



SOUTHEAST TEXAS HOUSING FINANCE CORPORATION

TO: City of Deer Park Mayor & City Council Members

FROM: Troy Cothran, Director/1st Vice President
Southeast Texas Housing Finance Corporation

DATE: February 20, 2018

RE: Activities Report

I would like to update the Mayor and City Council on the activities of The Southeast Texas Housing Finance Corporation (SETH).

SINGLE FAMILY HOMEOWNERSHIP PROGRAMS:

(1.)

Beginning in October 2012, SETH implemented our *5 Star Texas Advantage Program* which provides an eligible borrower either 6%, 5%, 4%, or 3% of the final loan amount as an outright GRANT for down payment and closing cost assistance. Through January 2018, SETH has provided 106 Deer Park households \$14,541,000 in mortgage funds and \$800,000 in GRANT funds for down payment and closing cost assistance. The GRANTS do not have to be repaid. The average loan amount is \$137,180.

SETH was very excited that in October 2017, four years after the beginning of the Program, that we reached over **\$2 Billion** in mortgage funds and over **\$100 Million** in GRANT funds for down payment assistance.

In Deer Park, an eligible home buyer must have an income less than \$82,225 (FHA/VA) and the maximum purchase price is \$331,200 (FHA/VA). SETH's Freddie Mac Conventional Program allows a maximum income of \$114,400 and a maximum purchase price of \$453,100.

(2.)

Beginning on February 1, 2018, SETH implemented 2 new single family programs (HOMESTAR & GOLDSTAR) that allows an eligible borrower to receive 2%--8% of the final loan amount as down payment and closing costs assistance with a forgivable 2nd Lien that is forgiven after 7 years. The amount of assistance is prorated 1/84th per month as long as the borrower resides in the home until it is totally forgiven after year 7.

(3.)

SETH also offers 1st Time Homebuyers the Mortgage Credit Certificate (MCC) Program which provides a direct tax credit up to \$2000 each year the borrower lives in their home. Our Program that just ended 12/31/17, we had 7 homebuyers in Deer Park take advantage of the Program with \$967,894 in total home mortgage funds with an average loan amount of \$138,271. SETH began its new program on 1/3/18 and look forward to assisting more homebuyers in Deer Park. SETH is also the Administrator for 5 other Housing Finance Corporations throughout the State for their MCC Programs.

MULTIFAMILY PROGRAMS:

SETH continues to increase our Multifamily Portfolio. Currently SETH is in an ownership position in the following communities:

Gateway at Lake Jackson Apartments—Lake Jackson—160 units—Family—50% affordable for families below 60% of area median income.

Sweetwater Apartments—Wharton—56 units—Family—35% affordable for families below 80% of area median income.

Heritage Crossing—Santa Fe—72 units—Senior—85% affordable for residents below 60% of area median income.

Birdsong Place Villas—Baytown—96 units—Senior—100% affordable for residents below 60% of area median income.

Stonegate Apartments—Alvin—160 units—Family—75% affordable for families below 60% of area median income.

SETH recently purchased the old Hospital Site in Bay City near downtown and have started the process of constructing 72 units of Senior housing. It will be 35% affordable for residents below 80% of the area median income. Projecting a completion date of June 2019.

HOMEBUYER'S EDUCATION:

SETH was the first housing finance agency in 1998 in the Country to require Homebuyer's Education for any single family program that we administer. Statistics have always shown that potential homebuyers are much more successful and have less defaults if they successfully complete Homebuyer's Education. In the past 5 years, SETH has educated **21,702** individuals/families.

SETH's JURISDICTIONAL GRANT FUNDING:

In 2016, the SETH Board of Directors granted \$50,000 to each of our 20 jurisdictions to carry out affordable housing initiatives or related services. We were so excited that Deer Park used their funds to install Senior Citizen oriented exercise equipment. A great service to the citizens of Deer Park.



HOMEBUYER ASSISTANCE

SETH 5 Star Program

Homebuyers receive a Grant for Down Payment and Closing Costs when purchasing a home. Program also provides a 30 year fixed rate FHA, VA, USDA or Conventional loan. No First Time Homebuyer Requirement.

