

OHFA Homeownership Programs



**Housing Finance
Agency**

We Open the Doors to an Affordable Place to Call Home

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- Your certificates will be emailed by Tuesday.
- Copy of today's presentation Ohiohome.org/RP
- You have to be present 90% of the class to receive CE credit.



Webinar Classes

- You have to be watching on a computer/tablet or Microsoft Teams app to receive credit. If you are listening via phone audio, you will not receive credit.
- You have to be using your own individual device (two people can't be sharing a computer).

- There is nothing you need to do to sign, it automatically starts recording your sign-in time when you click the join link.
- Nobody will be on camera.

Social Media Toolkit

- Visit ohiohome.org and click on "Our Partners" and then "Real Estate Agents."

– Download the Down Payment Assistance social media image.

(After clicking the link above, right click on the image in order to save the image)



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\$1.3 billion
in gross mortgage reservations.

4,488 loans
totaling \$813 million.

In Fiscal Year 2024, OHFA financed
3,662 loans with this assistance.

502

*used 2.5% down
payment assistance*



3,160

*used 5% down
payment assistance*

31

Median Age

\$70,317

Median Annual
Household Income

\$189,165

Average Sale Price

714

Average
FICO® Score



Important Items to Know about OHFA

1. OHFA homeownership programs can be used anywhere in the State of Ohio
2. Not all lenders (Banks or Mortgage Companies) are OHFA participating lenders. Participating lenders can be found at: www.myohiohome.org





Homebuyer
contacts an OHFA
approved lender
for an eligibility
review.



Homebuyer
chooses the loan
program that best
fits their needs.



Homebuyer goes
through normal
home buying
process with a real
estate agent.

OHFA Participates in All of the Major Loan Types

**Conventional
3%**

FHA 3.5%

VA 0%

USDA 0%



First-Time Homebuyer

**Your Choice! DPA
Grants for Grads**

**Ohio Heroes
Mortgage Tax Credit**

These products fall underneath the First-Time Homebuyer umbrella.



Next Home

Your Choice! DPA

Ohio Heroes

*Next Home is a loan program for homebuyers who are not first-time buyers
and are looking to purchase their next home.*

