

1. Question: What is the maximum loan-to-value (LTV) ratio for a 1-unit principal residence purchase under Fannie Mae's standard eligibility requirements?

Answer: The maximum LTV ratio for a 1-unit principal residence purchase is 97% for fixed-rate mortgages (FRM) and 95% for adjustable-rate mortgages (ARM)

Source: ("Fannie Mae Eligibility Matrix" (2025), Page 2).

2. Question: According to the IRS, what is the deductibility limit for state and local taxes, including real estate taxes?

Answer: The deduction for state and local taxes, including real estate taxes, is limited to a total of \$10,000 (\$5,000 if married filing separately)

Source: ("Publication 530 (2023)" – IRS, Page 4).

3. Question: For the TDHCA "My First Texas Home" program, what is the maximum income limit based on?

Answer: The maximum income limit is based on the verified county where the property is being purchased and the number of qualified residents of the subject property

Source: ("TDHCA Lender Guide" – Texas (2026), Page 11).

4. Question: Under the HUD-VASH program, what role does case management play?

Answer: Case management is a central requirement of the HUD-VASH program, intended to help eligible homeless Veterans obtain and sustain independent community housing

Source: (Resources for Rural Veterans – Housing Assistance Council, Page 15).

5. Question: What is the maximum loan-to-value (LTV) ratio for a cash-out refinance on a 1-unit investment property according to Fannie Mae?

Answer: The maximum LTV ratio for a cash-out refinance on a 1-unit investment property is 75% for both fixed-rate and adjustable-rate mortgages

Source: ("Fannie Mae Eligibility Matrix" (2025), Page 2).

6. Question: Can a homebuyer deduct homeowners association (HOA) fees on their federal tax return?

Answer: No, homeowners association fees are listed as nondeductible payments and cannot be deducted on a federal tax return

Source: ("Publication 530 (2023)" – IRS, Page 4).

7. Question: What are the requirements for a borrower to qualify for the "My Choice Texas Home" program regarding first-time homebuyer status? **Answer:** Homebuyers using the "My Choice Texas Home" option are *not* required to be first-time homebuyers. They may have previously owned or currently own a home, provided the new home becomes their primary residence

Source: ("TDHCA Lender Guide" – Texas (2026), Page 10).

8. Question: What is the "Good Neighbor Next Door" program described in the first-time homebuyer guide?

Answer: It is a HUD program offering a 50% discount on the list price of eligible homes in "revitalization areas" to law enforcement officers, firefighters, teachers, and EMTs who agree to live in the home as their sole residence for at least three years

Source: ("Ultimate Guide for First-Time Homebuyers" – EPNB (2024), Page 20).

9. Question: According to the "Minnesota Homeowners Guide," what is the general rule of thumb for how much home a person can afford based on their income?

Answer: Experts generally say a person can afford a home that costs about 2.5 times their yearly income

Source: ("Minnesota Homeowners Guide" – Neighbors, Inc (2023), Page 8).

10. Question: What is the purpose of the VA's Specially Adapted Housing (SAH) grant?

Answer: The SAH grant helps Veterans with certain service-connected disabilities purchase or construct an adapted home, or modify an existing home, to accommodate their disability and live independently

Source: (Resources for Rural Veterans – Housing Assistance Council, Page 21).

11. Question: How does the IRS treat points paid by the seller on a home purchase? **Answer:** The buyer treats seller-paid points as if the buyer had paid them. If specific tests are met, the buyer can deduct them in the year paid; otherwise, they must be deducted over the life of the loan. The buyer must also reduce the home's basis by the amount of seller-paid points

Source: ("Publication 530 (2023)" – IRS, Page 10).

12. Question: Under Fannie Mae's manual underwriting guidelines, what is the maximum debt-to-income (DTI) ratio allowed for a principal residence purchase with a credit score of 660 and an LTV of 90%?

Answer: For a manually underwritten principal residence purchase with a credit score of 660 and an LTV greater than 75% (like 90%), the maximum DTI ratio is 45% (provided the borrower meets the credit score/LTV requirement of 660 if > 75% LTV, which requires 6 months reserves)

Source: ("Fannie Mae Eligibility Matrix" (2025), Page 4).

13. Question: What is the "recapture tax" mentioned in the TDHCA Lender Guide?

Answer: Recapture tax is a federal income tax provision that may apply to "My First Texas Loans" and Mortgage Credit Certificates if the home is sold within nine years, a gain is realized, and the borrower's income exceeds certain limits. It does not apply to the "My Choice Texas Home" program

Source: ("TDHCA Lender Guide" – Texas (2026), Page 9).

14. Question: According to the "Resources for Rural Veterans" guide, what services does the Grant and Per Diem (GPD) Program provide?

Answer: The GPD program funds community agencies providing services to homeless Veterans to help them transition to permanent housing, offering supportive services optimally for 6-12 months (up to 24 months) under a transition-in-place model

Source: (Resources for Rural Veterans – Housing Assistance Council, Page 24).

15. Question: What is the difference between "pre-qualification" and "pre-approval" as described in the EPNB homebuyer guide?

Answer: Pre-qualification is an estimate of what loan options a buyer might be eligible for based on self-reported information and a soft credit check. Pre-approval is a rigorous evaluation involving verified financial information and a hard credit check, resulting in a conditional commitment to lend a specific amount

Source: ("Ultimate Guide for First-Time Homebuyers" – EPNB (2024), Page 15).

16. Question: For a single-width manufactured home to be eligible for a Fannie Mae loan, what transaction types are permitted?

Answer: Loans for single-width manufactured homes are limited to principal residence purchase and limited cash-out refinance transactions only

Source: ("Fannie Mae Eligibility Matrix" (2025), Page 9).

17. Question: What are the three levels of coverage for homeowners insurance mentioned in the "Minnesota Homeowners Guide"?

Answer: The three basic levels of coverage are actual cash value, replacement cost, and extended replacement cost/value

Source: ("Minnesota Homeowners Guide" – Neighbors, Inc (2023), Page 22).

18. Question: According to IRS Publication 530, what must a homeowner do to deduct mortgage interest on a home acquisition debt taken out after December 15, 2017?

Answer: For debt taken out after December 15, 2017, the homeowner can deduct home mortgage interest on up to \$750,000 of that debt (\$375,000 if married filing separately). The loan proceeds must be used to buy, build, or substantially improve the home securing the loan

Source: ("Publication 530 (2023)" – IRS, Page 6).

19. Question: What is the "Veterans Transportation and Community Living Initiative (VTCLI)"?

Answer: VTCLI is a federally coordinated partnership managed through the Department of Transportation that funds "one-call" information centers and tools to help Veterans, military families, and others arrange locally available transportation to connect with work, education, and health care

Source: (Resources for Rural Veterans – Housing Assistance Council, Page 45).

20. Question: What is the minimum credit score required for a government loan (FHA, VA, USDA) under TDHCA's program requirements?

Answer: The minimum determining credit score for all government loans under TDHCA is 620

Source: ("TDHCA Lender Guide" – Texas (2026), Page 12).