

2020 Palmetto Heroes Program

South Carolina State Housing Finance and Development Authority

Homeownership: Empowering New Buyers

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South Carolina Housing Homeownership

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Description of the Palmetto Heroes Program

The cost of homes in South Carolina is rising at a startling rate and South Carolina Housing's Palmetto Heroes program helps those who help us on a daily basis. The program provides low, fixed-rate loans and down payment assistance to help these Heroes find an opportunity to purchase their first home in the communities they work in and recognizes their contribution to society.

SC Housing introduced the Palmetto Heroes program for the first time in 2007 with educators and first-responders (teachers, firefighters, EMS personnel, and law enforcement) being the main focus of the program. Eligible "Heroes" now include correctional officers, active-duty military, veterans, and members of the National Guard and Reserves, and licensed medical professionals. With the onset of the COVID-19 pandemic it became evident that there are other essential front line workers that should be recognized because they were essential to everyone's lives and wellbeing. At the height of the pandemic (June 2020), SC Housing added package delivery drivers (UPS, FedEx, USPS, etc.) all licensed medical professionals and grocery store employees to the list of eligible Heroes in order to highlight the support and service of those who were helping us all stay safe and healthy during the pandemic.

Affordable single-family housing has become an increasing challenge for South Carolina. Over the past 20 years, median household income has grown by 52% in South Carolina, but median single-family home prices have risen nearly 90%. The increased demand for housing in South Carolina has created a growing gap in affordability that the Palmetto Heroes program helps offset through lower interest rates and down payment assistance. The income limits used in non-targeted counties goes up to 115% of the median income, and in our targeted counties up to 140% of area median income. The program now offers \$10,000 in forgivable down payment assistance. The DPA has no payment monthly payment and a zero percent interest rate. In 2020 the first mortgage loan had a fixed rate of 3.50%. The 2020 program allocation was \$30 million dollars.

Meeting the NCSHA Judging Criteria

The Palmetto Heroes Program is special because of who it serves. The program has always included those individuals who are sometimes recognized for their service such as teachers, first-responders, military and medical professionals. But SC Housing added package delivery drivers (coming to you home every day, delivering essential goods and services because it was unsafe to venture out in public), mail carriers (delivering mail and packages to our homes every day) and grocery store employees (who were always there face to face serving the public good). Palmetto Heroes has helped hundreds of families attain the dream of owning their first home during a very trying time. With rising home prices in South Carolina, the Palmetto Heroes program has helped these families and individuals purchase their first homes with very little out-of-pocket expense.

Palmetto Heroes program a staple in South Carolina

As of December 2021, SC Housing has funded more than \$86 million dollars in Palmetto Heroes first mortgage loans and \$10 million in related down payment assistance to more than 1,545 of our Palmetto Heroes across the state. The program is made truly exceptional by our strong partnerships with more than 100 approved lenders

including Guild Mortgage, Ameris Bank, First Citizens Bank and Prime Lending. SC Housing's efforts in recruiting lenders and forging partnerships have made Palmetto Heroes a resounding success - not just for SC Housing and our lending partners, but for the many Palmetto Heroes this program has assisted in becoming a homeowner. Our lending partners and real estate professionals anticipate the program offering each year and are lined up waiting for our annual announcement of the program.

Program benefits for the citizens of South Carolina

The Palmetto Heroes Program offers many benefits to new homeowners and housing partners, including:

- Qualified Heroes are able to purchase a home with little or no money down and at or below market interest rates;
- Qualified Heroes can purchase a home in the communities where they work with shorter commutes to work and less stress in their daily lives;
- Lender partners can take advantage of a "community service" creating goodwill and gaining new loyal clients;
- Employers benefit from the employees stability of someone with roots in the community and long term service; and
- New homeowners and communities benefit from both the social and economic capital created through homeownership.

Demonstrates effective use of resources

SC Housing has funded the Palmetto Heroes mortgages with tax-exempt mortgage revenue bonds (MRB) and the associated down payment assistance with program funds. To date, SC Housing has funded more than \$186 million in first mortgage loans and provided over \$10 in down payment assistance to over 1,545 families and individuals. The program is marketed annually as a "spring special." Potential homebuyers, lenders, and realtors start contacting our agency beginning in January each year wanting to know "When the program is coming back out?" The program is generally marketed with no (zero) added budget, using only internal marketing and business development resources. Announcements and marketing materials are sent to all applicable state and local business associations such as the SC Realtors association, S.C. Department of Education, Police and Firefighters Associations, S.C. Department of Corrections, S.C. Nurses Association, etc.

