



## 20+ Community Second Program

*Available to Lenders participating in the NWMT Loan Pool*

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

- Borrowers are required to complete a NeighborWorks approved Homebuyer Education class (in-person or by NWMT online education options) prior to loan closing, as well as a one-on-one counseling session with a NeighborWorks Certified Housing Counselor, in person or by telephone.
- *Loan packages must be sent to the NWMT office in Great Falls using our reservation checklist.*
- *Please allow 2 weeks processing time.*

02.2019

## 20+ Community Second Product Participating Lenders