Main Eligibility Requirements

Income Limits

www.myohiohome.org

Minimum Credit Score

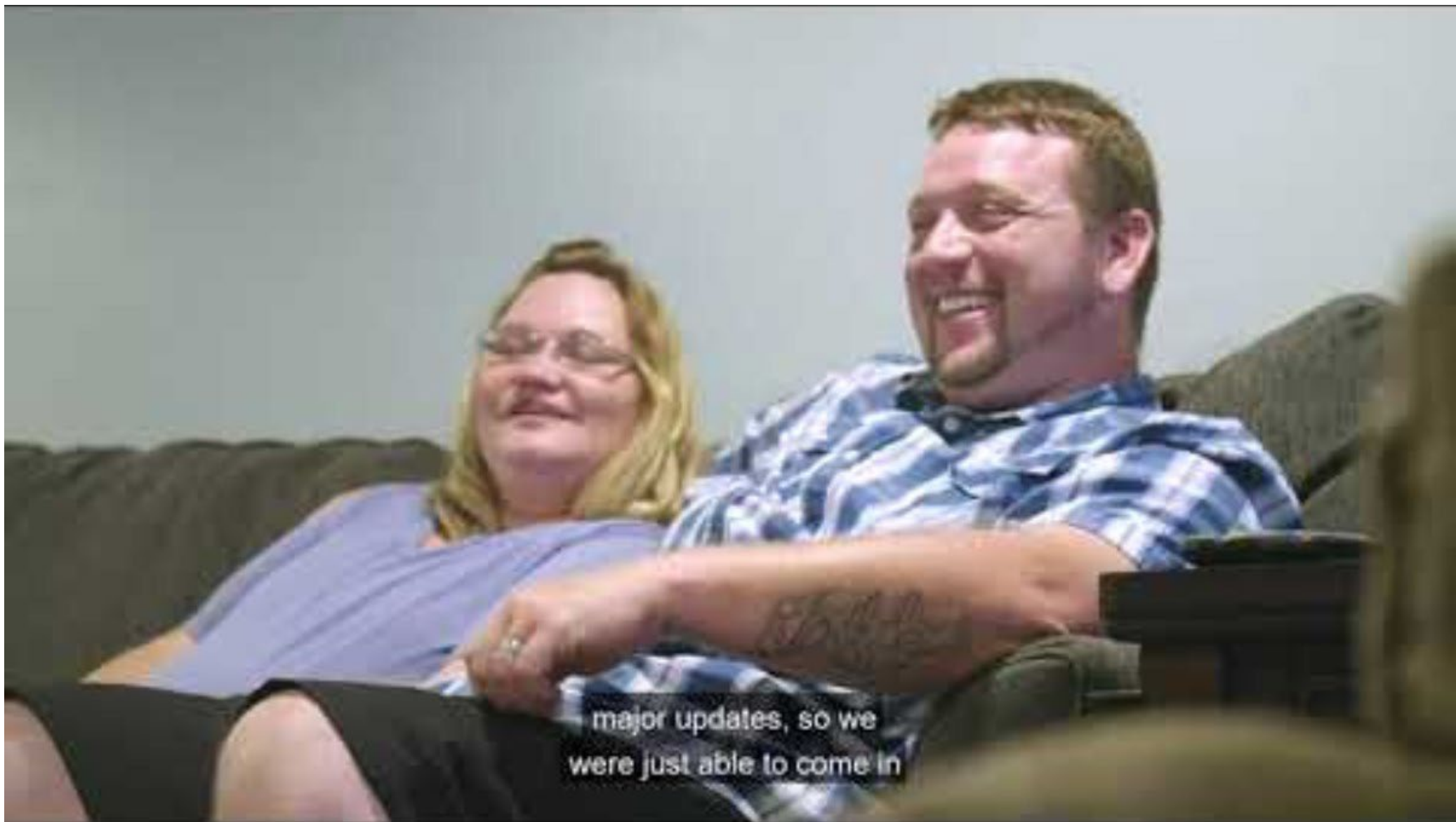
FHA: 650

Conventional, USDA, VA 640

First-Time Homebuyer

1. Someone who has not had ownership interest in a primary residence in the last three years.
2. Anyone buying in a Target Area - A target area is an economically distressed area.
3. Honorably Discharged Veteran - Regardless if they currently own a home or have owned a home in the past three years.





major updates, so we
were just able to come in

2.5% or 5% *Your Choice* Down Payment Assistance

- You can use the assistance to pay for the down payment, closing costs, or other prepaid expenses.
- Your interest rate will be slightly higher than OHFA's standard mortgage rates.
- You can't sell the house for the first 7 years otherwise you have to pay back the entire down payment assistance.



Conventional Loan (3% DP Requirement)

Purchase Price	\$200,000
5% Down Payment Assistance	\$10,000

Subtract the Down Payment and Closing Costs

3% Down Payment	-\$6,000
2% Closing Costs	-\$4,000

Approximate out-of-pocket funds: \$2,000-\$4,000

- This is based on approximate closing costs of \$6,000. Closing costs vary for each lender.
- Seller can contribute money towards buyers closing costs.

Closing Disclosure Example Conventional Loan

Total Closing Costs (a+b)	\$	8,559.17			
Total Estimated Funds Needed to Close (Details of Transactions)					
a. Purchase Price	\$	200,000.00	j. Subordinate Financing	\$	10,000.00
b. Alterations	\$		k. CC paid by seller	\$	
c. Land	\$		l. SellerCredit	\$	4,000.00
d. Refinance	\$			\$	
e. Estimated prepaid items	\$	2,127.22		\$	
f. Estimated closing costs	\$	5,981.95		\$	
g. PMI, MIP, Funding Fee	\$		New First Mortgage	\$	
h. Discount (if Borrower will pay)	\$		CC from 2nd	\$	
i. Total Costs (a through h)	\$	208,109.17	CC Paid by Broker, Lender, and Other	\$	
			m. Loan Amount	\$	194,000.00
			n. PMI, MIP Financed	\$	
			o. Loan Amount (m + n)	\$	194,000.00
			Total Credits (j through n)	\$	208,000.00
			p. Cash to/from borrower	\$	109.17

For informational purposes only



Closing Disclosure ExampleConventional Loan

Transaction Summary		
Total Estimated Monthly Payment		
First Mortgage	\$	1,307.01
Other Financing	\$	
Hazard Insurance	\$	100
Real Estate Taxes	\$	250.00
Mortgage Insurance	\$	98.62
HOA Dues	\$	
Other	\$	0.00
Total Monthly Payment	\$	1,755.63

Personal Loan Quote

Property Address: TBD, Sunbury, OH 43074

Borrower Name(s): OHFA Example

Total Loan Amount: \$194,000.00

Program: Conventional

Interest Rate: 7.125%

APR: 7.406%

Fixed/ARM: Fixed

Loan Term: 360

Date: October 22, 2024

For informational purposes only



Wealth and Homeownership Example Columbus Region

- Homebuyer purchased a \$200,000 home in 2020.
- Approximate median price appreciation between 2020 and 2024 in the Columbus region (Franklin County) was 41.25%.

