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**Amortizing 2<sup>nd</sup> Down Payment Assistance Loan for Low & Moderate Income Borrowers for Great Falls and all of Cascade County**

**Program Summary:**

Second mortgage available to assist qualified Borrowers with their closing costs and sometimes down payment associated with purchasing a single-family home. Borrowers are required to occupy the home as their principal residence for the duration of the loan. Borrower must qualify for a 1<sup>st</sup> mortgage (FHA/VA/CONV/RD) through a participating Lender. As of 4/1/14, NeighborWorks® Great Falls can provide the 3.5% required down payment on FHA loans for homes located in Great Falls and Cascade County only.

Borrowers Income must be **at or below 125%** of the HUD median income guidelines are adjusted for family size and for the county the home is located within.

**For FHA 1<sup>st</sup> Mortgages the maximum Borrowers Family Income is 115% of the County Median.**

**Minimum Loan Amount:** \$1,500.00      **Maximum Loan Amount:** \$25,000.00

**Term:** 15 Years

**Interest Rate:** 7.25%      **Preferred Partner Interest Rate:** 6.50 %

\*\* Interest Rate subject to change quarterly – check web site

- **Ratios:** Maximum 32/48 unless valid compensating factors apply.
- **Loan to Value:** TLTV (Total loan-to-value) cannot exceed 105% of the purchase price.
- **Cash requirement:** Borrowers are required to contribute a **minimum of \$1,000.00** of their own funds. **More than \$1,000 may be needed to comply with the 105% CLTV maximum.**
- Total family **liquid assets** cannot exceed **\$15,000.00** and **total family assets** cannot exceed **\$100,000.00**.

**Fees:** There will be a **\$375.00** loan underwriting fee, a **\$150.00** processing fee, a **\$100** post-purchase education class fee, and any other fees required to close the loan (based on actual fees).

**Security:** Second Mortgages will be secured by a deed of trust. NeighborWorks will need to be in 2<sup>nd</sup> lien position. The second mortgage is not assumable.

**Payments:** Mandatory ACH payments are required

**Borrowers are required to complete a NeighborWorks® approved Homebuyer Education class prior to loan closing.**

**Lenders: Submit Loan Request via our Reservation Checklist and include all documentation.**