

Welcome to Flex Lending

Creating Equitable Pathways to Homeownership



Oregon Housing and Community Services (OHCS) operates the Flex Lending program, which offers two loan products through approved lenders:

FirstHome and NextStep



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OHCS Partners

Master Servicer

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What is Flex Lending?

OHCS developed Flex Lending to support its mission of expanding homeownership opportunities for Oregonians. FirstHome and NextStep products may be paired with down payment assistance (DPA) to create more accessible pathways to homeownership resulting in stronger communities.

By doing so, OHCS aims to strengthen communities, providing families with greater stability and a solid foundation for the future.



Flex Lending Products

✓ NextStep Product:

NextStep by OHCS is designed for homebuyers who are not purchasing for the first time but still wish to access down payment assistance. This program offers a **first and second mortgage combination**, allowing borrowers to benefit from **competitive market interest rates**.

✓ FirstHome Product:

Introducing **FirstHome**, OHCS's newest **first-time homebuyer loan product!** This flexible loan can be used as either a **standalone first mortgage** or a **first and second mortgage combination**. FirstHome replaces the **Oregon Bond Residential Loan Program** and continues to offer borrowers a **subsidized interest rate** to support affordable homeownership.



About NextStep



- **Purchase Only - 30yr Fixed Rate First Mortgage**
- **First-Time Homebuyer (FTHB) Not Required**
- **All FTHB must take Homebuyer Education classes**
- **Conventional (Fannie Mae or Freddie Mac), FHA, VA, USDA, Section 184**
 - **Max LTV / CLTV**
 - **Conventional 97% / CLTV 105% (Reduced MI for borrowers <80% AMI)**
 - **FHA 96.5% / CLTV Follow Agency Guidelines**
 - **VA & USDA 100% / CLTV Follow Agency Guidelines**
- **Minimum Credit Score is 620**
- **Manual Underwrite on Government Loans only with Min 640 Credit Score**
- **Max income is \$125,000.00 – qualifying income**
- **Non-occupying co-borrowers ARE allowed – must be within income guidelines**

About **NextStep** continued . . .

- **Borrowers May Not Own any Property at Closing**
 - Non-Occupying CB's can own Property at Closing
- **Property Eligibility:**
 - Properties must be located in Oregon
 - SFR
 - PUDS
 - Condos/Townhomes
 - Manufactured Homes – Single, Multi-wide
- **Down Payment Assistance (DPA)**
 - DPA may be combined with other DPA programs
- **Maximum 50% DTI – exceptions for AUS approved VA loans**
- **Lenders are Responsible for Credit Underwriting Decisions**
- **NO Recapture Tax**



About FirstHome



OHCS's **NEWEST** First-Time Homebuyer Loan Product

- **Purchase Only – 30yr Fixed Rate First Mortgage**
- **No OHCS Minimum Borrower Investment Required**
- **First-Time Homebuyers Required**
 - *Unless using Veteran Exemption or Purchasing in a Targeted Area*
- **Conventional (Fannie Mae or Freddie Mac), FHA, VA, USDA, Section 184**
 - Max LTV / CLTV
 - Conventional 97% / CLTV 105% (Reduced MI for Borrowers <80% AMI)
 - FHA 96.5% / CLTV Follow Agency Guidelines
 - VA & USDA 100% / CLTV Follow Agency Guidelines
- **Minimum Credit Score is 620**
 - Manual Underwrite on Government Loans Only with Min 640 Credit Score
- **Borrowers May Not Own Property at Closing**
 - Non-Occupying Co-Borrowers and Co-Signors are **NOT** allowed



About FirstHome continued. . .

- **Property Eligibility:**

- Property located in Oregon
- SFR
- Manufactured Homes – Single, Multi-wide
- Condos/Townhomes
- PUDS

- **Down Payment Assistance (DPA):**

- DPA may be Combined with other DPA programs
- Borrowers can receive 4% or 5% of the First Mortgage Loan Amount as DPA
- Standard DPA – 4%
- Focused Demographics – 5% (must qualify for)
- ≤80% AMI – DPA is Due on Sale
- >80%AMI – DPA is repayable

- **Maximum DTI 50% or up to 55% for qualified Veterans**

- **Lenders are Responsible for Credit Underwriting Decisions**

- **Recapture Tax Applies**

- **Household income is used to determine income limits**



About FirstHome continued . . .