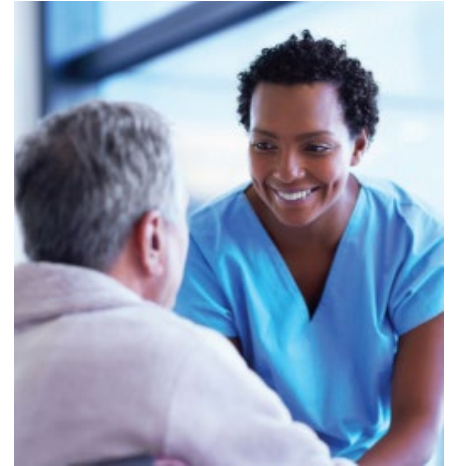
**Median home price appreciation in this example would be
\$82,500.**



Ohio Heroes

Full-time employees in the following professions receive a slightly lower interest rate:

- Veteran, active-duty military or member of reserve components (includes a surviving spouse)
- Police officer, firefighter, volunteer firefighter, EMT, paramedic



Ohio Heroes

- Physicians, nurse practitioners, nurses (RN, LPN, STNA)
- Pre-K-12 teacher, administrator, counselor



Ohio Heroes Interest Rate Example

MORTGAGE INTEREST RATES

- Updated 12/11/24 at 9:30am

TRADITIONAL FIRST-TIME HOMEBUYER PROGRAM

Government Loans (FHA, VA, USDA-RD) 30-Year Fixed Rate Loans

	First-Time Homebuyer Program	Ohio Heroes	Grants for Grads
With No OHFA Assistance	6.000%	5.750%	
With 2.5% OHFA Assistance	6.500%	6.250%	6.375%
With 5% OHFA Assistance	7.000%	6.750%	6.875%

5.750%

Conventional 30-Year Fixed Rate Loans

	First-Time Homebuyer Program	Ohio Heroes	Grants for Grads
With No OHFA Assistance	6.500%	6.250%	
With 2.5% OHFA Assistance	7.000%	6.750%	6.875%
With 5% OHFA Assistance	7.500%	7.250%	7.375%

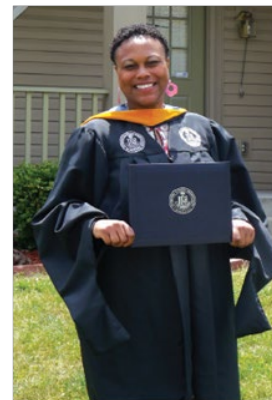
6.250%

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2.5% or 5% Grants for Grads

- Borrowers must have graduated college within the last 48 months with an associate's, bachelor's, master's or doctorate degree.
- If the buyer stays within Ohio for the first 5 years, they don't have to pay back the down payment assistance, even if they sell or refinance the property.



Grants for Grads Repayment Requirements Only if Moving Out of Ohio

Time Resided in Home	Amount of Grant Owed to OHFA
Less than 1 year	100%
1 year to 2 years	80%
2 years to 3 years	60%
3 years to 4 years	40%
4 years to 5 years	20%
5 years or more	0%

FHA Loan (3.5% DP Requirement)

Purchase Price	\$200,000
5% Grants for Grads Assistance	\$10,000

Subtract the Down Payment and Closing Costs

3.5% Down Payment	-\$7,000
1.5% Closing Costs	-\$3,000

Approximate out-of-pocket funds: \$3,000-\$5,000

- This is based on approximate closing costs of \$6,000. Closing costs vary for each lender.
- Seller can contribute money towards buyers closing costs.

Closing Disclosure Example FHA Loan

Total Closing Costs (a+b)	\$	12,084.28		
Total Estimated Funds Needed to Close (Details of Transactions)				
a. Purchase Price	\$	200,000.00	j. Subordinate Financing	\$ 10,000.00
b. Alterations	\$		k. CC paid by seller	\$
c. Land	\$		l. SellerCredit	\$ 4,000.00
d. Refinance	\$			\$
e. Estimated prepaid items	\$	2,109.83		\$
f. Estimated closing costs	\$	6,146.95		\$
g. PMI, MIP, Funding Fee	\$	3,377.50	New First Mortgage	\$
h. Discount (if Borrower will pay)	\$		CC from 2nd	\$
i. Total Costs (a through h)	\$	211,634.28	CC Paid by Broker, Lender, and Other	\$
			m. Loan Amount	\$ 193,000.00
			n. PMI, MIP Financed	\$ 3,377.00
			o. Loan Amount (m + n)	\$ 196,377.00
			Total Credits (j through n)	\$ 210,377.00
			p. Cash to/from borrower	\$ 1,257.28

