

Refinance Program

Ohio Housing Finance Agency

Homeownership: Empowering New Buyers

HFA Staff Contact

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Ohio Housing Finance Agency – Refinance program (Category: Homeownership: Empowering New Buyers)

Recognizes programs that best provide homeownership financing to HFA targeted customers.

Judging Criteria

Homeownership entries will be judged on the degree to which they:

- Are innovative
- Are replicable
- Respond to an important state housing need
- Use data, research, and analysis to demonstrate measurable benefits to HFA targeted customers and underserved markets
- Have a proven track record of success in the marketplace
- Provide benefits that outweigh costs
- Demonstrate effective use of resources
- Effectively employ partnerships
- Achieve strategic objectives

500-character Description

Over the last few years, the Ohio Housing Finance Agency (OHFA) recognized the need for a refinancing program to help its customers take advantage of lower interest rates. Now with interest rates rising, the Agency is educating its partners on the refinancing program, so customers may take advantage of it when rates decline in the future. Previously, OHFA borrowers who had seven-year forgivable second mortgages were not able to refinance because OHFA would not subordinate the second if refinanced outside of OHFA. Now these borrowers can refinance their mortgages with OHFA through this program.

Program Innovation

As of April 2021, the Ohio Housing Finance Agency (OHFA) estimated there were 5,400 borrowers with interest rates over 5% who had not yet refinanced. In addition, lenders and borrowers have reached out to the Agency over the years asking for exceptions to OHFA's policy in order to allow borrowers to refinance.

After reviewing its portfolio and anticipating the potential rising interest rates, OHFA partnered with Lakeview Loan Servicing to develop a refinancing program available to OHFA borrowers who have an OHFA loan that includes a down payment assistance (DPA) second mortgage with a term of seven years that OHFA will not otherwise re-subordinate. The new program applies to all loans that were reserved with OHFA on or after September 1, 2015. OHFA offers 30-year fixed-rate conventional, FHA, VA, and USDA rate refinance loans. The refinancing program does not have income or purchase price limits.

OHFA sees this program as an avenue for OHFA borrowers to refinance when interest rates decline, thereby improving the borrower's financial situation.

OHFA developed program guidelines and created a webpage (<https://myohiohome.org/refinance.aspx>), webinar, and program flier to promote the program with its lenders. To market the program further, OHFA reached out to the Ohio Mortgage Bankers Association and communicated directly to its other lender partners. The office also held two training sessions in October 2022.

When interest rates decline, OHFA will ramp up its outreach to qualified borrowers directly about the program.

Ohio Housing Finance Agency – Refinance program (Category: Homeownership: Empowering New Buyers)

Program Replicability

For housing finance agencies that currently do not have a refinancing program, this initiative can be replicated. It takes identifying a lender partner and agreement on the program guidelines. Once those are in place, the agency can develop a targeted education and marketing campaign to support the program.

State Need Response

OHFA recognized that interest rates will vary over the years so providing a refinancing program to its borrowers would provide a financial benefit to them over the life of the loan. This program allows borrowers that could not otherwise refinance to lower rates, the opportunity to do so. By refinancing with OHFA, they do not have to repay their second mortgages.

Data and Analysis – (demonstrate measurable benefits to HFA targeted customers and underserved markets)

When developing the program OHFA identified that as of April 2021, there were 5,400 borrowers with interest rates over 5%.

OHFA also recognized that borrowers could have benefitted from the recent refinance market but could not or chose not to refinance due to our requirement that the second mortgage be paid in full.

Therefore, OHFA took this into account when developing the refinancing program guidelines. This program offers those borrowers the opportunity to improve their financial position by lowering their mortgage payments while also allowing OHFA the opportunity to preserve our program offerings.

Proven Marketplace Success

OHFA anticipates the program will rise in popularity when interest rates begin to decline and are more favorable to borrowers.

