



509 First Avenue South, Great Falls, MT 59401 – (406) 761.5861 – [www.nwgf.org](http://www.nwgf.org)

## 20+ Community Second Program

<b>Eligibility</b>	<ul style="list-style-type: none"> <li>• Available to approved lenders participating in the NeighborWorks loan pool – see back of page for participants</li> <li>• Borrower must qualify for an 80% conventional 1st mortgage through a participating Lender. Fixed rate, 30-year loans only.</li> <li>• Borrowers household income must be at or below 125% of the HUD median income guidelines adjusted for household size in Cascade County or as restricted by the first mortgage program guidelines (e.g. MBOH Conventional, Fannie Mae, Freddie Mac or Lender Portfolio).</li> <li>• Borrowers are required to complete a NeighborWorks approved Homebuyer Education class prior to loan closing as well as a one/one counseling session</li> </ul>
<b>Program Summary</b>	<ul style="list-style-type: none"> <li>• Second mortgage available to assist qualified borrowers with a “Community Second” mortgage such that their first mortgage can be 80% LTV with no mortgage insurance.</li> <li>• Single Family home purchases occupied as a principal residence for the duration of the loan.</li> <li>• Loans are available for homes throughout the State of Montana.</li> <li>• Second mortgage will be fully underwritten by NeighborWorks</li> </ul>
<b>Loan Amount</b>	<ul style="list-style-type: none"> <li>• Minimum loan amount: \$10,000</li> </ul>
<b>Term</b>	<ul style="list-style-type: none"> <li>• 30-year fixed rate</li> </ul>
<b>Interest Rate</b>	<ul style="list-style-type: none"> <li>• 2% over first mortgage rate</li> </ul>
<b>Credit Guidelines</b>	<ul style="list-style-type: none"> <li>• Housing ratio 32% - Debt to income less than or equal to 45%</li> <li>• Credit Scores: 1st mortgage approval (copy of conditional approval provided by lender), for NW less than 640 requires NW manager approval with exceptions granted on case-by-case basis</li> <li>• Alternate Credit: rental history of 12 months plus 2 other forms</li> <li>• Employment history of 2 years</li> <li>• Non-occupying co-borrowers not permitted</li> <li>• Reserves as required by 1st mortgage</li> </ul>
<b>Loan to Value</b>	<ul style="list-style-type: none"> <li>• CLTV 105%</li> </ul>
<b>Borrower investment</b>	<ul style="list-style-type: none"> <li>• Borrowers are required to contribute 1% of purchase price with a minimum of \$1,000 of their own funds. <i>More than \$1,000 may be needed to comply with the 105% CLTV maximum.</i></li> </ul>
<b>Asset Limits</b>	<ul style="list-style-type: none"> <li>• Total household liquid assets cannot exceed \$15,000 and total household assets cannot exceed \$100,000.00. Borrower cannot own any residential rental property.</li> </ul>
<b>Security</b>	<ul style="list-style-type: none"> <li>• Secured by a Deed of Trust</li> <li>• NWGF to be in 2<sup>nd</sup> lien position</li> <li>• Mortgage is not assumable.</li> </ul>
<b>Payments</b>	<ul style="list-style-type: none"> <li>• ACH payments are required</li> </ul>

# NeighborWorks Great Falls

## 20+ Participating Lenders