Effectively Employs Partnerships

The partnerships that have been forged over the years with our lending and realtors have made the program a success year after year with funds always being fully subscribed in a short period of time. Due to COVID-19, our marketing and outreach moved to virtual with webinars hosted by SC Housing and other state and local agencies and associations. Our partnerships with the numerous associations across the state have helped make the program a success.

Achieving Strategic Objectives

This program fully supports SC Housing's mission of providing opportunities for safe, decent, affordable housing for low to moderate-income citizens South Carolinians. The Palmetto Heroes program helps meet the goals of South Carolina Housing in increasing the number of homebuyers in our state. The challenges of Covid-19 has not deterred SC Housing to assisted many homebuyers to achieve the goal of homeownership. Whether on the front lines or working from home, SC Housing has been there to assist in Homeownership. SC Housing has been responsible for over \$3 billion in first mortgage and down payment assistance with the Palmetto Heroes program being a big part of that achievement.

In addition to the pandemic, 2020 saw the rise of social justice efforts and civic unrest as the general public, politicians and corporations called for greater social and economic equality. While South Carolina's population is

approximately 35.3% minority, the Palmetto Heroes program helped SC Housing expand homeownership opportunities to additional non-white residents. In 2020 42% of the Heroes loans were made to minorities.

Replicable

Many Housing Finance Agencies fund mortgage purchase programs with MRB and program funds allowing them to offer similar program terms. SC Housing has received requests from other Housing Finance Authorities interested in enhancing their program to reach essential front line workers during the COVID-19 pandemic.

Provides Benefits that Outweigh Costs

The Palmetto Heroes program provides multiple benefits to qualified borrowers, participating lenders and real estate professionals. The loans are “bond eligible” so they are processed in substantially the same manner as our primary bond program loans with no additional cost allocation. The income and purchase price limits follow our standard limits and therefore fully serve our agencies beneficiary class.

Conclusion

SC Housing has used the Palmetto Heroes program to honor educators, first-responders and community service personnel for over 13 years. These heroes put their lives on the line every day for our safety and wellbeing, but with the onset of the COVID-19 pandemic other unsung heroes emerged. By honoring package and postal delivery drivers, licensed medical professionals and grocery store employees, we made that pledge real. Palmetto Heroes gave these citizens a way to buy a home with little or no money down and at an affordable interest rate. These moderate income and often rent burdened borrowers were able to achieve the American dream of owning a home.