Benefits/ROI

This program benefits OHFA as well as its borrowers. Allowing borrowers to refinance with OHFA keeps them as customers while allowing them to improve their financial situations with refinancing. An additional benefit to OHFA is it slows down run off from the payoff of second mortgages.

Effective Use of Resources

Loans will be sold in the secondary market so any costs will be recouped.

Effective Partnerships

OHFA is leveraging a partnership with Lakeview Loan Servicing to administer the program as well as working closely with its other lending partners to educate borrowers on the opportunity and then process, underwrite, and close loans per guidelines. OHFA lending partners see this program as an additional benefit with promoting OHFA loans to their customers.

Achieves Objectives

The program achieves the following objectives for OHFA:

- slows down run off from the payoff of second mortgages;
- provides OHFA's lending partners with additional products to offer established borrowers; and
- helps OHFA borrowers improve their financial situations due to reduced interest rates when they become available.



OHIO HOUSING FINANCE AGENCY REFINANCING PROGRAM

The Ohio Housing Finance Agency (OHFA) Refinancing Program is a partnership program between Lakeview Loan Servicing and OHFA to help OHFA borrowers with a seven-year forgivable second loan reduce their mortgage payment and improve their financial position.

Conventional

- Primary residence, owner occupied only
- Maximum LTV Per Investor Guidelines
- Minimum FICO 640*
- Debt-to-income ratio: lesser of 50% or AUS approved*
- Rate and term only, no cash out
- 30-year fixed-rate

Government

- Primary residence, owner occupied only
- Maximum LTV Per Investor Guidelines
- Minimum FICO 640*
- Debt-to-income ratio: lesser of 50% or AUS approved*
- 15-year fixed-rate (FHA Credit Qualifying and VA Standard Only)
- 30-year fixed-rate
- FHA, USDA, VA Refinance options available; no cash out

FOR MORE INFORMATION VISIT: WWW.OHIOHOME.ORG

**Manufactured homes have additional restrictions*



OHFA is an Equal Opportunity Housing entity. Loans are available on a fair and equal basis regardless of race, color, religion, sex, familial status, national origin, military status, disability or ancestry.

These loan programs are local and state operated Housing Finance Agency (HFA) programs in which Lakeview Loan Servicing, LLC. acts as the master servicer. This is not an endorsement and Lakeview does not participate in the credit approval process of the consumer. Lakeview Loan Servicing, LLC. 507 Prudential Road, Horsham, PA. 19044
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Ohio Housing Finance Agency Refinance Program

Last Updated: September 27, 2022

The Key to Improving Your Financial Position

A partnership between Lakeview and Ohio Housing Finance Agency (OHFA) to assist current OHFA borrowers improve their financial position.



Program Highlights

- Rate and Term refinance transactions only
- Home must still be owner-occupied
- 7-year forgivable second mortgage loans only. Loans in the Grants for Grads program and loans without down payment assistance are ineligible
- Government and Conventional options are available
- **All Loans must have a net tangible benefit*:**
 - Interest rate must be at least **.50BPS** lower, **or**
 - **\$50** or greater reduction in principal and interest payment from the prior loan

* The more conservative net tangible benefit of the above or per investor guidelines applies

