

# MRB Assisted Program

## Program Description and Guidelines

<b>Program Objectives</b>	<p>Provide assistance for "first time" homebuyers with incomes at or below 140% AMI to purchase one-unit family homes.</p> <p>Increase homeownership for Low to Moderate Income homebuyers.</p>
<b>Eligible Activity</b>	Homeowner Assistance
<b>Loan Purpose</b>	Homeownership
<b>Buy Downs</b>	No buy downs
<b>Approved Lenders</b>	Lenders that have completed MRB training.
<b>Lender Requirements</b>	<p>Lenders will register the 1st mortgage loan in LHC's reservation system using the LHC MRB Assisted Program.</p> <p>A full compliance package must be submitted to LHC for review and approval prior to closing.</p>
<b>Deadlines</b>	<p>Loan purchased by - 60 days</p> <p>Extensions are available for 15, 30, 45, or 60 days</p>
<b>Fees</b>	<p>Compliance Fee - \$125 Funding Fee - \$400 Tax Service Fee - \$85 Wire Fee - \$20 Extension Fee (if applicable) 15 Days 0.125%, 30 days 0.250%, 45 days 0.375%, 60 days 0.500%</p> <p>LHC is exempt from recordation fees per LA Revised Statute 40:600.100(C).</p> <p>All fees must be disclosed on the Lending Disclosure &amp; Closing Disclosure for the first mortgage.</p>
<b>Lender Compensation</b>	<p>The Lender is not allowed to charge origination or discount points. They are allowed to charge other fees that are deemed reasonable and customary.</p> <p>Total Lender Compensation is 2% SRP for each loan sold to the servicer.</p>
<b>Maximum Purchase Price</b>	The Maximum Permissible Purchase Price shall not exceed the FHA Loan Limits.

<b>Mortgage Rate of First Mortgage Loan</b>	MRB Assisted Rate posted daily.
<b>Soft Second Loan Amount</b>	4% of Final Loan Amount
<b>Soft Second Loan Repayment</b>	Repayment of the principal amount of the soft second assistance shall be deferred until the loan is extinguished upon sale or refinance. The assistance will be forgiven at the end of a five (5) year period, as long as the borrower occupies the property as their primary residence. Within the 5-year compliance period, the entire balance of the Soft Second Assistance is due upon sale or refinance.
<b>Soft Second Loan Interest</b>	The annual percentage rate of interest on the assistance funded loan rate shall be zero (0%) percent.
<b>First Mortgage Loan Type</b>	FHA, VA, RD, Fannie Mae, or Freddie Mac first mortgage loan product.
<b>Ineligible Product Types</b>	FHA 203H
<b>AUS</b>	Approved / Eligible
<b>Term</b>	30 yr. first mortgage, 5 yr. second mortgage
<b>Household Income Limits</b>	115% AMI - Non Targeted 140% AMI - Targeted 80% AMI – All conventional loans
<b>Credit Score</b>	Minimum 640 credit score Minimum 660 credit score for Manufactured Housing  At least 2 scores required  No manual underwrites.
<b>Non-Traditional Credit</b>	Not allowed
<b>DTI</b>	Max 50% Max 45% for Manufactured Housing

