

Pierce County DPA Job Aid for Lenders

June 15th, 2022

This is a summary of streamlined information to help make the program more accessible. All guidelines from the manuals apply and supersede any information presented here.

Program Highlights

- Up to \$55,000 in a deferred-payment 2nd at 3% simple interest
- Funds can go towards down payment, prepaids and closing costs
- Front-end ratio must be between 25% and 40%
- Back-end ratio may not exceed 45%

How to Qualify & Submit Borrowers

- 1) **Is the borrower a 1st time buyer?** Have they *not* owned a Primary residence in the last 3 years?¹
- 2) **Is the subject property located within Pierce County** and *not* inside the city limits of Tacoma, Lakewood, Auburn, Bonney Lake or Pacific?
- 3) Are they under the **Household Income Limit**^{2,3} for the Pierce County DPA 2nd? (6/15/2022)

Household Size	1	2	3	4	5	6	7	8
Household Income Limit	\$56,850	\$65,000	\$73,100	\$81,200	\$87,700	\$94,200	\$100,700	\$105,300

- 4) **Are they under the Purchase Price Limit for the Pierce County DPA?** (9/1/2021)

Existing homes = \$460,750

New construction = \$567,102

- 5) **SELLER must sign these disclosures AT OR BEFORE MUTUAL ACCEPTANCE:**

- a. <http://wshfc.org/sf/dpaHUDForm1.HOMEProgramRequirements.pdf>
- b. <http://wshfc.org/sf/dpaHUDForm2.1.InitialEstimatedFMVNotice.pdf>

- 6) **Once you have mutual acceptance**

- a. Arrange for the [52580 Inspection](#) per the [manual](#)
- b. Arrange for the required [Housing Counselling](#) for the borrower

- 7) **How to Reserve the file** (lock the loans)

- a. Check 1st mortgage rates here: <http://wshfc.org/buyers/key.htm>
- b. How to: [Make a Reservation Video](#)
- c. [Lender Online](#)

- d. Lock the 1st mortgage as a House Key 1st, as normally it's rates will be lower and borrower (based on steps 1, 3 and 4) should qualify. Otherwise, you can use *Home Advantage* if needed.

8) **Once Appraisal is complete**, SELLER must sign this form:

<http://wshfc.org/sf/dpaHUDForm2.2.FinalEstimatedFMVNotice.pdf>

9) **How to Submit the file**

- a. Checklist for loan package: <http://wshfc.org/sf/HKPreClosingChecklist.pdf>
- b. Be sure to include the items required on page 2 of the checklist for the PC DPA
- c. How to: [Submit the Loan Package](#)

10) **How to:** [Check your Loan Status](#)

11) **Once WSHFC Approval is issued**, pull relevant documents from Lender Online including

- a. Note
- b. Deed of Trust
- c. Recapture Agreement

Important:

Loan must also meet full program manual for House Key here: <http://wshfc.org/sf/FINALHKMANUAL1.pdf> as well as the PC DPA Requirements per manual here: <http://wshfc.org/sf/dpaPierceManual.pdf>

Please verify you have the most current version of this from our website, feel free to email Dietrich.Schmitz@wshfc.org if you have any questions.

Footnotes:

¹ If borrower has not owned AND occupied a residence in the last 3 years, they are considered a first-time home buyer. Three years tax returns showing no mortgage interest tax deduction are required to document first time homebuyer status. Veterans who have an honorable discharge do not need to be a first-time homebuyer.

² [Household Income \(aka Compliance Income\)](#) is all income that will be earned by everyone living in the home age of 18 or over, whether or not they are on the loan application. We look at the highest pay for the coming 12 months which includes future projected raises.

³ **To request a pre-flight review** of the Household Income documents, email HomeDocs@wshfc.org and request they be reviewed for the Pierce County DPA. Be sure to include the following:

- Last 3 years tax returns
- Last 2 year's W-2s, 30 days of pay stubs and any other relevant income documents
- [Household Disclosure](#)

Changes from version 1

Ver 2 - Removed FNMA 75% rule requirement.

Ver 3 – Updated step 2 income limits