



LAIKA EEP



Program Overview

A flexible path to homeownership for qualified buyers who may not fit traditional mortgage guidelines—including eligible ITIN, DACA, and nontraditional-credit profiles.

How It Works: Tule River Homebuyer Earned Equity Agency (TRHEEA), a governmental entity, purchases an eligible 1–2 unit primary residence using an FHA-insured mortgage. The client occupies the home under a 40-year Homeownership Agreement, contributes at least 3.5% plus closing costs, and makes monthly payments. When qualified, the client may obtain legal title through an FHA assumption, refinance or purchase financing, or payoff of the agreement.

Key Points

- **Low Down Payment:** Minimum 3.5% down, plus closing costs and applicable program fees.
- **No Shared Appreciation:** The homebuyer receives the benefit of property appreciation when title is obtained, subject to the Homeownership Agreement and payments being made as agreed.
- **Multiple Paths to Title:** When eligible, the homebuyer may qualify to assume the FHA loan, refinance or purchase the property, or pay off the agreement.
- **Establish Today's Purchase Price:** The program allows qualified buyers to select a home now instead of waiting to fit traditional mortgage guidelines.
- **40-Year Agreement Term:** Qualification and scheduled payments under the Homeownership Agreement are based on a 40-year amortization term; the underlying FHA mortgage has a separate 30-year term.

Who May Qualify?

- **Flexible Legal Status:** U.S. citizens, lawful permanent residents, DACA recipients, and qualifying ITIN or other eligible non-permanent-resident homebuyers may be considered, subject to documentation and underwriting requirements.
- **Down Payment & Cash to Close:** Minimum 3.5% down. Total out-of-pocket costs typically range from 8%–10% of the purchase price, including closing costs and program fees. Funds must be verified, sourced, and liquid.
- **Credit Flexibility:** Minimum 580 qualifying score with a tri-merged report. Two active tradelines with 24 months of history are required. Approved alternatives include utilities, cell phone, cable, or medical accounts. A fallback may be available with 24 months verified housing history and 3 months reserves.
- **Housing History Options:** Documented housing history may qualify with a 580 score and 2 months reserves; undocumented housing history requires a 640 score and 3 months reserves. Prior primary residences owned free and clear are exempt from these restrictions.
- **Flexible Income Documentation:** Eligible W-2, 1099, self-employed, and personal or business bank-statement documentation may be used, subject to program requirements.
- **DTI & Payment Shock:** Maximum DTI is generally 50%. Payment shock over 225% requires a minimum 640 score and either the applicable DTI limit or 3 months verified reserves.

Important for Brokers

- **Explain Title Clearly:** TRHEEA holds legal title while the client occupies the home under the Homeownership Agreement. Title transfers only through an approved assumption, refinance or purchase, payoff, or completion of the agreement.
- **Use Official Cost Disclosures:** Do not create or modify the program's Consumer Cost Disclosure. Use only the official disclosure issued for the transaction.
- **Deliver Required Disclosures:** Provide all required EEP disclosures and obtain signatures as instructed before closing.