- OHCS has Established **Income Limits** for Households that Qualify for **FirstHome** Loan Product

- **Income Limits**

- Arranged by **Non-Targeted** and **Targeted Area**
- Additionally broken out within the Property Area by **Household Size**

- **Income Calculation**

- **The FirstHome Loan Product uses Household Income** (instead of Qualifying Income)
- **Household Income Limits** are updated annually



Income Limits
Effective June 2024

County*	Non-Targeted Area		Targeted Area	
	1-2 Person	3 or More	1-2 Person	3 or More
Baker	Not Applicable	Not Applicable	\$119,040	\$138,880
Benton	\$109,034	\$125,389	\$129,600	\$151,200
Clackamas	\$124,871	\$143,601	Not Applicable	Not Applicable
Clatsop	Not Applicable	Not Applicable	\$119,040	\$138,880
Columbia	\$124,871	\$143,601	\$141,600	\$165,200
Coos	Not Applicable	Not Applicable	\$119,040	\$138,880
Crook	\$99,200	\$114,080	\$119,040	\$138,880
Curry	\$99,200	\$114,080	\$119,040	\$138,880
Deschutes	\$125,640	\$146,580	\$125,640	\$146,580
Douglas	\$99,200	\$114,080	\$119,040	\$138,880
Gilliam	\$99,200	\$114,080	Not Applicable	Not Applicable
Grant	\$99,200	\$114,080	Not Applicable	Not Applicable
Harney	Not Applicable	Not Applicable	\$119,040	\$138,880
Hood River	\$117,480	\$137,060	Not Applicable	Not Applicable
Jackson	\$99,200	\$114,080	\$119,040	\$138,880
Jefferson	\$99,200.00	\$114,080.00	\$119,040	\$138,880
Josephine	\$99,200.00	\$114,080.00	\$119,040	\$138,880
Klamath	\$99,200.00	\$114,080.00	\$119,040	\$138,880
Lake	Not Applicable	Not Applicable	\$119,040	\$138,880
Lane	\$99,200	\$114,080	\$119,040	\$138,880
Lincoln	\$99,200	\$114,080	\$119,040	\$138,880
Linn	\$99,200	\$114,080	\$119,040	\$138,880
Malheur	\$99,200.00	\$114,080.00	\$119,040	\$138,880
Marion	\$99,200	\$114,080	\$119,040	\$138,880
Morrow	\$99,200	\$114,080	Not Applicable	Not Applicable
Multnomah	\$124,871	\$143,601	\$141,600	\$165,200
Polk	\$99,200	\$114,080	Not Applicable	Not Applicable
Sherman	\$99,200	\$114,080	Not Applicable	Not Applicable
Tillamook	\$99,200	\$114,080	Not Applicable	Not Applicable
Umatilla	\$99,200	\$114,080	\$119,040	\$138,880
Union	Not Applicable	Not Applicable	\$119,040	\$138,880
Wallowa	Not Applicable	Not Applicable	\$119,040	\$138,880
Wasco	\$99,200	\$114,080	Not Applicable	Not Applicable
Washington	\$124,871	\$143,601	Not Applicable	Not Applicable
Wheeler	Not Applicable	Not Applicable	\$119,040	\$138,320
Yamhill	\$124,871	\$143,601	Not Applicable	Not Applicable

Downpayment Assistance (DPA)

Available for BOTH NextStep and FirstHome Products



- Standard DPA = 4%
- Focused Demographics = 5% (*must qualify*)
- Borrowers with an AMI of $\leq 80\%$ AMI will have a Silent Second Mortgage that is due and payable at Sale, Transfer, Refinance, Rental of Property, Failure to Occupy as Primary Residence, and Default or Acceleration
- Borrowers with an AMI $>80\%$ will have a repayable 2nd with a term of 10, 20, or 30 Years

Focused Demographic Down Payment Assistance



Focused Demographics Product Eligibility Worksheet

Instructions: Use this worksheet to document eligibility, refer to the Flex Lending Program Manual for guidelines.

