



509 1<sup>st</sup> Avenue South, Great Falls, MT 59401 – (406) 761.5861 – [www.nwgf.org](http://www.nwgf.org)

## City of Great Falls – HOME Deferred 2<sup>nd</sup> Mortgage

<b>Max Purchase Price</b>	<ul style="list-style-type: none"> <li>The maximum sales price is 95% of the median purchase price for a 1unit property in Cascade County.</li> <li>Ask lender for current price limits</li> </ul>
<b>Eligibility</b>	<ul style="list-style-type: none"> <li>Borrowers household income must be at or below 80% of the HUD median income guidelines adjusted for household size in Cascade County</li> <li>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</li> <li>Single family properties in Great Falls city limits</li> <li>Borrower must qualify for a 1<sup>st</sup> mortgage (FHA/VA/CONV/RD) through a participating lender, consider MBOH set a-side 1<sup>st</sup> mortgage for rate</li> </ul>
<b>Program Summary</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>
<b>Loan Amount</b>	<ul style="list-style-type: none"> <li>Maximum Loan Amount: \$25,000, or up to \$40,000 if a family member is disabled</li> </ul>
<b>Term</b>	<ul style="list-style-type: none"> <li>30-year</li> </ul>
<b>Interest Rate</b>	<ul style="list-style-type: none"> <li>0% deferred</li> </ul>
<b>Ratios</b>	<ul style="list-style-type: none"> <li>Housing ratio 29-32% - Debt to income less than or equal to 41%</li> <li><i>Loan packages outside of the DTI ratio of 41% cannot be approved. Compensating factors will not be used.</i></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>Borrower must contribute 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 \$5,000.00 and total household assets cannot exceed \$70,000.00</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>A housing quality inspection must be performed on each property (HQS)</li> <li>Property cannot have been rented in the 90 days previous to the purchase/sale agreement.</li> <li>Property built prior to 1978, that has peeling, or chipping paint identified on the HQS Inspection or appraisal, is ineligible for this program</li> <li>Any repair requirements must be completed prior to closing.</li> <li>Manufactured homes on a permanent foundation (FHA foundation requirements apply) larger than a singlewide and built after July 1976</li> <li>New construction is acceptable, but other requirements apply (talk with loan specialist)</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>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 refinace of the 1st mortgage (unless NW agrees to subordinate); 5.) Upon repayment of 1st mortgage.</li> </ul>

See next page for more information.



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### **Reservation Procedure:**

1. Lender will forward a reservation checklist with all applicable documents to the NWGF office. Fully completed VOE's must be enclosed for all jobs, for all family members 18 and older who will be living in the property. All other sources of income must be verified and included in the reservation packet.
2. Loan Processor will check income and other program guidelines, and co-ordinate HQS inspection with the Lender. Once the HQS and appraisal have been examined and approved, if all program guidelines have been met the confirmation of approval (reservation letter) will be faxed to Lender.
3. Please allow at least 2 weeks for processing application.

### **Closing:**

NWGF prepares the closing documents and funds the 2nd mortgage. NWGF will forward documents and check directly to the Title Company. If the full amount of the loan is not needed, the Title Company is to issue a principal reduction to the second mortgage.