



# HOME PURCHASE LOAN PRODUCTS SUMMARY

MONTANA

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		Statewide Low-Mod	20+ Community Second	State HOME Deferred
Program Summary	Product Type	Amortizing subordinate mortgage for down payment and closing costs	Amortizing 2 <sup>nd</sup> mortgage for down payment and closing costs to eliminate PMI	Deferred 2 <sup>nd</sup> mortgage for down payment and closing costs <b>Check if available in your area</b>
	Eligible Lenders	Available only through Montana Housing and/or USDA Rural Development approved lenders with a physical office in Montana	Available only through lenders invested in the NWMT loan pool	Available only through Montana Housing and/or USDA Rural Development approved lenders with a physical office in Montana
	General Requirements	Owner-occupied Single-family residences only Homebuyer education required	Owner-occupied Single-family residences only Homebuyer education and 20+ specific one-on-one counseling required	Owner-occupied Single-family residences only Homebuyer education required
	Area Restrictions	State of Montana	State of Montana	State of Montana <b>Check program guidelines for approved jurisdictions</b>
Basic Eligibility	Income Limits	At or below 125% AMI <b>FHA: max income is 115% AMI</b>	At or below 125% AMI	At or below 80% AMI
	Credit Score	640 unless valid compensating factors If mid-credit score of any borrower is below 640 the following additional items are required: 1. verification of rent (VOR) for minimum of 12 months, 2. credit explanation letter from applicant(s), 3. letter from loan officer as to why NWMT should grant a credit waiver		
	Qualifications	Do not have to be first time homebuyer	Do not have to be first time homebuyer	1 <sup>st</sup> time homebuyer (not owned home in 3 yrs); or single w/dependent children; or household family member with a disability
	Purchase Price	Limits only as defined by first mortgage loan	Limits only as defined by first mortgage loan	Limits defined by HUD, refer to HOME Purchase Price Limits document
Loan Terms	Loan Amount	Min \$2,500 Max \$20,000	Min \$10,000 No defined Max, must meet all loan guidelines	Min \$2,500 Max \$50,000 or \$65,000* * if person with a disability, manufactured home, or designated high cost area (Flathead County, Carbon County, and the City of Red Lodge)
	Term	< 80% AMI 30 years > 80% AMI 15 years	30 years	15 years, extended an additional 15 years if borrower still occupies and owns the property
	Interest Rate	Fixed rate determined by total household income level; Lower rates for loan pool invested lenders; See product sheet for details	First mortgage rate +2.00%	0.00%
	First Mortgage	FHA/VA/RD/CONV FHA Borrower must contribute the 3.5% required down payment	CONV or MBOH/CONV 80% LTV DU must be "Approved/Eligible"	FHA/VA/RD/CONV FHA-HOME can loan the 3.5% down payment
	Lien Position	NWMT subordinate to other liens prefer 2 <sup>nd</sup> lien position but allow more subordinated positions	NWMT must be in 2 <sup>nd</sup> lien position unless valid compensating factors	HOME loan must be in 2 <sup>nd</sup> lien position
	CLTV	105%	105%	105%
	Payment Requirement	ACH to NWMT	ACH to NWMT	N/A
	Occupancy	Owner occupied Loan due if sell, no longer occupying property as sole residence, death, or in some cases if 1 <sup>st</sup> mortgage is refinanced	Owner occupied Loan due if sell, no longer occupying property as sole residence, death, or in some cases if 1 <sup>st</sup> mortgage is refinanced	Owner occupied Loan due if sell, no longer occupying property as sole residence, death, or in some cases if 1 <sup>st</sup> mortgage is refinanced or paid off
Ratios	Ratios Guidelines	Max 32/42 unless valid compensating factors	Max 32/42 unless valid compensating factors	Housing minimum 28, Max back-end 42 unless compensating factors
	Ratio Calculations	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 income and debt approach of the first mortgage for items such as medical debt and student loans.		
Assets and Borrower Contribution	Asset Limitations After Closing	Liquid = \$10,000 Total = \$100,000	Liquid = \$10,000 Total = \$100,000	Liquid = \$10,000 Total = \$100,000
	Minimum Investment	\$1,000	1% of purchase price or \$1,000 whichever is greater	1% of purchase price or \$1,000 whichever is greater
	Matching Funds	None required	None required	If first mortgage is not MBOH need 5.00% of the NWMT loan as match (includes seller paid, gifted funds directly to title company, etc.)
	Fees	Loan Fee: \$425 PP interest, title/closing fees, recording	Loan Fee: 2% of NWMT loan amount PP interest, title/closing fees, recording	Loan Fees paid by NWMT
Property Requirements	Previous Property Tenancy	If property was a rental need to have proof that tenant was given proper notice for end of lease	If property was a rental need to have proof that tenant was given proper notice for end of lease	Property cannot have been rented in last 90 days unless current tenant is buyer
	Property Quality	Allow holdbacks at closing for repairs	Allow holdbacks at closing for repairs	All repairs must be completed prior to closing unless clear justification for holdbacks due to timing or weather; NWMT requires and orders an HQS inspection; if built prior to 1978 and has paint problems may not be eligible

Together we strengthen our communities by providing education and financing that gives every Montanan the opportunity to live in a home where they can thrive.