

# SC Housing Bond-DPA PMC Sales Overview

**Training Date for Sales, Processing & Underwriting: September 6, 2023**

**Training Date for Closing & Post-Closing: September 13, 2023**

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**Rollout Date: September 20, 2023**

# Who is eligible to participate at PMC



All PMC Loan Officers licensed in SC who have:

- Attended the SC Housing LO training; and
- Provided evidence of attendance to [compliance@princetonmortgage.com](mailto:compliance@princetonmortgage.com)

# 3 Overarching SC Housing Categories: Bond, Non-Bond, and MCC

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Note for all program details and guidelines—see the information posted on the PMC HUB Intranet under the Policies, Products, and Procedures Button and click on the “SC Housing” Product Tab as well as visiting the [schousing.com](http://schousing.com) website for the most current information.

This PowerPoint training is merely to identify the basic program offerings and PMC program codes. SC Housing provided training to sales and operations and the materials reviewed in that training are posted on the PMC HUB.

# 3 Overarching SC Housing Categories: Bond, Non-Bond, and MCC

## ■ SC Bond DPA:

### Subcategories:

- Bond
- Bond County 1<sup>st</sup>
- Bond Families with Disabilities

## ■ SC Non-Bond DPA a/k/a Palmetto Home Advantage Program

## ■ SC Mortgage Credit Certificate (MCC) Program

- Note: PMC requires that all 2<sup>nd</sup> mortgages must have a separate loan file created. When you are creating the 1<sup>st</sup> mortgage, make sure on the Borrower Summary (v1) Screen in Encompass that you are indicating that there is a PiggyBack Loan with the first mortgage and then click on the “Create PiggyBack Loan” button.

# SC Bond DPA—General Bond Program

## SC Bond DPA:

### Subcategory:

#### ■ Bond

1<sup>st</sup> Mortgage: (Cannot be standalone—must be combined with DPA)

- *SC Bond Conv Fix30*
- *SC Bond FHA Fix30*
- *SC Bond VA Fix30*
- *SC Bond USDA Fix30*

2<sup>nd</sup> Mortgage:

- *SC Bond DPA 2<sup>nd</sup> (Conventional).*

The 2<sup>nd</sup> trust is a 15-year forgivable DPA Term. 0% interest rate. No monthly payments. **\$8000 loan amount.** Borrower must occupy the subject property for the full 15-year term of the lien for the assistance to be fully forgiven.

(The above are sold to SC Housing—both 1<sup>st</sup> and 2<sup>nd</sup> trusts)

# SC Bond DPA—County 1<sup>st</sup> Program

## SC Bond DPA:

### Subcategory:

#### ■ County 1<sup>st</sup> Program

#### 1<sup>st</sup> Mortgage: (Cannot be standalone—must be combined with DPA)

- *SC Bond County 1st Conv Fix30*
- *SC Bond County 1st FHA Fix30*
- *SC Bond County 1st VA Fix30*
- *SC Bond County 1st USDA Fix30*

#### 2<sup>nd</sup> Mortgage:

- *SC Bond DPA 2<sup>nd</sup> County 1<sup>st</sup> (Conventional 2nd).*

The 2<sup>nd</sup> trust is a 15-year forgivable DPA Term. 0% interest rate. No monthly payments. **\$8500 loan amount.** Borrower must occupy the subject property for the full 15-year term of the lien for the assistance to be fully forgiven.

(The above are sold to SC Housing—both 1<sup>st</sup> and 2<sup>nd</sup> trusts)

# SC Bond DPA—Families with Disabilities Program

## SC Bond DPA:

### Subcategory:

- Families with Disabilities Program (SC FWDP)

1<sup>st</sup> mortgage: (Cannot be standalone—must be combined with DPA)

- *SC Bond FWDP Conv Fix30*
- *SC Bond FWDP FHA Fix30*
- *SC Bond FWDP VA Fix30*
- *SC Bond FWDP USDA Fix30*

2<sup>nd</sup> mortgage:

- *SC Bond DPA 2<sup>nd</sup> FWDP (Conventional 2<sup>nd</sup>).*

The 2<sup>nd</sup> trust is a 15-year forgivable DPA Term. 0% interest rate. No monthly payments. **\$8500 loan amount.** Borrower must occupy the subject property for the full 15-year term of the lien for the assistance to be fully forgiven.

(The above are sold to SC Housing—both 1<sup>st</sup> and 2<sup>nd</sup> trusts) (When locking in Optimal Blue, this FWDP is priced as a SC Housing County 1<sup>st</sup> Program.)

# SC Non-Bond DPA a/k/a Palmetto Home Advantage Program

## SC Non-Bond DPA/Palmetto Home Advantage Program

### 1<sup>st</sup> Mortgage (Can be standalone)

- *SC Palmetto Non-Bond Conv Fix30*
- *SC Palmetto Non-Bond FHA Fix30\**
- *SC Palmetto Non-Bond VA Fix30\**
- *SC Palmetto Non-Bond USDA Fix30\**

### 2<sup>nd</sup> Mortgage

- *SC Palmetto Non-Bond DPA 2<sup>nd</sup> (Conventional 2<sup>nd</sup>)*

These DPA 2<sup>nd</sup> mortgages are 3% or 4% of the total first mortgage loan amount (including UFMIP, Funding, or Guarantee Fee). If borrower does not need assistance, a 0% DPA option is available\*. Term of 2<sup>nd</sup> is 10-years. 0% interest rate. No payments.

