MRB Assisted Program
Program Description and Guidelines

Program Objectives	Provide assistance for "first time" homebuyers with incomes at or below 140% AMI to purchase one-unit family homes. Increase homeownership for Low to Moderate Income homebuyers.
Eligible Activity	Homeowner Assistance
Loan Purpose	Homeownership
Buy Downs	Not Permitted
Approved Lenders	Lenders that have completed LHC MRB training.
Lender Requirements	Lenders will register the first mortgage loan in LHC's reservation system using the LHC MRB Assisted Program. A full compliance package must be submitted to LHC for review and compliance approval prior to closing. Please follow the checklist for stacking order.
Deadlines	Loan purchased by - 60 days Extensions are available for 15, 30, 45, or 60 days
Fees	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% LHC is exempt from recordation fees per LA Revised Statute 40:600.100(C). All fees must be disclosed on the Lending Disclosure & Closing Disclosure for the first mortgage. The servicer will net fund all fees at purchase of the first mortgage from the lender.
Lender Compensation	The Lender is allowed to charge up to 1% origination fee. No discount points will be allowed. Lenders are allowed to charge other fees that are deemed reasonable and customary. Total Lender Compensation is 2.25% SRP for each loan sold to Lakeview Loan Servicing.

Maximum Purchase Price	The Maximum Permissible Purchase Price shall not exceed the FHA Loan Limits.
Mortgage Rate of First Mortgage Loan	MRB Assisted Rate posted daily.
Soft Second Loan Amount	4% of Final Loan Amount
Soft Second Loan Repayment	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.
Soft Second Loan Interest	The annual percentage rate of interest on the assistance funded loan rate shall be zero (0%) percent.
Additional Subsidy Grant Amount	Conventional Products may take advantage of the Additional Subsidy Grant based on income of the household. Limits based on conventional income restrictions. 80% Conventional AMI = 50 bps (half point) 50% Conventional AMI = 100 bps (whole point)
Principal Reduction	Not allowed
First Mortgage Loan Type	FHA, VA, RD, Fannie Mae, or Freddie Mac first mortgage loan product.
Ineligible Product Types	FHA 203H
AUS	Approved / Eligible
Term	30 yr. first mortgage, 5 yr. second mortgage
Household Income Limits	115% AMI - Non Targeted 140% AMI - Targeted 80% AMI – All conventional loans
Credit Score	Minimum 640 credit score Minimum 660 credit score for Manufactured Housing At least 2 scores required No manual underwrites.

Non-Traditional Credit	Not allowed
DTI	Max 50% Max 45% for Manufactured Housing Household income is projected on an annual basis to determine qualifying income. "Grossed up" non-taxable income is not used for compliance purposes.
Eligible Borrowers	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: 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. • A single parent who has only owned with a former spouse while married. • An individual who is a displaced homemaker and has only owned with a spouse. • Targeted areas as defined by HUD.
Homebuyer Education	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.
Eligible Parishes	All parishes.
Eligible Property Types	One Unit Primary Residence, Townhouses, Condos, Manufactured Manufactured Requirements • Constructed on or after 1994 • Titled as Real Estate • Permanently affixed Single Wides are acceptable under conventional loan products
Ineligible Property Types	Duplexes, Vacation / Second Homes, Mobile / Recreational, Timeshares, Community Land Trusts, Working Farms and Ranches, Unimproved Land, Leaseholds, Condotels, Geodesic Domes
Number of Units	1

Non-Arm's Length Transactions	Follow Loan Product Guidelines
Documents Required to Reserve Funds	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.
Program Administrator and Compliance	Louisiana Housing Corporation 2415 Quail Drive Baton Rouge, LA 70808 Attention: Single Family
Second Mortgage Loan Payee	Second Mortgage will be made payable to Louisiana Housing Corporation. LHC's Mortgagee Clause Louisiana Housing Corporation ISAOA/ATIMA 2415 Quail Drive Baton Rouge, LA 70808
Employment / Income Verification	Verification of Employment for 2 years, Paystub within 30 days
Assumptions	Not allowed
Insurance Requirements	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. The following Mortgage Insurance types are permitted: • Borrower paid monthly premium • Borrower paid single premium • Split premium Conventional Loans at or below 80% AMI have reduced Mortgage Insurance • LTV 95.01 - 97%: 18% • LTV 90.01 - 95%: 16% • LTV 85.01 - 90%: 12% • LTV 80.01 - 85%: 6%

Physical Standard / Inspections	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.
Occupancy Requirements and Hardship	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.
Co-Signers / Non-Occupant Co-Borrowers	Co-signers and Non-occupant Co-Borrowers are allowed. FHA only. NOCBs must complete the Non-Occupying Co-Borrower Certification. NOCBs are for lender qualification only. They will not be used in compliance requirements. The main borrower must comply with all program requirements. The main borrower must have some of their own income. LHC will not allow a NOCB with a main borrower with no income.
Legal	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. Within 30 days of closing the lender or its designated title company will deliver the following Soft Second Mortgage Loan documents directly to LHC: 1. Original Second Mortgage Promissory Note 2. Recorded Certified True Copy of Second Mortgage Instrument 3. 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 Program Requisition Form, Title Company Wiring Instructions, along with the Closing Disclosure 24 hours prior to the loan being closed requesting Assistance and/or the Additional Subsidy to be wired to the closing table.