



## **Bond 4% DPA FAQ**

### **\*\*Please Note\*\***

The TSAHC Bond-DPA program has limited funding and is not the same as the Non-Bond DPA program. Please view the [Non-Bond FAQs](#) for more information.

### **Q. Do the home buyers have to pay back any portion of the Bond DPA provided?**

A. If a home buyer uses TSAHC's 4 % Bond DPA program, they may be subject to Recapture Tax if they decide to sell their home within 9 years of purchase. Click here to learn more about [Recapture Tax](#).

Furthermore, the DPA is structured as a 3-year deferred forgivable second lien. The terms are as follows:

- 0% interest
- 3-year term (maturity on third anniversary of the date of the Note)
- No monthly payments due
- Repayable, in full, during 3-year term upon sale, transfer or refinance of the senior lien, or failure to occupy property as principal residence
- Forgiven, in-full, 3 years from the closing date
- Not forgiven on a pro-rated basis

### **Q. Can home buyers use both the Bond Down Payment Assistance and the MCC program together?**

A. The MCC Program cannot be combined with the Bond DPA Program.

### **Q. Is the Bond program available for any First-Time Home buyer?**

A. Yes, any first-time home buyer that is at or below 80% of the AMFI and has at least a 620 FICO may use the program. Should the home purchased fall within a "Targeted Area", or the buyer is a qualified Veteran, the first-time home buyer requirement may be waived.

The definition of a first-time home buyer is anyone who hasn't had an ownership interest in a **primary** residence in the past 3 years.

### **Q. What income is considered when determining eligibility?**

A. Household income of anyone that will end up on the deed of trust.

### **Q. Can I use the Bond program with a conventional loan?**

A. No, currently the Bond DPA program is only available for use with FHA, VA, and USDA loans.

**Q. Are there additional fees?**

A. No, there are no additional fees other than what is currently charged for the DPA program.

**Q. What is the minimum credit score?**

A. The borrower needs to have a minimum credit score of 620.

**Q. What additional documents are required by the borrower(s) for the Bond DPA?**

A. The additional documents are available for download on the Lender Online Portal in the pdf docs section once the loan is reserved. The additional documents that are different from our non-Bond DPA include:

- 3 years of Tax Returns. (If closing after April 15<sup>th</sup>, 2023 tax returns will be required)
- Tax-Exempt Rider. Must be attached to and recorded with the deed of trust.
- Notice of Potential Recapture Tax. Provided to borrower(s) at loan closing

**Q. What disclosures are required?**

A. TSAHC's 3-year deferred forgivable second lien has been determined to have a "complete" TRID exemption therefore no additional disclosures are required.

**Q. How do we obtain a MIN (mortgage identification number) and who registers the loan in MERS?**

A. The 3-yr deferred forgivable Second lien does not require a MIN (mortgage identification number) to be generated or registration in MERS.