

# NCHFA's Community Partners Loan Pool (CPLP) Program

## FREQUENTLY ASKED QUESTIONS

### *for NC Home Advantage™ Lenders*

*Updated: February 2024*

#### **What is CPLP?**

CPLP is the Agency's most generous down payment assistance (DPA) program for low- and moderate-income home buyers. Eligible borrowers can receive up to **25% of the Sales Price or a maximum of \$50,000**, whichever is lower. This zero-interest, deferred subordinate mortgage must be combined with a NC Home Advantage™ mortgage from a participating lender.

*\*NOTE: Borrowers in rural communities can also combine CPLP with a USDA Section 502 Direct Loan from USDA-Rural Development.*

#### **Who is eligible for CPLP assistance?**

CPLP assistance is limited to eligible low- and moderate-income households who earn no more than 80% of Area Median Income. For the most current limits, please go to the CPLP Forms & Resources page on our website: <https://www.nchfa.com/homeownership-partners/community-partners/community-programs/community-partners-loan-pool/forms-and-resources>

In addition, borrowers must meet the following eligibility criteria:

- Must have a minimum credit score of 640 (660 for new manufactured homes)
- Cannot exceed program ratios: 32% Housing Ratio/ Front-end ratio  
45% Debt-To-Income Ratio / Back-end ratio

*\*NOTE: Borrower's do **not** have to be a first-time home buyer.*

#### **How does a borrower apply for CPLP assistance?**

Potential home buyers must work with a CPLP Member, an approved nonprofit or local government housing agency, who can provide borrowers with homebuyer education and in person counseling, help them apply for assistance and, if approved, help set the closing date for both the CPLP loan and the NC Home Advantage™ mortgage. To search for members by county, please go to the "Current Community Partners" page on our website:

<https://www.nchfa.com/home-ownership-partners/community-partners/current-community-partners>

Please note that the CPLP application and review process is **separate** from the NC Home Advantage™ mortgage application and review process and will work simultaneously with each other. However, the lender can share borrower documents and information to shorten the CPLP member's review and application process.

### **When is the best time to refer a potential home buyer to a CPLP Member?**

After lender has pre-approved the borrower but **before** the lender locks in the NC Home Advantage™ mortgage rate. However, if a lender has any questions about the borrower's potential eligibility for CPLP assistance, please contact a CPLP Member for further information.

### **Are there Sales Price Limits for homes purchased with CPLP funds?**

Yes, there are Maximum Sales Price Limits which vary by County and Type of Home (New Construction vs. Existing). These limits are set by the U.S. Department of Housing and Urban Development (HUD) and are updated on an annual basis. For the most current limits, please check the CPLP Forms & Resources page on our website:

<https://www.nchfa.com/homeownership-partners/community-partners/community-programs/community-partners-loan-pool/forms-and-resources>

### **What types of homes can be purchased with CPLP assistance?**

Both newly constructed and existing homes in good shape can be purchased with CPLP assistance. All homes must be inspected and homes built prior to 1978 must meet additional quality standards. For more information, please contact a CPLP Member.

### **What types of mortgage products can be used with CPLP assistance?**

Any of the five types of mortgage products accepted by NC Home Advantage™ can be used with CPLP assistance:

- Fannie
- Freddie
- FHA-insured
- VA-insured
- USDA-insured

### **Can a borrower add NC Home Advantage™ DPA and/or an MCC with CPLP assistance?**

Yes, if needed, borrowers can combine CPLP with a NC Home Advantage™ DPA program (*i.e.*, NC 1<sup>st</sup> Home Advantage Down Payment or 3% program). When combining multiple sources of home buyer assistance, the borrower must satisfy the requirements of **each** program.

In addition, CPLP borrowers can add the NC Home Advantage™ Tax Credit, known as a Mortgage Credit Certificate (MCC). However, please note that a borrower *cannot* receive an NC 1<sup>st</sup> Home Advantage Down Payment and an MCC. They can only receive assistance from one of these programs for first time home buyers.

For more information, please review the [Comparison Chart of NCHFA Home Buyer Assistance Programs](#) posted on the [CPLP Forms & Resources page](#) on our website and attend our FREE monthly CPLP training for lenders. To register please go to the Lender "Train With Us" page on our website: <https://www.nchfa.com/home-ownership-partners/lenders/train-us>

### **Which NC Home Advantage™ rate is used if borrower is applying for CPLP?**

For most borrowers, lenders will select the NC Home Advantage™ rate **without DPA**, which means the borrower is not using a NC Home Advantage™ DPA program. Generally, this “stand alone” rate offers the borrower the Agency’s most competitive mortgage rate. However, if the borrower is also applying for any of the NC Home Advantage™ DPA programs, the lender chooses the applicable rate for that NC Home Advantage™ DPA program. Check the current “Interest Rates” page on our website: <https://www.nchfa.com/home-buyers/interest-rates>

### **Are there home buyer education and counseling requirements?**

Yes, all CPLP borrowers must complete:

- Minimum 6 hours of HUD-approved Home Buyer Education
- Minimum 2 hours of in person Pre-purchase housing counseling provided by a HUD-certified housing counselor. The CPLP Member will determine if the borrower needs additional education or counseling.

### **How is the CPLP closing process different than a closing with NC Home Advantage™ DPA?**

- NCHFA sends CPLP funds to closing instead of the lender fronting DPA funds and getting reimbursed by NCHFA after the closing.
- Once CPLP assistance is approved, the CPLP Member can select the closing date via the NCHFA Loan Pool Portal. The Member must also verify the lender has secured internal approval.
- Please note that NCHFA requires at least **7** Agency business days’ notice in order to process funds and loan documents to be sent to the closing attorney.
- A NCHFA paralegal will send Pre-closing instructions to the Closing Attorney, which will include a list of documents to be submitted for Agency review.

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### **FOR MORE INFORMATION:**

Please contact a **CPLP Member** in your service area. To search for Members by county, go to the “Current Community Partners” page on the NCHFA website:

<https://www.nchfa.com/home-ownership-partners/community-partners/current-community-partners>

To read a general program overview, go to the **CPLP Program page** on the NCHFA website:

<https://www.nchfa.com/home-ownership-partners/community-partners/community-programs/community-partners-loan-pool>

NCHFA offers free, monthly 1-hour **Info Sessions on CPLP** for loan officers interested in learning more about the program. For more info, please go to the Lender “Train with Us” page on the NCHFA website:

<https://www.nchfa.com/home-ownership-partners/lenders/train-us>

For more information on CPLP, you can also contact:

- Vedera Mimms, Community Partner Coordinator ([vcmimms@nchfa.com](mailto:vcmimms@nchfa.com))
- Kari Rudolph, Community Partner Coordinator ([klrudolph@nchf.com](mailto:klrudolph@nchf.com))