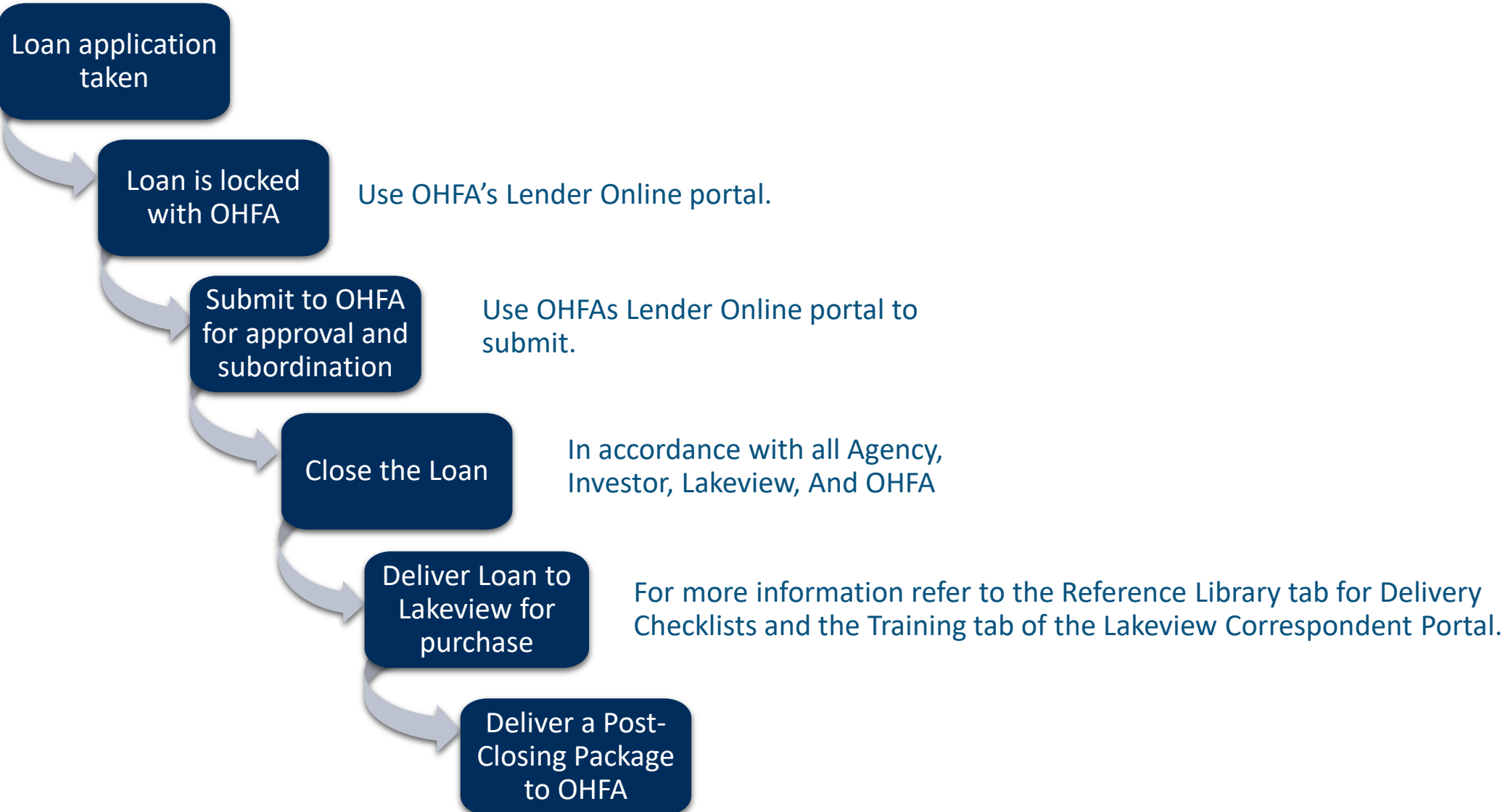
Please refer to the [product matrix](#) for complete program guidelines.

(www.LakeviewCorrespondent.com | Delegated/Closed Loan Portal | Product Matrices - Lakeview Affordable Lending)

Benefits

- Potential Cash flow improvement
- Lower interest rate and monthly payment
- Pay off your home early
- Resubordinate OHFA second lien

The Process



First Mortgage Loans - Conventional

- **Fannie Mae's HFA Preferred** loans and **Freddie Mac HFA Advantage** loans only.
 - Standard Freddie Mac and Fannie Mae loan products are not permitted.
- **LTV/CLTV:** Up to maximum **97%/105%***
- All Borrowers with a credit score must have a **FICO score** of no less than **640**.
 - Manufactured homes must have a FICO score no less than 660.
- **Underwriting: Approve/Eligible** from DU or **Accept/Eligible** from LPA; Manual underwriting and/or non-traditional credit are not permitted.
- **Reserves** determined by AUS
- **DTI** determined by AUS.
- **Employment and income documentation** follow **DU/LPA findings**, with a few exceptions:
 - Tax transcripts are required when utilizing 1040 income, working for family, or using WVOE as stand-alone income verification.

