

Program Summary	Product Type	Amortizing second mortgage to assist qualified borrowers with a “Community Second” mortgage so their first mortgage can be 80% LTV, thus eliminating mortgage insurance
	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"> <li>Owner-occupied single-family residences only</li> <li>Borrowers are required to complete a NeighborWorks Montana approved homebuyer education class and a one-on-one counseling session specific to 20+ prior to loan closing</li> </ul>
	Area Restrictions	<ul style="list-style-type: none"> <li>State of Montana</li> <li>Statewide except Cascade County which is served by NeighborWorks Great Falls products</li> </ul>
Basic Eligibility	Income Limits	<ul style="list-style-type: none"> <li>Total household income must be at or below 150% of the HUD median income guidelines adjusted for family size in the county in which the home is located</li> </ul>
	Credit Score	<ul style="list-style-type: none"> <li>Middle score of 640 unless valid compensating factors</li> <li>If mid-credit score of any borrower is below 640 the following additional items are required:               <ol style="list-style-type: none"> <li>verification of rent (VOR) for a minimum of 12 months,</li> <li>credit explanation letter from applicant(s), and</li> <li>letter from loan officer as to why NWMT should grant a credit waiver</li> </ol> </li> </ul>
	Qualifications	<ul style="list-style-type: none"> <li>Do not have to be a first-time homebuyer</li> <li>Non-occupying co-borrowers not permitted</li> </ul>
	Purchase Price	Limits only as defined by first mortgage loan
Loan Terms	Loan Amount	Minimum loan amount \$10,000 Maximum limited only as determined by meeting all loan guidelines
	Term	30-year
	Interest Rate	2.00% over first mortgage rate
	First Mortgage	<ul style="list-style-type: none"> <li>Borrower must qualify for an 80% CONV or MBOH/CONV 1<sup>st</sup> mortgage through a lender invested in the NWMT loan pool</li> <li>First mortgage must be 30-year fixed rate</li> <li>Must receive “Approved/Eligible” underwriting finding</li> </ul>
	Lien Position	<ul style="list-style-type: none"> <li>Loan secured by a Deed of Trust</li> <li>NWMT must be in 2<sup>nd</sup> lien position unless valid compensating factors</li> </ul>
	CLTV	Total loan to value cannot exceed 105% of the purchase price
	Payment Requirement	<ul style="list-style-type: none"> <li>ACH payments to NWMT are required</li> <li>Payments can be set to be made on the 1st, 5th, 10th, or 15th of the month</li> </ul>
	Occupancy	<ul style="list-style-type: none"> <li>Borrowers must occupy the home as their principal residence for the duration of the loan</li> <li>Loan becomes due if home is sold, borrowers no longer occupy the property as their primary residence, upon death, or in some cases if the 1<sup>st</sup> mortgage is refinanced</li> <li>Mortgage is not assumable</li> </ul>
Ratios	Ratios Guidelines	Max 32/42 unless valid compensating factors
	Ratio Calculations	<ul style="list-style-type: none"> <li>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.</li> <li>NWMT follows the debt calculation approach of the first mortgage for items such as medical debt, collections, and student loans</li> </ul>
Assets & Borrower Contribution	Asset Limitations	<ul style="list-style-type: none"> <li>Total household liquid assets cannot exceed \$15,000 (after putting funds in the transaction)</li> <li>Total household assets cannot exceed \$100,000</li> <li>Borrower cannot own any residential rental property</li> </ul>
	Minimum Investment	<ul style="list-style-type: none"> <li>Borrowers are required to contribute 1.00% of the purchase price with a minimum of \$1,000 of their own funds</li> <li>More than \$1,000 or 1.00% may be needed to comply with liquid asset limitations and/or the 105% CLTV Maximum</li> </ul>
	Matching Funds	None required
	Fees	<ul style="list-style-type: none"> <li>Loan origination fee of 2.00% of NWMT loan, minimum of \$400</li> <li>Approx. \$425 in other loan fees (i.e. pre-paid interest, title/closing fees, and recording)</li> <li>Fees may be financed into the NWMT loan up to the maximum loan amount and CLTV</li> </ul>
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