



HERO TO HOME MORTGAGE PROGRAM

The Hero to Home Mortgage Program is designed to honor those who have served our country with the realization of home ownership. NHD is proud to partner with private sector real estate agents and approved mortgage lenders to make this opportunity a reality.

Our heroes are faced with growing challenges as the home buying environment becomes increasingly more competitive. Not only have home prices risen by almost 20% recently, Nevada Business and Industry's Housing Stability Index reports that 43.9% of purchases are made by investors. Additionally, limited mortgage funding availability means a call for immediate action. It is time to bring our heroes HOME.

Demographics support a need for enhanced programs which benefit Nevada Veterans. Approximately 30% of Veteran households in Nevada are renters (62,000). 45% of those households (28,000) have an income between \$40,000 and \$110,000. (Estimates derived from the American Community Survey downloaded from the American Factfinder at the Census bureau on 12/20/13.)

Who Qualifies?

- Veterans who have been honorably discharged
- First time home buyers serving on Active Duty
- National Guard service personnel
- Any of the above who meet standard underwriting criteria

Program features:

- Low interest rates
- Mortgages are originated by private sector mortgage lenders and real estate agents from the private sector, thus strengthening partnerships
- Lenders may use all eligible loan types for financing
- Purchasing power increases with the ability to look for higher priced homes while keeping payments low
- Funds available to help approx. 200 Nevada Military and First Time Home Buyers on a first come first serve basis.

Example:

	Market	Hero to Home	Hero to Home
Loan	\$170,000.00	\$170,000.00	\$195,000.00
Mortgage Rate	4.25%	2.75%	2.75%
Loan Term	30 Years	30 Years	30 Years
Monthly Principal and Interest (does not include taxes and insurance)	\$836.30	\$694.01	\$796.07
Savings		\$142.29	\$40.23

Income and Purchase Limits:

County	Max Home Price	Max Household Income - 2 or Fewer	Max Household Income - 3 or more
Carson City	\$280,125	\$69,500	\$79,925
Churchill	\$265,158	\$67,600	\$77,740
Clark	\$281,250	\$69,035	\$79,390
Douglas	\$343,125	\$84,370	\$97,025
Elko	\$265,158	\$79,900	\$91,855
Esmeralda, Lincoln, Lyon, Mineral, Nye	\$265,158	\$64,700	\$74,405
Eureka	\$265,158	\$74,500	\$85,675
Humboldt	\$265,158	\$73,400	\$84,410
Lander	\$265,158	\$69,300	\$79,695
Pershing	\$265,158	\$65,300	\$75,095
Storey, Washoe	\$318,175	\$79,216	\$91,098
White Pine	\$265,158	\$66,900	\$76,935

FREQUENTLY ASKED QUESTIONS

Q: Can the veteran/military family member use this loan for refinance transaction?

A: No. This is for purchase only.

Q: Can the veteran/military family member use this loan to purchase a second home or rental property?

A: No. This program is for the purchase of a primary residence only. The purchased home may not be rented out at any time without express written approval from the Division.

Q: I'm a service member or a spouse of a service member who is on his/her first tour of duty and I do not have a DD214. Can I get an exemption to the first-time homebuyer requirement?

A: No you must be a first-time homebuyer to be eligible for the program.

Q: I've purchased a home before, but I sold it 3 years ago and I did not use a bond loan to finance it. Would I be considered a First-time homebuyer?

A: Yes you would be considered a first-time buyer if it's been more than 3 years since you last owned a home as your primary residence and took the interest deduction on your personal tax returns. This same logic would apply if you lost the home due to foreclosure or short sale.

Q: I've purchased a home before can I get an exemption from the First-Time Homebuyer Requirement?

A: It depends. Has it been less than 25 years since you last served or left active duty? Have you previously received financing as a first-time homebuyer through a single family mortgage Revenue Bond Program? If you or your service member can answer yes to the first question and have not previously received assistance from a Revenue Bond program then you would qualify for an exemption.

Additionally, the veteran must certify that he or she has not previously obtained a mortgage loan financed by a single family mortgage revenue bond set forth in Section 143(D)(2)(d) of the Code. The veteran / active duty service member must complete a worksheet demonstrating qualification as a veteran and provide copies of discharge papers, or evidencing date veteran left active service. This documentation must be included in the compliance file sent to NHD.

Q: What credit score do I need to have to qualify for this program?

A: Credit score requirements are the same as the Division's standard down-payment assistance program. Generally speaking, 640 mid-FICO score. Depending on the type of first mortgage you choose and property type (FHA, Conventional, traditional home or manufacturing housing) the credit score requirement may be different. **See the Division's lender manual or Snapshot brochure on our website at <http://housing.nv.gov/programs/First-Time Homebuyer/> for more details and specific information.

Once you decide which lender you want to work with from our approved list

<http://housing.nv.gov/uploadedFiles/housingnv.gov/content/programs/FTH/ParticipatingLendingInstituionsDec31.pdf>, the lender will explain the credit and income requirements for the program.

Q: Is there a maximum or minimum income requirement for the program?

A: Yes there are maximum income guidelines, as well as maximum purchase price guidelines. Please see our Snapshot brochure, lender manual or website for more details. Again the lender will also go over this with you once you submit an application and income documentation.

<http://housing.nv.gov/uploadedFiles/housingnv.gov/content/programs/FTH/STATEOFNEVADA-SNAPSHOTProgramInfo.pdf>

Q: Do I have to use a certain lender to take advantage of this program?

A: Yes. Please refer to approved Lender List on our website.

<http://housing.nv.gov/uploadedFiles/housingnv.gov/content/programs/FTH/ParticipatingLendingInstituionsDec31.pdf>

Q: Do I have to use a particular real estate agent to take advantage of this program?

A: No. You are free to work with any real estate professional.

Q: If I use this program will it delay my closing?

A: No. All of our approved Lenders have been trained and know how to process your application. There should not be any delay with your closing.

Q: If I sell my home before a certain time, could I be subject to a penalty or tax?

A: Potentially. In 1990, Congress passed a law requiring a “recapture tax” on the gain, or profit, from the sale of a residence financed with mortgage revenue bond proceeds, under certain circumstance. Borrowers are subject to the possibility of a recapture tax if the property is sold within 9 years after closing. The maximum recapture tax that can ever be paid is 6.25% of the original mortgage amount or 50% of the gain realized on the sale of the property, whichever is less. The recapture tax represents an additional tax liability, payable with the homeowner’s federal income taxes. Your lender can explain more about it. In some circumstances the Division allows borrowers to apply for a reimbursement of the tax, should it be required. ** Certain restrictions apply.