**SC Housing Homebuyer Program
Palmetto Heroes 2020**

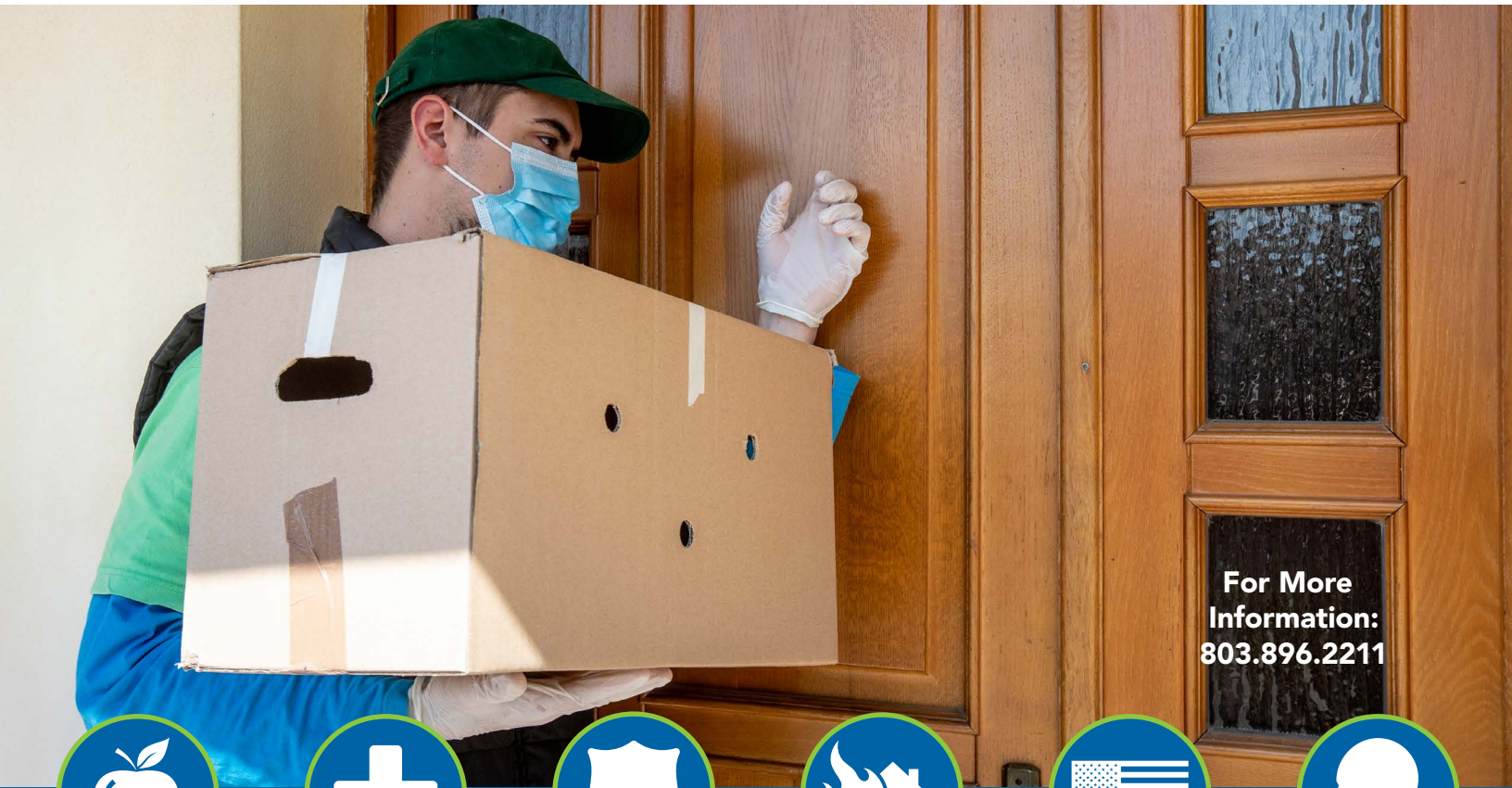
SC Housing is pleased to introduce SC Housing’s 2020 Palmetto Heroes Program. The program honors and includes educators, first responders and community service personnel in the fields of law enforcement, corrections, firefighting, emergency medical services, education, and health care as well as members of the SC Army National Guard, SC Air National Guard and Veterans of the U.S. Armed Forces.

This program offers **FHA, VA, USDA and Conventional** financing with a **reduced fixed interest rate** and enhanced **\$10,000 Down Payment Assistance**. All approved Lending Partners are eligible to participate. *Borrowers must have a fully executed sales contract for the purchase of a home prior to locking the interest rate.* Please refer to the SC Housing Homebuyer Program Guide and Manual for additional details not covered below.

Palmetto Heroes 2020	
Eligible Heroes	<p>Borrowers must be employed in SC and meet SC Housing’s First-Time Homebuyer requirements and underwriting guidelines.</p> <p><u>Teachers</u> – Borrower must be employed as a full-time classroom teacher (or have a contract to begin teaching) and must have a South Carolina Teacher Certification. Teachers with new contracts must be scheduled to receive their first paycheck within 60 days of loan closing.</p> <p><u>Law Enforcement Officers</u> – Borrower must be employed full-time as a state or local law enforcement officer (as defined by the SC Law Enforcement Training Act) and must be certified by the Law Enforcement Training Council as of the date of the loan application.</p> <p><u>Correctional Officers</u> – Borrower must be employed as a full-time corrections officer for the South Carolina Department of Corrections, SC Department of Juvenile Justice, or with a state, county or municipal detention center.</p> <p><u>Fire Fighters, EMTs and Paramedics</u> – Borrower must be employed full-time as a firefighter, emergency medical technician (EMT) or paramedic (or be a volunteer firefighter) with a state or local government agency. EMTs and paramedics may be employed by a company contracted by a state or local government agency to provide emergency medical services.</p> <p><u>Veterans</u> – Borrower must have served on active duty in the U.S. Armed Forces (other than active duty for training) and received a discharge other than dishonorable within the past 25 years. <i>NOTE: Eligible veterans cannot have an ownership interest in another principal residence at the time of loan closing.</i></p> <p><u>SC National Guard Members</u> – Borrower must be a member in good standing of the SC Army National Guard or the SC Air National Guard as of the date of loan application. Enlistment must be documented with a statement of service</p> <p>New for 2020!</p> <p><u>Licensed Medical Professionals</u> – Borrower must be employed full-time in a hospital, clinic, doctor’s office, nursing home/long term care facility or other medical facility. Borrower must be licensed/certified by the State of South Carolina. Copies of License or Certification are required at the time of review/eligibility.</p> <p><u>Grocery Store Employees</u> – Borrower must be employed full-time in a grocery store such as; Kroger, Harris Teeter, IGA, KJ’s Market, Aldi, Lowe’s (grocery), Whole Foods, Food Lion, Bi-Lo, Publix, Piggly Wiggly, Lidl, Sam’s, Costco, Trader Joes</p> <p><u>Delivery Drivers</u> – Borrower must be employed full-time as a delivery driver for a package delivery service/logistics company such as; DHL, UPS, USPS, FedEx, or Amazon</p>