- Available for the entire State of Texas except Travis County and the cities of El Paso & Grand Prairie
- Actual Grant based on loan selection and determined by final loan amount
- Maximum Sales Price: \$331,200 (\$453,100 Conv.)
- Qualify for a Mortgage Loan with a Participating Lender
- Borrowers must not exceed the following income limits for Deer Park, TX:
 - \$82,225 FHA/VA Financing
 - \$114,400 Conventional Financing

**WE WORK
TOGETHER**

SETH Extra Credit MCC Program

Our MCC Program provides eligible First Time Homebuyers a Federal Tax Credit of up to \$2,000 each year while making their mortgage payment. Actual savings will depend on mortgage interest paid annually on the home.

- Borrowers must be First Time Homebuyers, except in Targeted Areas
- Home must be located in the County of: Austin, Brazoria, Chambers, Matagorda, Walker, Waller, Wharton or the City of: Baytown, **Deer Park**, Dickinson, La Marque, La Porte, League City, Pasadena, Santa Fe, Shoreacres, Texas City, Tomball
- Must owner occupy as principal residence for 9 years to avoid potential Federal Recapture Tax
- Borrowers to meet income limits based on family size and location of the home:

Location:	1-2 Family Members	3 or More
Deer Park, TX	\$71,500	\$82,225

Ready to Get Started?

Contact a Program Lender: List Available at www.sethfc.com

Or Give Us A Call: 281.484.4663



11111 S Sam Houston Parkway East Houston, TX 77089 www.sethfc.com 281.484.4663





Now Available for Deer Park

The SETH GoldStar Program provides eligible homebuyers Down Payment and Closing Costs Assistance when purchasing a home. Buyers also receive a 30 year fixed rate FHA, VA, USDA or Conventional loan. Actual amount of Assistance determined by final loan amount.

- Available for the entire State of Texas except Travis County and the cities of El Paso & Grand Prairie
- Max Sales Price: \$275,665- \$362,250 FHA
- Max Sales Price: \$453,100 Conv/USDA/VA
- Min Credit Score: 620/ Max DTI 55%
- All Buyers to Complete the SETH on-line Homebuyer Education Course
- Qualify for a Mortgage Loan With A Program Lender
- Borrowers must be income eligible:

See website for complete list of income limits and participating lenders.

Location:	Income Limits Gov.	Income Limits Conv.
Brazoria County	\$98,440	\$136,960
Fort Bend County	\$82,225	\$114,400
Harris County	\$82,225	\$114,400
Galveston County	\$82,255	\$114,400

Select From These Available Assistance Options:

Example:

If your loan amount is \$185,000

8% SETH DPA = \$14,800

7% SETH DPA = \$12,950

6% SETH DPA = \$11,100

5% SETH DPA = \$9,250

4% SETH DPA = \$7,400

HOMEBUYER ASSISTANCE PROGRAM

www.sethfc.com

NO First Time Homebuyer Requirement

NO Repayment of Assistance after 7 years

NO Federal Recapture Tax

NO Prepayment Penalties

Contact Us Today!

281.484.4663

rmitchell@sethtexas.com

or

Visit Our Website:

www.sethfc.com



11111 S Sam Houston Parkway East Houston, TX 77089 www.sethfc.com 281.484.4663



There's no place like
Home



HOMEBUYER ASSISTANCE PROGRAM

The **SETH HOMESTAR PROGRAM** provides Down Payment and Closing Cost Assistance. Buyers also receive a 30 year fixed rate FHA, VA or Conventional loan. Actual amount of Assistance is determined by loan amount and financing selections.

- Available for the entire State of Texas except Travis County and cities of El Paso & Grand Prairie
- Maximum Sales Price: \$331,200 (\$453,100 Conv.)
- Special MI SAVR Options - No Monthly PMI Payment
- All Buyers to Complete the SETH on-line Homebuyer Education Course
- Qualify for a Mortgage Loan With A Program Lender
- Borrowers must be income eligible:

See website for complete list of income limits and participating lenders.

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Brazoria County	\$98,440	\$136,960
Fort Bend County	\$82,225	\$114,400
Galveston County	\$82,225	\$114,400
Harris County	\$82,225	\$114,400

NO First Time Homebuyer Requirement

NO Repayment of Assistance after 7 years

NO Federal Recapture Tax

NO Monthly PMI Options

HOW IT WORKS:

If your loan amount is \$185,000

8% SETH DPA = \$14,800

7% SETH DPA = \$12,950

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5% SETH DPA = \$9,250

4% SETH DPA = \$7,400

NOW AVAILABLE IN:
DEER★PARK
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GET STARTED TODAY
Rhonda Mitchell
Program Manager
281.484.4663 x110



SETH

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