NeighborWorks® GREAT FALLS

509 1st Avenue South, Great Falls, MT 59401 – (406) 761.5861 – www.nwgf.org

City of Great Falls – HOME Deferred 2ND Mortgage

Eligibility	• Borrowers' household income must be at or below 80% of the HUD median income guidelines adjusted for household size in Cascade County • First time homebuyer (has not owned a home in the last 3 years) OR single parent with dependent children OR have a disabled family member • Single family properties in Great Falls city limits, ask lender for current price limits • Borrower must qualify for a 1st mortgage (FHA/VA/CONV/RD) through a participating lender, consider MBOH set aside 1st mortgage for rate • Owner-occupied single-family residences only • Borrowers are required to complete a NeighborWorks Great Falls approved homebuyer education class prior to loan closing
Program Summary	• These funds are intended for those with a demonstrated "need", not just a means to lower their monthly housing payment. Applicants loan files will be reviewed to make sure that the house they are purchasing is not larger than needed for the occupants.
Loan Amount	• Maximum Loan Amount: $50,000.00 Minimum loan amount $2,500
Term	• 30-year
Interest Rate	• 0% deferred
Ratios & Credit	• Housing ratio 28% - Debt to income less than or equal to 42% • Middle score of 640 unless valid compensating factors • If mid-credit score of any borrower is below 640 the following additional items are required: • 1. verification of rent (VOR) for minimum of 12 months, • 2. credit explanation letter from applicant(s), and • 3. letter from loan officer as to why NWMT should grant a credit waiver
Loan to Value	• CLTV 105%
Borrower Investment	• Borrowers must contribute 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 $10,000.00 and total household assets cannot exceed $100,000.00
Fees	• No fees paid by borrower, all fees paid by NWGF.
Other	• A housing quality inspection must be conducted on each property (HQS) • property cannot have been rented in the last 90 days unless the current tenant is the buyer. Seller will be required to sign an affidavit to this effect. • Property built prior to 1978, that has peeling, or chipping paint identified on the HQS Inspection or appraisal, is ineligible for this program • Any repair requirements must be completed prior to closing. • Manufactured homes on a permanent foundation (FHA foundation requirements apply) larger than
Security	• Secured by a Deed of Trust • NWGF to be in 2nd lien position • Mortgage is not assumable

Updated 9.17.2025

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Payments	• The note becomes due and payable upon maturity, or if any of the following occurs prior to the maturity date: 1.) No longer of use as borrower(s) sole residence; 2.) The sale, lease, rental or transfer of the property; 3.) Death of borrower(s); 4.) Upon refinance of the 1st mortgage (unless NW agrees to subordinate); 5.) Upon repayment of 1st mortgage.

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