* **2-4 unit properties are limited to 95% LTV**

First Mortgage Loans – Conventional, continued

- Lower “Charter or Custom” Mortgage Insurance coverage is available for loans with **AMI ≤ 80%**.

LTV	Coverage
95.01%-97%	18%
90.01-95%	16%
85.01-90%	12%
80.01-85%	6%

- See the product matrix for more information.

In the case of conflicting guidelines, lender must follow the more restrictive guidelines of the program, OHFA, Fannie Mae or Freddie Mac (as applicable), Mortgage Insurer, Lender, or Lakeview.

Please refer to the [product matrix](#) for complete program guidelines.

(www.LakeviewCorrespondent.com | Delegated/Closed Loan Portal | Product Matrices - Lakeview Affordable Lending)

First Mortgage Loans – FHA

Please refer to the [product matrix](#) for complete program guidelines.

FHA Standard Rate and Term: *Use if cannot meet the guidelines of a streamline*

- Fannie Mae Desktop Underwriter (DU) with **Approve/Eligible** or Freddie Mac Loan Prospect Advisor (LPA) with **Accept** recommendation.
- Manual Underwriting is permitted subject to the following:
 - The overall insurability and/or eligibility of the loan is not affected.
 - The loan receives an **Approve/Eligible** or **Accept** recommendation but requires a downgrade due to additional information not considered in the AUS decision.
 - **43%** maximum DTI
 - **660** minimum FICO for all borrowers

FHA Streamline

- Manual Underwrite only
- **0x30x6** payment history is required on the underlying mortgage being refinanced
- Payment history must be verified using **one** of the following:
 - A credit report that clearly shows the payment history, **or**
 - A credit bureau supplement that clearly identifies all payments made in that timeframe, **or**
 - Servicer payment history/ledger documenting all payments.
- The new loan cannot refinance an existing loan that is currently 30 days past due.
- Safe Harbor loans only

First Mortgage Loans – VA

VA Standard: *Use if you cannot meet the guidelines of an IRRRL*

- All borrowers must have a **FICO score** of no less than **640**.
- Maximum DTI is **the lesser of 50%** or DU/LPA approval.
- **Underwriting: Approve/Eligible** from DU or **Accept** from LPA
- Employment and income documentation follow DU/LPA findings and investor guidelines with a few exceptions:
 - Tax transcripts are required when utilizing 1040 income, working for family, or using WVOE as stand-alone income verification.

VA IRRRL

- Manual Underwrite only
- **0x30x6** payment history is required on the underlying mortgage being refinanced.
- Payment history must be verified using **one** of the following:
 - A credit report that clearly shows the payment history, **or**
 - A credit bureau supplement that clearly identifies all payments made in that timeframe, **or**
 - Servicer payment history/ledger documenting all payments.
- The new loan cannot refinance an existing loan that is currently 30 days past due.
- Safe Harbor loans only

Please refer to the [product matrix](#) for complete program guidelines.

(www.LakeviewCorrespondent.com | Delegated/Closed Loan Portal | Product Matrices - Lakeview Affordable Lending)

First Mortgage Loans – USDA

USDA Standard: Use if you cannot meet the guidelines of a streamline-assist

- All borrowers must have a **FICO score** of no less than **640**.
- Maximum DTI is the **lesser of 50%** or GUS approval.
- GUS with **Accept** findings is required.
- For borrowers in Consumer Credit Counseling, Chapter 12, or Chapter 13 bankruptcies, the applicant must obtain written permission from the credit agency or bankruptcy court/trustee (as applicable) to enter into the mortgage transaction. If permission is not obtained, the loan is ineligible for purchase.
- **0x30x12** payment history is required on the underlying mortgage being refinanced.