Borrower: First MI Last **Co-Borrower:** First MI Last

Subject Property: Address City State Zip Code

To be eligible for Focused Demographics, borrowers must meet:
a) Flex Lending Program guidelines; and
b) Two of four demographic criteria below

Demographic Criteria	Notes & Instructions														
<input type="checkbox"/> Household of four or more people	Use household size statement to document if desired.														
<input type="checkbox"/> A household member with a disability	See Flex Lending Program Manual for definition.														
<input type="checkbox"/> Front-end ratio of 28% or higher	<ul style="list-style-type: none"> - Calculate without DPA Loan - Do not include non-occupant co-signer income. <table border="1"> <tr> <td>\$</td> <td>P & I</td> </tr> <tr> <td>\$</td> <td>Insurance</td> </tr> <tr> <td>\$</td> <td>Property Tax</td> </tr> <tr> <td>\$</td> <td>Association Fee</td> </tr> <tr> <td>\$</td> <td>Monthly Housing Expenses</td> </tr> <tr> <td>\$</td> <td>Borrower Monthly Qualifying Income</td> </tr> <tr> <td>%</td> <td>Front-End Ratio</td> </tr> </table>	\$	P & I	\$	Insurance	\$	Property Tax	\$	Association Fee	\$	Monthly Housing Expenses	\$	Borrower Monthly Qualifying Income	%	Front-End Ratio
\$	P & I														
\$	Insurance														
\$	Property Tax														
\$	Association Fee														
\$	Monthly Housing Expenses														
\$	Borrower Monthly Qualifying Income														
%	Front-End Ratio														
<input type="checkbox"/> Sole Head of Household with at least one Eligible Dependent Residing in the household	Eligible Dependent(s) Is/are (select at least one): <ul style="list-style-type: none"> <input type="checkbox"/> Under 18 <input type="checkbox"/> A household member with a disability <input type="checkbox"/> Age 62 or older Check to Confirm: <ul style="list-style-type: none"> <input type="checkbox"/> Household includes only one adult that is not an Eligible Dependent 														

Lender Certification - I hereby certify that to the best of my knowledge the above information is true.

Name and NMLS ID# of Loan Officer Lender Name and NMLS#

Signature of Loan Officer Date

Borrower Name (First MI Last) Co-Borrower Name (First MI Last)

Borrower Signature Date Co-Borrower Signature Date

Borrower Certification - As the borrower I certify the above information is true and correct.
Front-end ratio must still be within limits at closing.

The **Focused Demographic Down Payment Assistance (DPA)** product was designed to bridge the gap for underserved communities by providing increased DPA and more favorable loan terms

Focused Demographics borrowers must first meet our program guidelines and also meet 2 of these 4 criteria:

- Household Size of 4 or more People
- Household Member with a Disability
- Front-End Ratio of 28% or Higher
- ***Sole Head of Household with one or more eligible dependent(s):
 - <18 Years of Age
 - Age 62 or Older
 - A Household Member with a Disability

***Note: Household must include only one adult who is not an eligible dependent*



Mortgage Insurance NextStep and FirstHome

Approved MI Companies:

- ARCH
- MGIC
- Essent
- Radian
- National MI
- Enact

Mortgage Insurance Types:

- Borrower Paid –
 - Monthly with Annual Renewal
- Split Premium
- Single Premium
- Financed Mortgage Insurance is allowed, however there is a Gross LTV cap of 97%, which includes the Financed Mortgage Insurance amount
- Lender Paid MI option is not available at this time

LTV Range	Coverage Amount	
	Under 80% AMI	Over 80% AMI
>95% and ≤ 97%	18%	35%
>90% and ≤ 95%	16%	30%
>85% and ≤ 90%	12%	25%
>80% and ≤ 85%	6%	12%

Homebuyer Education NextStep and FirstHome



Homebuyer Education is Required for First-time Homebuyers with an OHCS Approved Homeownership Center

*A **First-time homebuyer** is defined as a person who has **not owned** a residential property in the **most recent last 3 years***

- List of approved Homeownership Centers:
<https://www.oregon.gov/ohcs/homeownership/homebuyers/Pages/housing-counseling.aspx>
- Online options available: **Finally Home!** and **Framework**

