

Homebuyer Assistance Program

The Southwest Texas Housing Finance Corporation (SETH) GoldStar Second Loan Program is available in Texas, except for the cities of El Paso, Grand Prairie, and Travis County. The SETH GoldStar program is a 7 or 10-year silent second loan, providing up to 7% of the final first mortgage loan amount which can be used for down payment or closing costs. Principal is deferred with no accrued interest and it is NOT a bond program. Repayment obligation is forgiven in equal monthly increments, and will be 100% forgiven at maturity of note. The 7-year term proration begins after year 2, and the 10-year term proration begins after year 5.

- Purchase only 30-year Fixed Rate term for FHA, VA, and Freddie Mac HFA Advantage loan programs
- Manual underwrite is allowed for FHA and VA
- Income limits based on qualifying income only, by county regardless of family size
- No First Time Homebuyer requirement, no tax returns required
- Eligible Property - 1-4 units Primary SFR for FHA, VA, 1-unit Freddie Mac HFA Advantage, Condominiums, Townhomes, PUDs
- No minimum borrower investment (unless required by mortgage insurers)
- No federal recapture tax provision/borrower admin fees
- Maximum purchase price is based on agency loan limits
- All borrowers must complete SETH online Homebuyer Education course
- DTI & credit score requirements will align with Central Bank, with a few exceptions. Each borrower is still required to have a minimum of one credit score & the no score/non-traditional credit option is not available

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