USDA Streamline-Assist

- Manual Underwrite only
- **0x30x12** payment history is required on the underlying mortgage being refinanced.
- Payment history must be verified using **one** of the following:
 - A credit report that clearly shows the payment history, **or**
 - A credit bureau supplement that clearly identifies all payments made in that timeframe, **or**
 - Servicer payment history/ledger documenting all payments.
- The new loan cannot refinance an existing loan that is currently 30 days past due.
- Safe Harbor loans only

Please refer to the [product matrix](#) for complete program guidelines.

Lakeview Correspondent Portal

Here you will find:

1. Announcements
2. Product Matrices for all affordable lending programs
3. Seller Guides
4. Reference library, which houses:
 - Quick reference guides
 - Delivery file checklists for closing and credit
 - Sample documents
5. Training Resources

The screenshot shows the Lakeview Correspondent Portal interface. On the left is a navigation menu with the following items: Main, Loan Registration/Lock/Pricing, Current Rate Sheet, (6033) BayView/Lakeview Closed Loan (highlighted), - Deliver Loans / TDOCS, - Titanium ULDD/XML Upload, - Reporting, Announcements, Product Matrices and Resources - Bayview, Product Matrices and Resources - Lakeview, Product Matrices - Lakeview Affordable Lending, Product Matrices and Resources - Non-Delegated, Seller Guides, Exclusionary List, Reference Library, Training Resources, User Profile, and Logout. On the right, there are two main sections. The top section is titled 'Daily Turn Times' with the subtitle 'All Turn Times are Approximate and Updated Daily'. It contains a table with two columns: 'Initial Review:' and 'Turn Time'. The table lists: Conv/Gov't/HFA (3 Days), Jumbo (7 Days), and Non-Agency (Coming Soon). Below this is a section titled 'Announcements' with a sub-section 'Descriptions'. It lists several announcements with dates and titles, including '2022 All Announcements', 'C2022-09 - HFA, NonAgency, Operational Updates', 'C2022-08 - Website Change and Tax Transcript Ter', 'C2022-07 - Agency, DSCR, Jumbo and Operationa', 'C2022-06 - Home in Five and Agency Inv Plus', 'C2022-05 - Agency and DSCR Updates', 'C2022-04 - AIP Expansion_Jumbo Update_Non-Ag', 'Reminders', 'C2022-03 - Agency, VA, HFA, DSCR, Jumbo Plus A', 'C2022-02- SC Enhancements_Hoosier Homes Exp', 'C2022-01 - Agency Updates', '2021 All Announcements', '2020 All Announcements', and '2019 All Major Disaster Announcements'. Red arrows with numbers 1 through 5 point to specific elements: 1 points to the 'Announcements' header, 2 points to 'Product Matrices - Lakeview Affordable Lending', 3 points to 'Seller Guides', 4 points to 'Reference Library', and 5 points to 'Training Resources'.

Daily Turn Times	
All Turn Times are Approximate and Updated Daily	
	Initial Review:
Conv/Gov't/HFA	3 Days
Jumbo	7 Days
Non-Agency	Coming Soon

