

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% down payment for FHA loans for homes 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.**

Minimum Loan Amount: \$1,500.00 **Maximum Loan Amount:** \$10,000.00

Term: Max 30 years for Borrowers <80% median income
 Max 15 years for Borrowers >80% median income

Interest Rate: *Varies according to Borrowers income and lender*

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

<u>Borrowers Income</u>	<u>Interest Rate</u>	<u>Participating EQ2 lender rate</u>	<u>Term</u>
<50% AMI	2.00%	1.50%	(max 30 year term)
51% - 65%	4.00%	3.50%	(max 30 year term)
66% - 80%	6.25%	4.25%	(max 30 year term)
81% - 115%	7.25%	5.25%	(max 15 year term)
116% - 125%	7.25%	6.25%	(max 15 year term)

Ratios: Maximum 29/41 unless valid compensating factors apply.

Loan to Value: Total loan to value cannot exceed 105% of the purchase price unless 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 **\$5,000.00** and **total family assets** cannot exceed **\$70,000.00**.

Fees: There will be a \$375.00 loan underwriting fee and other loan fees of approximately \$225.

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.