



**Extended Lock Program with Float Down**

Refer to standard FNMA or FHLMC underwriting guidelines (*exclusive* of State Housing Authority Special Requirements) for guidelines not specifically addressed in this Program Announcement.

The Extended Lock Program is for First-Time Homebuyers needing to secure a Fixed-Rate Loan on a home that is being constructed for their primary residence.

**Loan Limits**

**Purchase Price Limits** See website [www.schousing.com](http://www.schousing.com) for county specific income limits and purchase price limit per individual programs.

**Homebuyer(s)** All Borrower(s) must meet the requirements of the Authority's Bond Program. See Program Guides for specific requirements located in Extranet at [www.schousing.com](http://www.schousing.com)

**Interest Rate Options**

See website [www.schousing.com](http://www.schousing.com)

**Lock Period**

Loan Registrations/Loan Locks will be for 180 days with an option of extending the loan for an additional 90 days if necessary. There is no additional Fee for the lock extension.

**Float Down Option**

The Float Down Option will allow the Borrower to Float Down to the Authority's current rate one time during the construction period. The Float Down can be requested anytime prior to the issuance of the certificate of eligibility. The rates are not automatically reduced when rates change, therefore the Float Down must be requested by the loan officer. There is no additional Fee for the float down.

**Loan Types**

Conventional, FHA and Guaranteed Rural Housing Loans ( See program guides and online manual for specific State Housing guidelines for each program.

**Mortgage Insurance**

Loans with LTV over 80% are required to carry Private Mortgage Insurance with 25% coverage, FHA requires MIP and Rural Housing has a financed Guarantee Fee. See Lending Manual for specific insurance requirements

**Qualification Ratios**

See First Mortgage Program Guide or Lending Manual for specific ratios

**Down Payment**

Minimum down payment is 3% Conventional and Rural Housing  
Minimum down payment is 3.5% FHA Loans

**Assistance/Gifts**

See Program Guides for qualification requirements

**Property Eligibility**

Eligible properties are single-family dwellings stick built or off-frame modular. All properties must be located in South Carolina. The construction can be a single family home, townhouse or condominium.

## Federal Recapture

Loans are subject to Federal Recapture.

**NOTE:** Effective with all loans closed on or after July 1, 2006 South Carolina State Housing will reimburse any borrower that is required to pay recapture to the IRS. (See manual for further information)

# Procedures for the Extended Lock Program

The Extend Lock Program is for First-Time Homebuyers needing to secure a fixed-rate Loan and/or needs the Authority's Down Payment Assistance to complete the purchase of a home that is being constructed for them. The loan will be used to pay off the Construction Loan upon the home's completion. The construction loan may not have a term of more than 24 months.

**Lock Period** The loan will be registered for 180 days with an option of extending the loan for an additional 90 days if necessary. The loan may be approved at anytime during the Lock period. If an approval is needed prior to beginning construction, an approval can be issued on a completed credit package and by using a completed appraisal based on the specs and plans for the home. **Loan Approvals and documents are valid for 150 days. Any registrations extended will require a new approval and all information must be re-verified prior to closing. All bank accounts, income, AUS findings and a final appraisal must be updated and submitted before a clear to close can be given.**

**NOTE:** The Loan Officers should counsel their customer that the loan application may be re-certified prior to closing and that they should not purchase or charge any major items until after their new home loan closes. Borrowers who change employment will have to have their income re-verified.

## Float Down

The Float Down Option will allow the Borrower to Float Down to the Authority's current rate one time during the construction period. The Float Down can be requested anytime prior to the issuance of the certificate of eligibility.

## Escrows

The first year taxes on a new home (for the lot only) can mislead first-time homebuyers into thinking their payments will continue at this low amount. Most first-time homeowners are not prepared for the \$75.00+ increase the second year. We have also found that in some cases the loans would have never been approved if the full tax amount would have been used in running the DU or LP. Therefore, the Authority requires that all new construction loans use an actual estimated tax for the property. This amount can be obtained from the county tax office.

## Registration Procedures

Extended Lock Loans can be registered in the Housing Authority's Lender-on-Line automated registration system. If you are unable to access the system, please call: 803-896-9380 for assistance.

For More information see our website at [www.schousing.com](http://www.schousing.com)  
Send questions to [MortgageQuestions@schousing.com](mailto:MortgageQuestions@schousing.com)

Call 803-896-8797 - 803-896-9178 - 803-896-9396