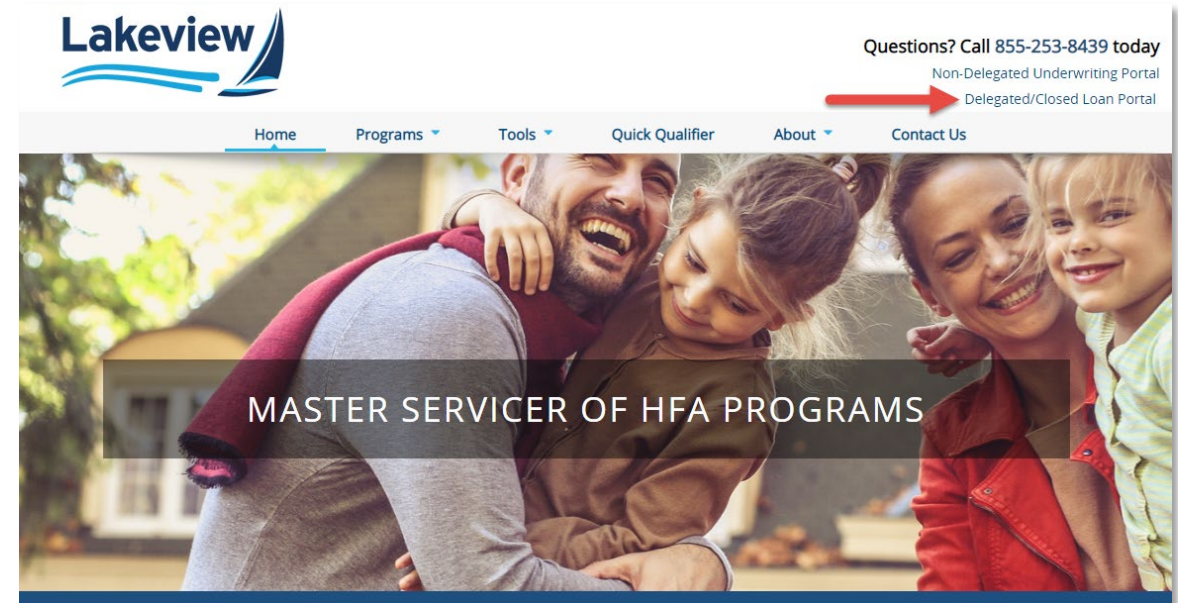
Announcements

Descriptions

- [2022 All Announcements](#)
- [C2022-09 - HFA, NonAgency, Operational Updates](#)
- [C2022-08 - Website Change and Tax Transcript Ter](#)
- [C2022-07 - Agency, DSCR, Jumbo and Operationa](#)
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- [C2022-04 - AIP Expansion_Jumbo Update_Non-Ag](#)
- [Reminders](#)
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- [C2022-02- SC Enhancements_Hoosier Homes Exp](#)
- [C2022-01 - Agency Updates](#)
- [2021 All Announcements](#)
- [2020 All Announcements](#)
- [2019 All Major Disaster Announcements](#)

On-Line Resources

- For more information or questions about FHA Refinance refer to the [4000.1 FHA Handbook](#).
- For more information or questions about VA Refinance refer to the [Lenders Handbook](#).
- For more information or questions about USDA Refinance options, refer to the [HB-1-355 USDA Handbook](#) or [USDA Refinance Training](#).
- For more information or questions about OHFA Programs, go to the [Ohio Housing Finance Agency Lender Resource](#) page.
- For more information or questions about the **delivery process**, refer to the Lakeview Delegated/Closed Loan portal at: www.lakeviewcorrespondent.com



Who to Contact With Questions

General Program Rollout	Contact your internal Product Implementation Team or your Lakeview Business Development Director
Disclosures, Forms, or Conditions on Closed Loans	Contact your Lakeview Client Manager
Pricing	Pricing and guidelines are available in most product and pricing engines. Contact your internal lock desk on how to access your pricing.
Program Guidelines or Specific Scenarios	Contact the Lakeview UW Scenario Dept at 1-855-253-8439, option 2 or at underwritingquestions@bayview.com
Locking or Delivering Loans	Contact Lakeview Client Services at 1-855-253-8439, option 3 or at clientservices@bayviewloans.com



Any Questions?



Thank you!