
- Proper zoning must be in place at the time of application. Documentation including zoning type and authorization date must be provided.
- The cost of Pre-construction surveys, date-down endorsements, foundation surveys, and closing costs will be included on the settlement statement at closing and it will be the borrower's responsibility to pay for these items.
- Purchase price limits mirror HUD 234 requirements

Threshold and Scoring Criteria

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

Selection Criteria (55 points possible)

- Federally and/or state-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

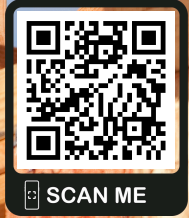
- 1st priority** - Federally declared natural disaster area
- 2nd priority** - State-declared natural disaster area
- 3rd priority** - Lowest cost per bedroom
- 4th priority** - Lottery

Purchase Price Limits

- 1 Bedroom** - \$208,049
- 2 Bedrooms** - \$252,994
- 3 Bedrooms** - \$327,293
- 4+ Bedrooms** - \$359,263

Purchase price limits mirror HUD 234 requirements

Oklahoma Housing Stability Program



Oklahoma Increased Housing Program

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% of total development costs (TDC) (The Borrower must provide 15% of the Total Development Costs at closing to finance the development; this contribution must be in the form of equity financing (cash, land, partner contribution, etc. If awarded, an appraisal will be ordered by OHFA to establish land value.)
- 0% interest, 24-month collateralized recourse construction loan
- Loans not repaid in this timeframe; interest rate accelerates to prime plus 4%
- OHFA must be the primary lienholder on the Development being constructed. Under no circumstances will OHFA subordinate its lien position.
- Construction must start within nine months of award (75-day extension available)
- Developer/builder experience proportionate to the number of proposed units (Commercial experience may also be accepted in lieu of residential construction experience.)
- 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
- 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
- Preference shall be given to applicants under a federally or state-declared natural disaster area within twelve (12) months of the date of application.
- A market analysis is required for all types of activities
- The collateral will be the land, any structures built on the land, and any materials purchased for the project. A legal description for the land must be included.
- Proper zoning must be in place at the time of application. Documentation including zoning type and authorization date must be provided.
- The cost of Pre-construction surveys, date-down endorsements, foundation surveys, and closing costs will be included on the settlement statement at closing and it will be the borrower's responsibility to pay for these items.

Threshold and Scoring Criteria

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

Selection Criteria (55 points possible)

- Federally and/or state-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

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
- Purchase price limits mirror HUD Section 234 requirements

Income Limits

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

140% 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.

Visit ohfa.org/housingstability or scan the QR code for up-to-date program information