\*The 0% DPA is ONLY eligible on the Conv Fix30 Program (not FHA/VA/USDA)—PMC Overlay.

(The above are sold to Lakeview)—They purchase directly from PMC.



# SC Mortgage Credit Certificate (MCC) Program

## SC MCC Program

### 1st mortgage: (If standalone)

- *SC MCC Conv Fix30*
- *SC MCC FHA Fix30*
- *SC MCC VA Fix30*
- *SC MCC USDA Fix30*

**OR**

### 1<sup>st</sup> Mortgage (Check off Box for MCC on Borrower Summary V1 Screen)

- *SC Palmetto Non-Bond Conv Fix30*
- *SC Palmetto Non-Bond FHA Fix30\**
- *SC Palmetto Non-Bond VA Fix30\**
- *SC Palmetto Non-Bond USDA Fix30\**

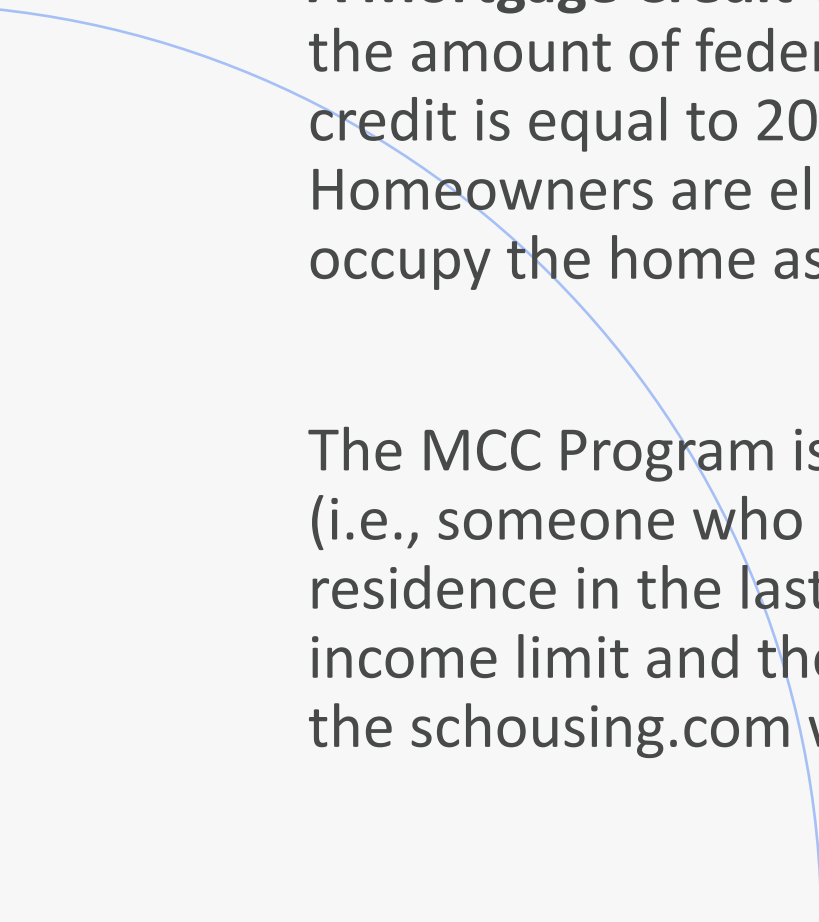
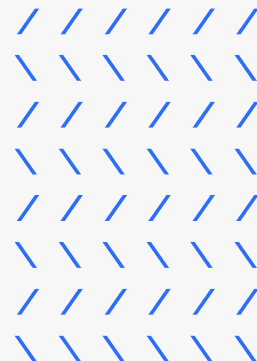
### 2<sup>nd</sup> Mortgage

- *SC Palmetto Non-Bond DPA 2<sup>nd</sup> (Conventional 2<sup>nd</sup>)*

These MCC Loans can be originated as a standalone or with a DPA 2<sup>nd</sup> mortgage. If there is a DPA 2<sup>nd</sup>, it would be a Palmetto 2<sup>nd</sup> mortgage. 2<sup>nd</sup> mortgages are 3% or 4% of the total first mortgage loan amount (including UFMIP, Funding, or Guarantee Fee). If borrower does not need assistance, a 0% DPA option is available\*. Term of 2<sup>nd</sup> is 10-years. 0% interest rate. No payments.

\*The 0% DPA is ONLY eligible on the Conv Fix30 Program (not FHA/VA/USDA)—PMC Overlay.

# What is an MCC?



**A Mortgage Credit Certificate (MCC)** is a federal tax credit that reduces the amount of federal income tax paid by the homeowner. The tax credit is equal to 20% of the mortgage interest paid during the tax year. Homeowners are eligible for the tax credit every year, as long as they occupy the home as their primary residence.

