NeighborWorks® GREAT FALLS

509 First Avenue South, Great Falls, MT 59401 – (406) 761.5861 – www.nwgf.org

20+ Community Second Program

Eligibility	• Borrower must qualify for an 80% conventional first mortgage through a participating Lender. Fixed rate, 30-year loans only. • 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). • Borrowers are required to complete a NeighborWorks approved Homebuyer Education class prior to loan closing as well as a one/one counseling session. • Available only through Montana Housing and/or USDA Rural Development approved lenders with a physical office in the State of Montana • Does not have to be first time homebuyer
Program Summary	• 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. • Single Family home purchases occupied as a principal residence for the duration of the loan. • Loans are available for homes throughout the State of Montana. • Second mortgage will be fully underwritten by NeighborWorks
Loan Amount	• Minimum loan amount: $10,000-Maximum limited only as determined by meeting all loan guidelines
Term	• 30-year fixed rate
Interest Rate	• 2% over first mortgage rate
Credit Guidelines	• Housing ratio 32% - Debt to income less than or equal to 42% • Credit Scores: first 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. • Alternate Credit: rental history of 12 months plus two other forms • Employment history of 2 years • Non-occupying co-borrowers not permitted. • Reserves as required by first mortgage
Fees	• Loan origination fee of 2.00% of NWGF loan, minimum of $400. • Approx. $525 in other loan fees (i.e., pre-paid interest, title/closing fees, and recording) • Fees may be financed into the NWGF loan up to the maximum loan amount and CLTV
Loan to Value	• CLTV 105%
Borrower investment	• Borrowers are required to contribute 1% of purchase price with a minimum of $1,000 of their own funds. *More than $1,000 may be needed to comply with the 105% CLTV maximum.*
Asset Limits	• Total household liquid assets cannot exceed $15,000 and total household assets cannot exceed. $100,000.00. Borrower cannot own any residential rental property.
Security	• Secured by a Deed of Trust • NWGF to be in 2Nd lien position. • Mortgage is not assumable.
Payments	• ACH payments are required

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