Closing Disclosure ExampleFHA Loan

Transaction Summary	
Total Estimated Monthly Payment	
First Mortgage	\$ 1,241.24
Other Financing	\$
Hazard Insurance	\$ 100
Real Estate Taxes	\$ 250.00
Mortgage Insurance	\$ 88.01
HOA Dues	\$
Other	\$ 0.00
Total Monthly Payment	\$ 1,679.25

Personal Loan Quote

Property Address: TBD, Sunbury, OH 43074

Borrower Name(s): OHFA Example

Total Loan Amount: \$196,377.00

Program: FHA

Interest Rate: 6.500%

APR: 7.499%

Fixed/ARM: Fixed

Loan Term: 360

Date: October 22, 2024

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Mortgage Tax Credit Program

- The intent of the tax credit is to help first-time homebuyers afford homeownership.
- *Must request the tax credit when applying for your mortgage loan.*



Mortgage Tax Credit Program Example

\$200,000 Home Purchase	
Loan Amount	\$194,000
Loan Term	30 Years
Interest Rate	7%
Mortgage Credit Rate	20%

Mortgage Tax Credit Program Example

<p style="font-size: 24pt; font-weight: bold;">Form 8396</p> <p style="font-size: 10pt;">Department of the Treasury Internal Revenue Service</p>	<p style="font-size: 14pt; font-weight: bold;">Mortgage Interest Credit</p> <p style="font-size: 10pt;">(For Holders of Qualified Mortgage Credit Certificates Issued by State or Local Governmental Units or Agencies)</p> <p style="font-size: 10pt;">Attach to Form 1040, 1040-SR, or 1040-NR. Go to www.irs.gov/Form8396 for the latest information.</p>	<p style="font-size: 10pt;">OMB No. 1545-0074</p> <div style="text-align: center; font-size: 24pt; font-weight: bold;">2023</div> <p style="font-size: 10pt;">Attachment Sequence No. 138</p>
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1 Interest paid on the certified indebtedness amount. If someone else (other than your spouse if filing jointly) also held an interest in the home, enter only your share of the interest paid	1	\$13,517.57
2 Enter the certificate credit rate shown on your Mortgage Credit Certificate . Do not enter the interest rate on your home mortgage	2	20%
3 If line 2 is 20% or less, multiply line 1 by line 2. If line 2 is more than 20%, or you refinanced your mortgage and received a reissued certificate, see the instructions for the amount to enter	3	\$2,703.51



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Mortgage Tax Credit Program Example

Year	Interest	Principal	Ending Balance	Tax Credit Savings
1	\$13,517.57	\$1,970.67	\$192,029.33	\$2,703.51
2	\$13,375.11	\$2,113.13	\$189,916.20	\$2,675.02
3	\$13,222.35	\$2,265.89	\$187,650.31	\$2,644.47
4	\$13,058.55	\$2,429.69	\$185,220.62	\$2,611.71
5	\$12,882.91	\$2,605.33	\$182,615.28	\$2,576.58
6	\$12,694.57	\$2,793.67	\$179,821.61	\$2,538.91
7	\$12,492.61	\$2,995.63	\$176,825.98	\$2,498.52
8	\$12,276.06	\$3,212.18	\$173,613.80	\$2,455.21
9	\$12,043.85	\$3,444.39	\$170,169.41	\$2,408.77
10	\$11,794.80	\$3,693.39	\$166,476.02	\$2,358.96
				\$25,471.68

- According to the National Association of Realtors, 10 years is the average time a homebuyer stays in their home.

Mortgage Tax Credit Program Example

- Homebuyer made \$70,000 in income. The homebuyer owes approximately \$3,000 in federal income taxes.
- Their mortgage tax credit (first year) is **\$2,703.51**.
- Total federal income taxes now due are **\$296.49**.
- If the homebuyer claimed the credit for the first 10 years on their mortgage, that could be a savings of **\$25,471.68** in federal income taxes!



Mortgage Tax Credit Program-Continued

Two options for claiming the credit:

- End of the year tax credit.
- Adjust your withholding to pay less taxes throughout the year.



Mortgage Tax Credit Program-Credit Rates

MTC Basic (Can be used with any loan including non-OHFA loans. The lender still needs to be an OHFA-approved lender.)

Non-target areas = 15%

Target areas = 20%

MTC Plus* (Can combine with multiple programs and products and receive maximum 40% tax benefit under the MTC program.)

