

Significant Improvements to LLPAs on Virginia Housing’s Conventional Program!

Great news! The GSEs have recently announced major improvements to loan level price adjustments (LLPAs) on the HFA Preferred and HFA Advantage programs and we are thrilled to pass this along to our partners and homebuyers. All except one LLPA is removed for homebuyers with AMI exceeding 80%.

The only LLPA that remains is for Charter Coverage or reduced mortgage insurance (MI) for homebuyers whose qualifying income exceeds 80% AMI. The reduced Charter MI LLPA amount is driven by credit score and loan-to-value (LTV).

LTV %	Charter MI %	Standard MI %
	Applies to borrowers with qualifying income \leq 80% AMI If qualifying income $>$ 80% AMI, reduced MI LLPA applies when using Charter MI instead of Standard MI	Applies to borrowers with qualifying income $>$ 80% AMI; MI LLPA does not apply
95.01 – 97.00	18	35
90.01 – 95.00	16	30
85.01 – 90.00	12	25
80.01 – 85.00	6	12
\leq 80.00	Not required	Not required

The other LLPAs specific to credit score / LTV and property type (condos) no longer apply when qualifying income exceeds 80% AMI.

When is this effective? Immediately. This is effective for new loan locks as well as existing locks that have not yet closed. Our system Mortgage Cadence has not yet been updated but we are working diligently to do so. Until it is updated you are responsible for contacting Virginia Housing if you have a locked loan that hasn’t closed yet to remove the applicable LLPAs.

Reminders:

- **Rate Sheet:** Our rate sheet received daily is base pricing. If an LLPA applies, the base pricing will be adjusted. A link to the LLPA matrices is provided on the rate sheet.
- **LOS Mortgage Cadence:** You are responsible for completing the MI Coverage Type in Mortgage Cadence as well as the Percent of Coverage when MI applies on a Conventional loan to ensure the loan is priced correctly.

Coverage Type Charter or Standard ⓘ

Charter Coverage × ▾

Coverage Percentage ⓘ

18 × ▾

Changes to loans removing or adding the reduced MI LLPA:

- **Before closing:** If a locked loan is updated that changes the AMI to above or below 80%, after saving the loan a message will appear notifying you that a new Lock Information Form has been generated with updated pricing. This can occur up until a closed loan package is received by Virginia Housing.
- **After closing/purchase review:** If you have incorrect information in Mortgage Cadence that affects pricing and we correct it during our purchase review, Virginia Housing will contact you to let you know the price change prior to loan purchase. If it results in a price above 102.5, anything in excess will be applied as a principal curtailment.

Questions? Contact our Lock Desk:
LockDesk@VirginiaHousing.com

We are in the process of updating program material as a result of this change, and we hope to have all updated in the near future.

We believe in the power of home to grow thriving communities across Virginia, and we thank you for being part of our mission for 50 years.

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