

20+ Community Second Program – Available to Lenders participating in the NWMT Loan Pool

Product	<ul style="list-style-type: none"> 20+ Community Second Program
Eligibility	<ul style="list-style-type: none"> Available to lenders participating in the NWMT Loan Pool. <i>See attached lender list</i>
Program Summary	<p><i>Second mortgage available to assist qualified Borrowers with a “Community Second” mortgage so their first mortgage can be 80% LTV, thus eliminating the mortgage insurance.</i></p> <ul style="list-style-type: none"> Single Family home purchases, occupied as a principal residence for the duration of the loan. Borrower must qualify for 80% conventional 1st mortgage through a participating lender. Fixed rate, 30% year loans only. Must receive approve/eligible finding. Loans are available for homes purchased throughout the state of Montana. Borrowers’ household income must be at or below 120% of the HUD median income guidelines for family size and county where the home is located, or as restricted by the first mortgage program guidelines. Second mortgage will be fully underwritten by NeighborWorks Montana. Lender to provide appraisal. 1st time homebuyer not required.
Loan Amount	<ul style="list-style-type: none"> Minimum loan amount: \$10,000 Maximum determined by meeting all loan guidelines
Term	<ul style="list-style-type: none"> 30 year fixed rate
Interest Rate	<ul style="list-style-type: none"> 2% over first mortgage rate
Credit Guidelines	<ul style="list-style-type: none"> Ratio maximum 29/41 unless valid compensating factors apply. Credit Scores: 1st mortgage approval (copy of conditional approval provided by lender). For NWMT, less than 640 require NWMT manager approval. Alternate credit: rental history of 12 months plus 2 other forms. Employment history of 2 years. Non-occupying co-borrowers not permitted. Reserves as required by 1st mortgage.
LTV	<ul style="list-style-type: none"> Total loan to value cannot exceed 105% of the purchase price.
Cash Requirement	<ul style="list-style-type: none"> Borrowers are required to contribute 1% of the purchase price from their own funds, with a minimum of \$1,000. <i>More than minimum may be required to comply with the 105% CLTV maximum.</i>
Asset Limits	<ul style="list-style-type: none"> Total family liquid assets cannot exceed \$7500 (after putting funds into the transaction). Total family assets cannot exceed \$100,000. Borrower cannot own any residential rental property.
Fees	<ul style="list-style-type: none"> Underwriting fee-2% of NWMT loan; minimum of \$400.00 Title policy fee Recording fee Title Company closing fee Pre-paid interest E-doc fee if applicable <p style="text-align: center;"><i>Fees can be financed as long as the CLTV is within 105%</i></p>
Security	<ul style="list-style-type: none"> Secured by a deed of trust. Must be in 2nd lien position. Loan is not assumable.
Payments	<ul style="list-style-type: none"> ACH payments are required.

Borrowers are required to complete a NeighborWorks approved Homebuyer Education class prior to loan closing as well as a one-on-one counseling session with a NeighborWorks Certified Housing Counselor, in person or by telephone.