Rates

NextStep and FirstHome

- **Rates** - Interest Rates Posted Daily, Excluding Weekends and Observed Holidays
- **Hours** - Locking Available 9:00 AM – 4:00 PM (PST)
- **LLPA's** – No Loan Level Pricing Adjustments
- All Loans must be Delivered to and Purchased by IHFA within 60 days of Rate Lock
- **Access Rates:**
 - The Lenders page will direct you to each program, **NextStep** and **FirstHome** at this website: <https://www.oregon.gov/ohcs/homeownership/lenders-real-estate-professionals/pages/default.aspx>
 - **Lender Portal** <https://oregonlendingprograms.com>

Flex Products Comparison Chart

Description	Flex	
	FirstHome	NextStep
Description	OHCS's Qualifying First-Time Homebuyer Program	Formerly Flex Lending
IRS Requirements?	Yes	No
First-Time Homebuyer Required?	Yes (Unless purchasing in a Targeted Area or a Veteran using an exemption)	No
Min FICO	620	620
Manual UW Allowed?	Yes, with 640 Credit Score (Gov't Loans w/2mos. PITI)	Yes, with 640 Credit Score (Gov't Loans w/2mos. PITI)
Max DTI	50%	50%
Conventional - Max LTV/CLTV	97/105	97/105
FHA - Max LTV/CLTV	96.5% LTV Follow HUD guidance for CLTV	96.5% LTV Follow HUD guidance for CLTV
VA - Max LTV/CLTV	100% LTV Follow VA guidance for CLTV	100% LTV Follow VA guidance for CLTV
USDA - Max LTV/CLTV	100% LTV Follow USDA guidance for CLTV	100% LTV Follow USDA guidance for CLTV
DPA?	Yes 4% Standard DPA & 5% Focused Demographics DPA	Yes 4% Standard DPA & 5% Focused Demographics DPA
DPA ≤80% AMI	Due On Sale	Due On Sale
DPA >80% AMI	Repayable First Mtg. Rate +1%	Repayable First Mtg. Rate +1%
Rate Advantage/No DPA Option?	Yes	No
Qualifying Income/household Income	Household Income and Qualifying Income	Qualifying Income (Borrowers on the Mortgage Loan)
Manufactured Homes?	Yes	Yes
ADU's	Follow Agency Guidelines	Follow Agency Guidelines
LLPA's - Loan Level Pricing Adjustments (for FICO, DTI, Property Type)	None	None
Homebuyer Education Required	Yes, For ALL First-Time Homebuyers	Yes, For ALL First-Time Homebuyers
Homebuyer Education - Sources	OHCS Homeownership Centers & Finally Home (Online)	OHCS Homeownership Centers & Finally Home (Online)
CLT Properties	Yes	Yes
CLT Properties - LIFT Funded (pre-2024)	Yes Using Fannie Mae Single Loan Waiver	Yes Using Fannie Mae Single Loan Waiver
CLT Properties - LIFT Funded (2024 and beyond)	Yes No Restrictions, Follow Agency Guidelines	Yes No Restrictions, Follow Agency Guidelines

Notes

Follow Agency Guidelines means - Follow the appropriate GSE guidelines. Fannie Mae, Freddie Mac, FHA, VA, USDA as applicable.

Compare FirstHome and NextStep Loan Products



Website Links

- **Lender's Page:** <https://www.oregon.gov/ohcs/homeownership/lenders-real-estate-professionals/pages/default.aspx>
- **FirstHome Page:** <https://www.oregon.gov/ohcs/homeownership/lenders-real-estate-professionals/Pages/firsthome-lenders.aspx>
- **NextStep Page:** <https://www.oregon.gov/ohcs/homeownership/lenders-real-estate-professionals/Pages/nextstep-lenders.aspx>
- **Homebuyers Page:**
<https://www.oregon.gov/ohcs/homeownership/homebuyers/Pages/flex-lending.aspx#approved-lenders>
- **Housing Counseling Page:**
<https://www.oregon.gov/ohcs/homeownership/homebuyers/Pages/housing-counseling.aspx>

Need Help?

For Help with Program Questions please email:
HCS_HomeownershipLending@HCS.Oregon.gov

**For Help with Lender Portal, Locks and Log-In questions,
please email:**
OregonFlexLendingHelp@HilltopSecurities.com

****Utilize your internal underwriters for scenario questions.*



Questions?



On behalf of the entire Flex Lending team,
Thank You!