Palmetto Heroes 2020

<p>Income and Sales Price Limits</p>	<p>Sales price and income limits are county-specific and are subject to change without notice. Refer to the SC Housing Homebuyer Sales Price and Income Limits located in Lender Online.</p> <p>Please refer to the SC Housing Homebuyer Manual for detailed information on how to calculate Household Income for program compliance.</p>
<p>Reservation/Rate Lock</p>	<p>Rate locks will be accepted from 10:00 AM – 6:00 PM Monday - Friday; excluding state recognized holidays and days that the US Financial Markets are closed for business. Rates are posted daily at https://lol.schousing.com and are subject to change without notice. <u>Borrowers must have a fully executed sales contract</u> for the purchase of a home prior to locking the interest rate.</p> <p>Rate Lock Periods</p> <ul style="list-style-type: none"> • 60 days – Existing Construction • 120 days – New Construction • The Float-Down Option for New Construction is <u>not</u> available on this program • Funds are limited and available on a first come, first served basis • Once funds are exhausted, reservations will be closed
<p>Down Payment Assistance (DPA)</p>	<p>SC Housing offers Forgivable Down Payment Assistance (DPA) to all qualified borrowers. DPA is available in the amount of \$15,000 and may be used towards a borrower’s down payment, closing costs and/or prepaid items. Borrowers must meet sales price and income limits, in addition to SC Housing’s first mortgage requirements.</p> <p>Forgivable DPA – This is a second mortgage with a ten (10) year (based on Household income). The interest rate is zero and there are <u>no monthly payments</u>. The borrower must occupy the subject property for the term (10 years) of the lien for the assistance to be fully forgiven.</p> <ul style="list-style-type: none"> • No monthly payments required • All liens must be closed in the lender’s name and assigned to SC Housing at delivery • Lenders are responsible for completing, delivering and documenting all required TRID disclosures • The final Closing Disclosure, any addendum and seller certification must be signed by all parties • Lenders will be responsible for sending the Good-Bye letters (First and Second DPA) in accordance with RESPA
<p>Federal Recapture</p>	<p>SC Housing Homebuyer Program first mortgage and DPA loans are subject to Federal Recapture. SC Housing will reimburse any borrower that is required to pay a recapture tax to the IRS.</p>
<p>Delivery Requirements</p>	<p>All SC Housing Palmetto Heroes loans must be delivered to SC Housing within 15 days of closing. <i>Palmetto Heroes loans must close and be delivered in purchasable form to SC Housing no later than 12/31/21</i></p>
<p>SC Housing Contact Information</p>	<p align="center"> Lender Help Desk 803.896.2211 mortgage.production@schousing.com </p> <p align="center"> Underwriting Questions/File Submission and Status Updates under.writing@schousing.com </p>



For More
Information:
803.896.2211



Teachers



Paramedics & EMTs
Nurses & Certified
Nurses' Aids
Long-Term Care &
Nursing Home Personnel



Correctional Officers
Law Enforcement
Officers



Firefighters



Veterans
SC National Guard
Members



Package Delivery
& Grocery
Personnel

Keeping Us Strong in Challenging Times

SC Housing offers a heartfelt thanks to all the healthcare workers, teachers, first responders, veterans and other frontline workers for your long hours and dedicated service during this public health crisis. You have kept our families safe and communities strong. This year we are extending our list of qualified homebuyers to include those who deliver our packages, provide our groceries and care for our loved ones in long-term and nursing home facilities.

Qualified Palmetto Heroes homebuyers receive a **3.5%** fixed rate mortgage and up to **\$10,000** in down payment assistance (DPA). Funding is limited, so if you're considering buying a home, don't wait. Call a participating lending partner or real estate professional to take advantage of this special program, or visit our website at:

[SCHousing.com/Home/HomeBuyers/Palmetto Heroes](https://www.schousing.com/Home/HomeBuyers/Palmetto_Heroes)



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Helping Us Recover

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Providing Critical Care

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Keeping Us Safe

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