

MRB Assisted Program

Program Description and Guidelines

Program Objectives	<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>
Eligible Activity	Homeowner Assistance
Loan Purpose	Homeownership
Buy Downs	No buy downs
Approved Lenders	Lenders that have completed MRB training.
Lender Requirements	<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>
Deadlines	<p>Closed loan delivered to Servicer - 75 days</p> <p>Loan purchased by - 100 days</p> <p>Extensions are available for 30 days</p>
Fees	<p>Compliance Fee - \$75</p> <p>Funding Fee - \$500</p> <p>Flood Certification Fee - \$14.50</p> <p>Tax Service Fee - \$91</p> <p>Wire Fee - \$40</p> <p>Extension Fee - \$375</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 & Closing Disclosure for the first mortgage.</p>
Lender Compensation	The Lender is not allowed to charge origination or discount points. They are allowed to charge other fees that are deemed reasonable and customary.

Total Lender Compensation is 2% SRP for each loan sold to SMC.

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 over a five (5) year period, as long as the borrower occupies the property as their primary residence, at a rate of 1/60 each month. Within the 5-year compliance period, the 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.
First Mortgage Loan Type	FHA, VA, RD, Fannie Mae, or Freddie Mac first mortgage loan product.
Ineligible Product Types	FHA 203K, FHA 203H
AUS	Approved / Eligible
Term	30 yr. first mortgage, 5 yr. second mortgage
Household Income Limits	115% AMI - Non Targeted 140% AMI - Targeted
Credit Score	Minimum 640 credit score At least 2 scores required No manual underwrites.
Non-Traditional Credit	Not allowed
DTI	Max 50%
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 (if either meets the above test, they are considered first-time homebuyers).

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

All eligible homebuyers must complete 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. Follow loan product guidelines.

Eligible Parishes

All parishes.

Eligible Property Types

One Unit Primary Residence, Townhouses, Condos, Manufactured

Manufactured Requirements

Double wide or greater

Built after 1978

Titled as Real Estate

Permanently affixed

FHA only

Ineligible Property Types

Duplexes, Single Wide Mobile Homes, Vacation / Second Homes, Mobile / Recreational, Timeshares

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.

Employment / Income Verification	Verification of Employment for 2 years, Paystub within 30 days
Assumptions	Not allowed
Insurance Requirements	<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>
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.
Legal	<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> <ol style="list-style-type: none"> 1. Original Second Mortgage Promissory Note 2. Recorded Certified True Copy of Second Mortgage Instrument 3. Original Exhibits executed at closing <p>Correct mailing address is: Louisiana Housing Corporation, 2415 Quail Drive, Baton Rouge, LA 70808, Attention: Single Family</p>

Documents

The lender will package and deliver the 1st mortgage loan to LHC's master servicer, Standard Mortgage Corporation, 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 36 hours prior to the loan being closed requesting the Assistance to be wired to the closing table with the cutoff being 12:00 PM.