

## **Premier CONV Below 80% AMI Program**

### **Program Description and Guidelines**

<b>Program Objectives</b>	<p>Provide assistance for homebuyers with incomes at or below 80% AMI to purchase 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 Premier training.
<b>Lender Requirements</b>	<p>Lenders will register the 1st mortgage loan in LHC's reservation system using the LHC Premier CONV Below 80% AMI Program and will reserve the assistance under LHC Premier Assistance.</p> <p>No compliance package required.</p>
<b>Deadlines</b>	<p>Closed loan delivered to Servicer - 60 days</p> <p>Extensions are available for 15, 30, and 45 days</p>
<b>Fees</b>	<p>Compliance Fee - \$75</p> <p>Funding Fee - \$400</p> <p>Tax Service Fee - \$85</p> <p>Extension Fee - 0.250% - 15 days, 0.500% - 30 days, 0.75% - 45 days</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 Lakeview.</p>

<b>Maximum Purchase Price</b>	The Maximum Permissible Purchase Price shall not exceed the Conforming loan limits.
<b>Mortgage Rate of First Mortgage Loan</b>	Premier CONV 80% AMI Rates posted daily
<b>Soft Second Loan Amount</b>	3-4% 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 over a three (3) year period, as long as the borrower occupies the property as their primary residence, at a rate of 1/36 each month. Within the 3-year compliance period, the 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>	Fannie and Freddie first mortgage product.
<b>Ineligible Product Types</b>	FHA, VA, and RD
<b>AUS</b>	Approved / Eligible
<b>Term</b>	30 yr. first mortgage, 3 yr. second mortgage
<b>Household Income Limits</b>	80% AMI
<b>Credit Score</b>	Minimum 640 credit score  All 3 scores are required.  No manual underwrites.
<b>Non-Traditional Credit</b>	Not allowed
<b>DTI</b>	Max 50%.
<b>Eligible Borrowers</b>	No first time homebuyer requirement.
<b>Homebuyer Education</b>	All eligible first time 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.
<b>Eligible Parishes</b>	All parishes.

<b>Eligible Property Types</b>	One to Two Unit Primary Residence, Townhouses, Condos
<b>Ineligible Property Types</b>	Three or Four Units, Single Wide Mobile Homes, Vacation / Second Homes, Mobile / Recreational, Manufactured, Timeshares
<b>Number of Units</b>	2
<b>Non-Arm's Length Transactions</b>	Follow Loan Product Guidelines
<b>Documents Required to Reserve Funds</b>	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.
<b>Program Administrator and Compliance</b>	Louisiana Housing Corporation 2415 Quail Drive Baton Rouge, LA 70808 Attention: Single Family
<b>Second Mortgage Loan Payee</b>	Second Mortgage will be made payable to Louisiana Housing Corporation.
<b>Employment / Income Verification</b>	Follow AUS findings
<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 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 three (3) 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 not allowed.

**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 Lakeview:

1. Original Second Mortgage Promissory Note
2. Recorded Certified True Copy of Second Mortgage Instrument

Correct mailing address is: Lakeview Loan Servicing, LLC, 507 Prudential Road, Mail Stop S142, Horsham, Pennsylvania 10944, Attention: Lakeview Correspondent

**Documents**

The lender will package and deliver the 1st mortgage loan with the 2nd mortgage instrument and 2nd mortgage promissory note to LHC's servicer, Lakeview, for purchase.

**Requesting Closing Cost Assistance**

Lenders will fund the second mortgage assistance with the first mortgage amount. The assistance will be reimbursed at purchase by Lakeview. Submit to LHC, the Closing Disclosure with overnight label 36 hours prior to the loan being closed requesting the second mortgage instrument and second mortgage note to be sent to closing.