The MCC Program is available to anyone who is a first-time homebuyer (i.e., someone who has not had ownership interest in a primary residence in the last 3 years) and who does not exceed the county income limit and the home meets certain sales price restrictions. See the [schousing.com](https://www.schousing.com) website for further details.

# Encompass Program Codes

- 
- Note that PMC is currently offering this product for Conventional, FHA, VA, and USDA loans.
  - Choosing the correct program at the outset is essential so that the automated conditions associated with this program will populate.

## SC Bond DPA Program Codes



### SC Bond DPA

1<sup>st</sup> Mortgage: (Cannot be standalone—must be combined with DPA)

- *SC Bond Conv Fix30*
- *SC Bond FHA Fix30*
- *SC Bond VA Fix30*
- *SC Bond USDA Fix30*

2<sup>nd</sup> Mortgage:

- *SC Bond DPA 2<sup>nd</sup> (Conventional).*

# Encompass Program Codes

- 
- Note that PMC is currently offering this product for Conventional, FHA, VA, and USDA loans.
  - Choosing the correct program at the outset is essential so that the automated conditions associated with this program will populate.

## SC Bond County 1<sup>st</sup> Program Codes



### SC Bond County 1st Program

1<sup>st</sup> Mortgage: (Cannot be standalone—must be combined with DPA)

- *SC Bond County 1st Conv Fix30*
- *SC Bond County 1st FHA Fix30*
- *SC Bond County 1st VA Fix30*
- *SC Bond County 1st USDA Fix30*

2<sup>nd</sup> Mortgage:

- *SC Bond DPA 2<sup>nd</sup> County 1<sup>st</sup>*

# Encompass Program Codes

- 
- Note that PMC is currently offering this product for Conventional, FHA, VA, and USDA loans.
  - Choosing the correct program at the outset is essential so that the automated conditions associated with this program will populate.

## SC Bond Families with Disabilities Program Codes



### SC Bond Families with Disabilities Program (SC Bond FWDP)

1<sup>st</sup> mortgage: (Cannot be standalone—must be combined with DPA)

- *SC Bond FWDP Conv Fix30*
- *SC Bond FWDP FHA Fix30*
- *SC Bond FWDP VA Fix30*
- *SC Bond FWDP USDA Fix30*

2<sup>nd</sup> mortgage:

- *SC Bond DPA 2<sup>nd</sup> FWDP*

# Encompass Program Codes

- 
- Note that PMC is currently offering this product for Conventional, FHA, VA, and USDA loans.
  - Choosing the correct program at the outset is essential so that the automated conditions associated with this program will populate.

## SC Housing Non-Bond a/k/a Palmetto Home Advantage Program Codes



### **Palmetto Home Advantage Non-Bond**

#### 1<sup>st</sup> mortgage (Can be standalone)

- *SC Palmetto Non-Bond Conv Fix30*
- *SC Palmetto Non-Bond FHA Fix30*
- *SC Palmetto Non-Bond VA Fix30*
- *SC Palmetto Non-Bond USDA Fix30*

#### 2<sup>nd</sup> mortgage

- *SC Palmetto Non-Bond DPA 2<sup>nd</sup>*

# Encompass Program Codes

- 
- Note that PMC is currently offering this product for Conventional, FHA, VA, and USDA loans.
  - Choosing the correct program at the outset is essential so that the automated conditions associated with this program will populate.



## SC MCC Program Codes

### SC MCC

1<sup>st</sup> mortgage: (Can be standalone)

- *SC MCC Conv Fix30*
- *SC MCC FHA Fix30*
- *SC MCC VA Fix30*
- *SC MCC USDA Fix30*

# PMC Overlays

## Understanding the Limits

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### Conventional Loans:

Mortgage insurance on conventional loans with LTVs over 80% must be non-delegated.

### Palmetto Home Advantage Program:

- No FHA 203(k) limited transactions permitted.
- Manufactured housing must be double-wide or larger.
- No manual downgrades permitted on FHA loans.
- No HPML loans.
- 0% DPA is only permitted on conventional loans—not FHA, VA, or USDA.

### SC Housing Choice Voucher Program

PMC is not offering financing under this program.



# Locking the Loan

## Understanding the Process

- Responsibility for locking the 1<sup>st</sup> mortgage (and 2<sup>nd</sup>, if applicable) loan: Loan Officer through Optimal Blue, which notifies PMC Secondary.
- Note that the Optimal Blue codes for the SC Housing loans are generally MUCH more detailed than our Encompass Program codes—they have separate ones for whether the DPA is 0%, 3%, or 4% for the Palmetto program!
- It is essential that the Encompass Program codes is chosen first, as that triggers the automated conditions. Then when the loan is locked, the program code will change to match Optimal Blue.

# Questions/Scenarios

## Where to Go for Help

- For any questions, PMC sales should email [scenarios@princetonmortgage.com](mailto:scenarios@princetonmortgage.com) .  
PMC needs visibility for any scenarios, and this also allows us to ascertain if there are additional training or resource needs.)
- Remember that the PMC TBD process for review by a PMC Underwriter is available for these loans as well.





# Thank you!