

Great Falls-Cascade County Low & Moderate Amortizing Second Mortgage Program

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 1st 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 adjusted for family size and for the county the home is located in. **For FHA 1st Mortgages the maximum Borrowers Family Income is 115% of the County Median.**

Rates are reviewed semi-annually and are subject to change.

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

Term: 15- or 30-years term is based on affordability

Interest Rate: 6.25% **Preferred Partner Rate:** 5.25%

Ratios: Maximum 32/48 unless valid compensating factors apply.

Loan to Value: Total loan to value cannot exceed 105% of the purchase price unless a valid compensating factor apply.

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, \$100.00 post-purchase class, 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 2nd lien position (unless valid compensating factors apply). 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.

Loan packages must be sent to the NW office using our reservation checklist. Allow 1 ½ – 2 weeks processing time.