

Program Summary	Product Type	Amortizing subordinate mortgage to assist qualified borrowers with down payment and closing costs associated with purchasing a single-family home																								
	Eligible Lenders	Available only through Montana Housing and/or USDA Rural Development approved lenders with a physical office in the State of Montana																								
	General Requirements	<ul style="list-style-type: none"> Owner-occupied single-family residences only Borrowers are required to complete a NeighborWorks Montana approved homebuyer education class prior to loan closing 																								
	Area Restrictions	<ul style="list-style-type: none"> State of Montana Statewide except Cascade County which is served by NeighborWorks Great Falls products 																								
Basic Eligibility	Income Limits	<ul style="list-style-type: none"> Total household income must be at or below 125% of the HUD median income guidelines adjusted for family size in the county in which the home is located For FHA 1st mortgages, the maximum household income is 115% AMI 																								
	Credit Score	<ul style="list-style-type: none"> Middle score of 640 unless valid compensating factors If mid-credit score of any borrower is below 640 the following additional items are required: <ol style="list-style-type: none"> verification of rent (VOR) for minimum of 12 months, credit explanation letter from applicant(s), and letter from loan officer as to why NWMT should grant a credit waiver 																								
	Qualifications	<ul style="list-style-type: none"> Do not have to be a first-time homebuyer Non-occupying co-borrowers not permitted 																								
	Purchase Price	Limits only as defined by first mortgage loan																								
Loan Terms	Loan Amount	Minimum loan amount \$2,500 Maximum loan amount \$20,000																								
	Term	Maximum 30 years for borrowers with household income at or below 80% area median income Maximum 15 years for borrowers with household income above 80% area median income																								
	Interest Rate	<ul style="list-style-type: none"> Fixed rate that varies according to borrower income level Borrowers working with lenders invested in the NWMT loan pool receive loan pool rate Interest Rates subject to change quarterly – please check nwmt.org for updated rates <table border="1"> <thead> <tr> <th><u>Borrower Income</u></th> <th><u>Interest Rate</u></th> <th><u>Loan Pool Rate</u></th> <th><u>Term</u></th> </tr> </thead> <tbody> <tr> <td><50%</td> <td>2.00%</td> <td>1.50%</td> <td>Max 30-year</td> </tr> <tr> <td>51% - 65%</td> <td>4.00%</td> <td>3.50%</td> <td>Max 30-year</td> </tr> <tr> <td>66% - 80%</td> <td>5.50%</td> <td>4.50%</td> <td>Max 30-year</td> </tr> <tr> <td>81% - 115%</td> <td>6.50%</td> <td>5.50%</td> <td>Max 15-year</td> </tr> <tr> <td>116% - 125%</td> <td>7.50%</td> <td>6.50%</td> <td>Max 15-year</td> </tr> </tbody> </table>	<u>Borrower Income</u>	<u>Interest Rate</u>	<u>Loan Pool Rate</u>	<u>Term</u>	<50%	2.00%	1.50%	Max 30-year	51% - 65%	4.00%	3.50%	Max 30-year	66% - 80%	5.50%	4.50%	Max 30-year	81% - 115%	6.50%	5.50%	Max 15-year	116% - 125%	7.50%	6.50%	Max 15-year
	<u>Borrower Income</u>	<u>Interest Rate</u>	<u>Loan Pool Rate</u>	<u>Term</u>																						
	<50%	2.00%	1.50%	Max 30-year																						
	51% - 65%	4.00%	3.50%	Max 30-year																						
	66% - 80%	5.50%	4.50%	Max 30-year																						
	81% - 115%	6.50%	5.50%	Max 15-year																						
116% - 125%	7.50%	6.50%	Max 15-year																							
First Mortgage	<ul style="list-style-type: none"> Borrower must qualify for a 1st mortgage (FHA/VA/RD/CONV) through an eligible lender First mortgage must be 30-year fixed rate 																									
Lien Position	<ul style="list-style-type: none"> Loan secured by a Deed of Trust NWMT subordinate to 1st mortgage (prefer 2nd position but allow more subordinated) 																									
CLTV	Total loan to value cannot exceed 105% of the purchase price																									
Payment Requirement	<ul style="list-style-type: none"> ACH payments to NWMT are required Payments can be set to be made on the 1st, 5th, 10th, or 15th of the month 																									
Occupancy	<ul style="list-style-type: none"> Borrowers must occupy the home as their principal residence for the duration of the loan Loan becomes due if home is sold, borrowers no longer occupy the property as their sole residence, upon death, or in some cases if the 1st mortgage is refinanced Mortgage is not assumable 																									
Ratios	Ratios Guidelines	Max 32/42 unless valid compensating factors																								
	Ratio Calculations	<ul style="list-style-type: none"> Compensating factors for ratios outside of stated maximums include stable employment, good credit, low payment shock (mortgage payment similar to existing rental payment), low overall debt, etc. NWMT follows the debt calculation approach of the first mortgage for items such as medical debt, collections, and student loans 																								
Assets & Borrower Contribution	Asset Limitations	<ul style="list-style-type: none"> Total household liquid assets cannot exceed \$10,000 (after putting funds in the transaction) Total household assets cannot exceed \$100,000 Borrower cannot own any residential rental property 																								
	Minimum Investment	<ul style="list-style-type: none"> Borrowers are required to contribute a minimum of \$1,000 of their own funds FHA Borrower must contribute the 3.5% required down payment More than \$1,000 may be needed to comply with liquid asset limitations and/or 105% CLTV 																								
	Matching Funds	None required																								
	Fees	<ul style="list-style-type: none"> Loan origination fee of \$425 Approx. \$425 in other loan fees (i.e. pre-paid interest, title/closing fees, and recording) Fees may be financed into the NWMT loan up to the maximum loan amount and CLTV 																								
Property Rules	Previous Tenancy	If property was a rental require proof that tenant was given proper notice for end of lease																								
	Property Quality	NWMT allows holdbacks at closing for repairs																								