OHFA Loans = 40%

***There could be an interest rate increase for the mortgage tax credit plus program.**

Mortgage Tax Credit Program-Credit Rate Example

<u>Annual Interest</u>	<u>x % =</u>	<u>Credit</u>
\$10,000	15%-Non-Target	\$1,500
	20%-Target	\$2,000
	40%-OHFA Loan	\$2,000 (Max amount allowed)

Next Home

- Next Home is available for Ohio homebuyers who are not firsttime homebuyers.
- Homebuyers can receive 2.5% down payment assistance.
- Most of the eligibility requirements are the same as the firsttime homebuyer program.





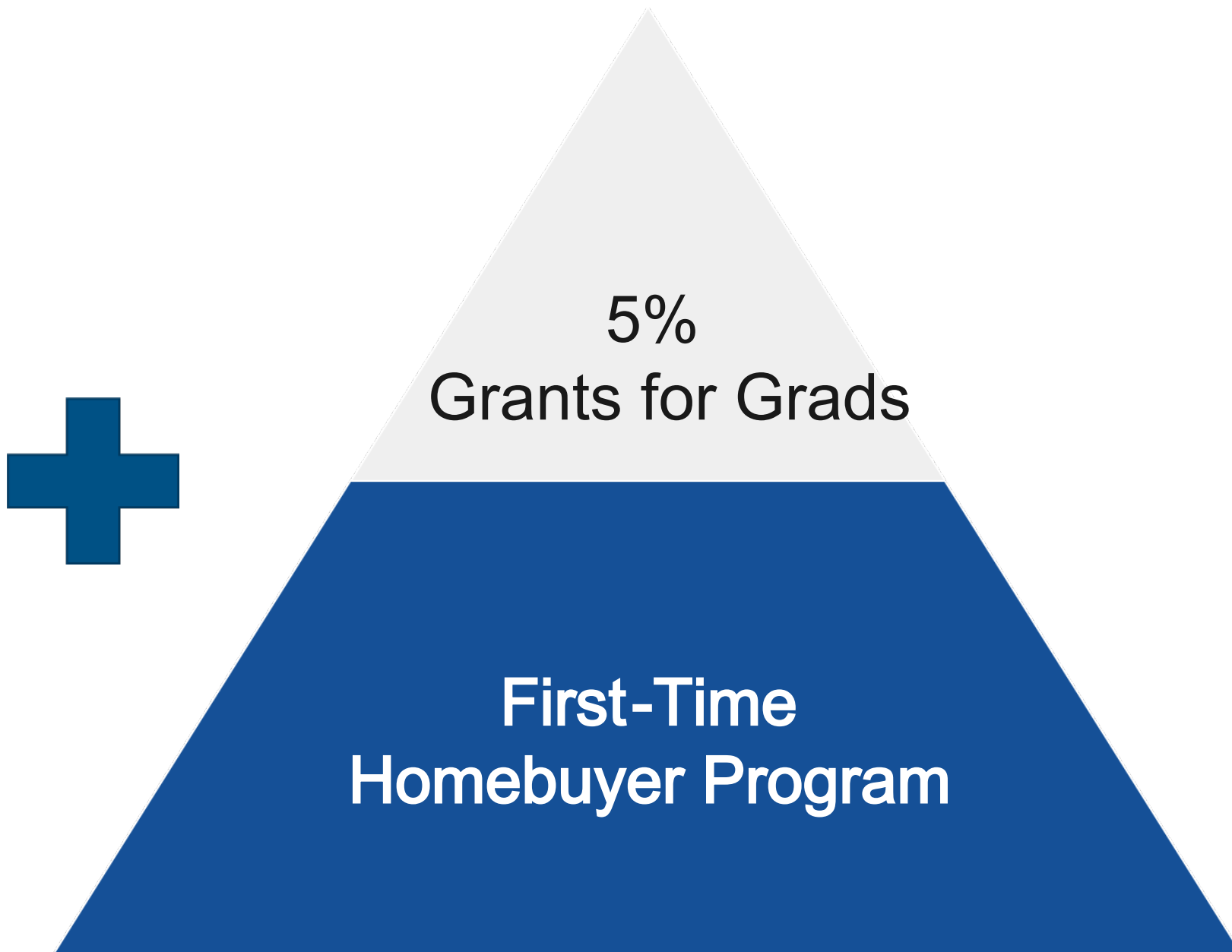
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Down Payment
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**First-Time
Homebuyer Program**



2.5% Your Choice
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5% Your Choice
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First-Time
Homebuyer Program-
Heroes



2.5% Your Choice
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Next Home



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