<b>Eligible Borrowers</b>	<p>First-time homebuyers with annual household incomes at or below 140% Area Median Income (per Metropolitan Statistical Area Data) who are purchasing a qualified, principal residence. A first-time homebuyer is an individual who meets any one of the following criteria:</p> <p>An individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property. This includes a spouse.</p> <ul style="list-style-type: none"> <li>• A single parent who has only owned with a former spouse while married.</li> <li>• An individual who is a displaced homemaker and has only owned with a spouse.</li> <li>• Targeted areas as defined by HUD.</li> </ul>
<b>Homebuyer Education</b>	<p>Follow loan product guidelines for all eligible homebuyers to complete a Homeownership Education class that meets the National Industry Standards. The homebuyer can attend class through a HUD approved counseling agency or through an online course. Borrowers must furnish a copy of their certificate upon completion.</p>
<b>Eligible Parishes</b>	<p>All parishes.</p>
<b>Eligible Property Types</b>	<p>One Unit Primary Residence, Townhouses, Condos, Manufactured</p> <p>Manufactured Requirements          Must not have been constructed prior to 1994          Titled as Real Estate          Permanently affixed          Single Wides are acceptable under conventional loan products</p>
<b>Ineligible Property Types</b>	<p>Duplexes, Vacation / Second Homes, Mobile / Recreational, Timeshares, Community Land Trusts, Working Farms and Ranches, Unimproved Land, Leaseholds, Condotel, Geodesic Domes</p>
<b>Number of Units</b>	<p>1</p>
<b>Non-Arm's Length Transactions</b>	<p>Follow Loan Product Guidelines</p>
<b>Documents Required to Reserve Funds</b>	<p>Borrower must present a legally binding purchase agreement with application for funds when applying for assistance under the program. Properties must be essentially "move in" ready when the purchase agreement is executed. Application date is based on the date that a complete application is received by an LHC approved lender. Lenders will reserve the loan funds in LHC's reservation system. All applicants will be served on a "first come, first served" basis.</p>
<b>Program Administrator and Compliance</b>	<p>Louisiana Housing Corporation 2415 Quail Drive Baton Rouge, LA 70808          Attention: Single Family</p>

<b>Second Mortgage Loan Payee</b>	<p>Second Mortgage will be made payable to Louisiana Housing Corporation.</p> <p>LHC's Mortgagee Clause</p> <p>Louisiana Housing Corporation ISAOA/ATIMA 2415 Quail Drive Baton Rouge, LA 70808</p>
<b>Employment / Income Verification</b>	Verification of Employment for 2 years, Paystub within 30 days
<b>Assumptions</b>	Not allowed
<b>Insurance Requirements</b>	<p>Eligible properties must be insured with standard homeowner's coverage with wind/hail insurance and flood insurance (if required) in an amount equal to the first mortgage balance.</p> <p>Conventional Loans at 80% AMI have reduced Mortgage Insurance</p> <p>LTV 95.01 - 97%: 18% LTV 90.01 - 95%: 16% LTV 85.01 - 90%: 12% LTV 80.01 - 85%: 6%</p>
<b>Physical Standard / Inspections</b>	All properties must meet Parish Building Code requirements, Zoning Code requirements and the physical standards and inspection procedures of the FHA, VA, RD, Fannie Mae, or Freddie Mac mortgage loan product associated with the First Mortgage Loan.
<b>Occupancy Requirements and Hardship</b>	Program recipients must occupy the purchased unit as their principal residence for at least five (5) years in order to receive forgiveness for 2nd mortgage indebtedness. Failure to do so without the written permission of LHC will result in the soft second balance being immediately due and payable as described under the Second Mortgage Repayment above.
<b>Co-Signers / Non-Occupant Co-Borrowers</b>	Co-signers and Non-occupant Co-Borrowers are allowed. FHA only.
<b>Legal</b>	<p>LHC will provide the lender or title company the Second Mortgage Promissory Note and Second Mortgage Instrument that will need to be executed at the time of closing.</p> <p>Within 30 days of closing the lender or its designated title company will deliver the following Soft Second Mortgage Loan documents directly to LHC:</p>

1. Original Second Mortgage Promissory Note
2. Recorded Certified True Copy of Second Mortgage Instrument
3. Original Exhibits executed at closing

Correct mailing address is: Louisiana Housing Corporation, 2415 Quail Drive, Baton Rouge, LA 70808, Attention: Single Family

**Documents**

The lender will package and deliver the 1st mortgage loan to LHC's master servicer, Lakeview Loan Servicing, for purchase.

The lender will package and submit the post close package to LHC.

**Requesting Closing Cost Assistance**

Lenders are required to submit to LHC the completed Exhibit Q, Program Requisition Form - Wiring Instructions along with the Closing Disclosure 24 hours prior to the loan being closed requesting the Assistance to be wired to the closing table.