



# State of New York Mortgage Agency

641 Lexington Avenue, New York, NY 10022  
(212) 688-4000 • Fax: (212) 872-0789

---

**PRISCILLA ALMODOVAR**  
*President and CEO*

By E-mail

August 28, 2008

**RE: Revisions to the Section 8 Voucher Homeownership Mortgage Program**

Dear Participating Lender:

Since announcing the Section 8 Voucher Homeownership Mortgage Program (the “Program”) in June, the State of New York Mortgage Agency (“SONYMA”) has received substantially more loan reservations and interest in the Program than projected. In just 2½ months, SONYMA has already exceeded the amount of funds initially allocated to the Program. SONYMA remains committed to supporting individuals and families seeking to transition to sustainable homeownership utilizing a Section 8 homeownership voucher. However, in order to meet the demand for the Program and to ensure that funds go to those most in need, we are making the changes set forth below. These changes are effective for loan reservations made under the Program as of the date of this letter.

- **Increase in Program Interest Rate**

The Program interest rate is being increased to 4%. The new rate applies to both 30- and 40-year terms, regardless of whether or not the applicant opts for closing cost assistance.

- **Decrease in Purchase Price Limits and Implementation of Appraised Value Limits**

The purchase price limits are being reduced to 80% of the current Program limit. In addition, we are implementing appraised value limits. Going forward, both the purchase price of the home and the appraised value must not exceed the revised limit. Attached please find the revised limits chart.

Please note that SONYMA is not allocating a specific amount of additional funds to the Program. However, we will continue to monitor the progress of loan reservations and we reserve the right to modify or discontinue the Program at anytime.

Lenders are reminded that applicants must complete face-to-face pre-purchase Section 8 homeownership counseling to be eligible for the Section 8 Homeownership Mortgage Program. Prior to reserving a loan with SONYMA, lenders must ensure that the counseling is completed or will be completed by the time the file is submitted to SONYMA for approval. At a minimum, SONYMA requires a letter from the non-profit entity or local Public Housing Agency (“PHA”) who is administering the Section 8 funds setting forth the following:

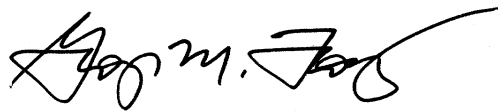
- Name and address of applicant;
- Date entered the Section 8 program;
- Number of hours of face-to-face homeownership counseling completed;
- Amount of Section 8 housing assistance payment (“HAP”);
- How Section 8 funds will be used (i.e., added to income, deduct HAP from PITI, downpayment subsidy).

Keep in mind that to deduct the HAP from the PITI, the company servicing the mortgage loan (the “servicer”) must set up a dedicated account and the HAP must be deposited directly into the account by the non-profit entity or local PHA administering the Section 8 voucher. Further, the servicer must be able to accept payments to the same account from both the borrower and the HAP Administrator. For lenders not servicing for SONYMA, our master servicer, M&T Bank, accepts these loans. *(Lenders must clearly identify these loans when submitting the required servicing file to M&T Bank.)*

For more information on the Section 8 Voucher Homeownership Mortgage Program, please see [Seller’s Guide Bulletin#8-2008](#).

If you should have any questions, please feel free to contact me at (212) 872-0392.

Sincerely,



George M. Leocata  
Senior Vice President  
Single Family Programs



## Section 8 Voucher Homeownership Mortgage Program

SONYMA, the New York State Division of Housing and Community Renewal (DHCR), and the Buffalo and New York HUD offices, as well as other public housing agencies (PHAs) have partnered to provide very low, fixed interest rate mortgages and closing cost assistance to first-time homebuyers purchasing a home with the assistance of a Section 8 homeownership voucher. The low interest mortgage provides both a major benefit to homebuyers, and liquidity to the local PHAs, thus allowing more Section 8 recipients to purchase a home. The terms of the program are as follows:

Program Size:	Funds Available Until Further Notice
Interest Rate:	4% (Fixed for 30- or 40-years) (No Interest Rate Increase for loans with CCAL)
Points:	None*
Closing Cost Assistance:	Higher of \$5,000 or 5% of the loan amount
Eligible Borrowers:	First-Time Homebuyers only
Maximum Household Income:	80% of the <u>higher</u> of the Area Median Income or New York State Median Income
Maximum Purchase Price/Appraised Value:	80% of Standard SONYMA Limits
Maximum Financing:	Up to 99%
Minimum Borrower Downpayment:	Borrowers must contribute a minimum of 1% of their own savings toward the downpayment
Eligible Properties:	Existing and newly Constructed 1-family homes including condominiums and cooperatives
Underwriting Ratios:	AU Loans and Manual Underwrites: 40%/45%
Credit Underwriting:	<ul style="list-style-type: none"> <li>• DU Approve Eligible or LP Accept</li> <li>• DU EA-1 or LP A-Minus (Level 1) with max LTV of 95% and min FICO of 620</li> <li>• Manual Underwrites are reviewed on a case-by-case basis depending on all factors associated with the application</li> </ul>
PMI Insurance:	Required for all loans over 80% LTV (Insurance will be provided by SONYMA's MIF)
Homebuyer Counseling:	Face-to-face, pre-purchase Section 8 homeownership counseling from a HUD-approved not-for-profit required for all loans

All other SONYMA guidelines and requirements will apply. All loan applications must be made through a SONYMA participating Lender.

