



WHOLESALE ANNOUNCEMENT 2025-40

May 27, 2025

Alabama Housing Enhancements

Effective Date

New Locks on or after May 27, 2025

FCM is pleased to announce the enhancement of **Alabama Housing Finance Authority (AHFA)**

The Alabama Housing addition of the First Step products are outlined below:

- First Step
 - FHA, VA, USDA, Freddie Mac HFA Advantage
 - Purchase Only
 - Primary Residence Only
 - 30-year fixed rate term
 - Minimum score 640
 - Maximum DTI cannot exceed 45%
 - Homebuyer education is required by at least one occupying borrower, completed through an AHFA approved provider
 - AUS approval required - no manual underwriting
 - LPA required for Conventional Loans
 - LPA or DU for FHA and VA Loans, GUS for USDA Loans
 - Single Family Dwelling 1 unit, condos, townhomes, manufactured homes with restrictions (see guidelines)
 - Must meet AHFA income limits, refer to AHFA portal
 - Maximum sales price limit applies, refer to AHFA portal
 - Must be a First-time Homebuyer, unless purchasing in a Target Area
 - AHFA approval required prior to closing
 - Mortgage Credit Certificate (MCC) - not allowed with First Step program

DPA – Blue Sage 2nd file required

- \$10,000 or 4% of the sales price, whichever is lower
- 10-year second mortgage
- Interest rate is the same rate as the first mortgage

Should you have any questions, please reach out to your Account Executive or Client Manager