\*Lock-in deposit of 1% of the loan amount required at reservation. At loan closing, amount will be refunded to borrower or credited to the borrower's closing costs. If the applicant withdraws their application, lender must pay 1% to SONYMA. The 1% will be refunded to the applicant if the application is denied.



**State of New York Mortgage Agency**  
**Section 8 Voucher Homeownership Mortgage Program**  
**INCOME AND PURCHASE PRICE/APPRaised VALUE LIMITS\***  
**Effective for Loans Reserved on August 28, 2008 and Until Further Notice**

Region	County	INCOME LIMITS Household Size		PURCHASE PRICE/ APPRaised VALUE LIMITS
		1 & 2 Person**	3+ Person**	1 Family Homes***
<b>I BUFFALO</b>	Cattaraugus	\$52,240	\$60,070	\$189,624
	Chautauqua	\$52,240	\$60,070	\$189,624
	Erie	\$52,240	\$60,070	\$198,048
	Niagara	\$52,240	\$60,070	\$198,048
<b>II ROCHESTER</b>	Genesee	\$52,240	\$60,070	\$189,624
	Livingston	\$52,240	\$60,070	\$193,496
	Monroe	\$52,240	\$60,070	\$193,496
	Ontario	\$52,240	\$60,070	\$193,496
	Orleans	\$52,240	\$60,070	\$193,496
	Seneca	\$52,240	\$60,070	\$189,624
	Wayne	\$52,240	\$60,070	\$193,496
	Wyoming	\$52,240	\$60,070	\$189,624
	Yates	\$52,240	\$60,070	\$189,624
<b>III SYRACUSE</b>	Cayuga	\$52,240	\$60,070	\$189,624
	Cortland	\$52,240	\$60,070	\$189,624
	Madison	\$52,240	\$60,070	\$202,496
	Onondaga	\$52,240	\$60,070	\$202,496
	Oswego	\$52,240	\$60,070	\$202,496
<b>IV BINGHAMTON</b>	Allegany	\$52,240	\$60,070	\$189,624
	Broome	\$52,240	\$60,070	\$189,624
	Chemung	\$52,240	\$60,070	\$189,624
	Chenango	\$52,240	\$60,070	\$189,624
	Delaware	\$52,240	\$60,070	\$189,624
	Otsego	\$52,240	\$60,070	\$189,624
	Schuyler	\$52,240	\$60,070	\$189,624
	Steuben	\$52,240	\$60,070	\$189,624
	Tioga	\$52,240	\$60,070	\$189,624
	Tompkins	\$57,440	\$66,050	\$189,624
<b>V MID-HUDSON</b>	Columbia	\$52,240	\$60,070	\$189,624
	Dutchess	\$69,450	\$79,860	\$319,496
	Greene	\$52,240	\$60,070	\$189,624
	Orange	\$69,450	\$79,860	\$319,496
	Putnam	\$73,720	\$84,770	\$368,240
	Sullivan	\$52,240	\$60,070	\$189,624
	Ulster	\$64,030	\$73,630	\$292,496

Region	County	INCOME LIMITS Household Size		PURCHASE PRICE/ APPRaised VALUE LIMITS
		1 & 2 Person**	3+ Person**	1 Family Homes***
<b>VI CAPITAL</b>	Albany	\$56,480	\$64,950	\$224,904
	Montgomery	\$52,240	\$60,070	\$189,624
	Rensselaer	\$56,480	\$64,950	\$224,904
	Saratoga	\$56,480	\$64,950	\$224,904
	Schenectady	\$56,480	\$64,950	\$224,904
	Schoharie	\$56,480	\$64,950	\$224,904
<b>VII MOHAWK VALLEY</b>	Clinton	\$52,240	\$60,070	\$189,624
	Essex	\$52,240	\$60,070	\$189,624
	Franklin	\$52,240	\$60,070	\$189,624
	Fulton	\$52,240	\$60,070	\$189,624
	Hamilton	\$52,240	\$60,070	\$189,624
	Herkimer	\$52,240	\$60,070	\$189,624
	Jefferson	\$52,240	\$60,070	\$189,624
	Lewis	\$52,240	\$60,070	\$189,624
	Oneida	\$52,240	\$60,070	\$189,624
	St. Lawrence	\$52,240	\$60,070	\$189,624
<b>VIII DOWNSTATE</b>	Warren	\$52,240	\$60,070	\$189,624
	Washington	\$52,240	\$60,070	\$189,624
	Rockland	\$77,360	\$88,960	\$368,240
	Westchester	\$81,280	\$93,470	\$368,240
<b>IX LONG ISLAND</b>	Nassau	\$77,680	\$89,330	\$368,240
	Suffolk	\$77,680	\$89,330	\$368,240
<b>X NEW YORK CITY</b>	Bronx	\$73,720	\$84,770	\$368,240
	Kings	\$73,720	\$84,770	\$368,240
	New York	\$73,720	\$84,770	\$368,240
	Queens	\$73,720	\$84,770	\$368,240
	Richmond	\$73,720	\$84,770	\$368,240

**NOTES:**

\* Subject to change

\*\* Household size is determined by the number of persons in the household including children, regardless of age.

\*\*\* Includes condominiums and cooperatives.