



Nevada Housing Division - MBS Purchase Program

Program Benefit: The Nevada Housing Division (NHD) Home is Possible Program will provide a competitive 30-year fixed-rate mortgage with a non-repayable down payment assistance (DPA) grant up to **4.00%** of the mortgage amount to qualifying low and moderate income homebuyer families focused in Clark and Washoe Counties. The program will complement the substantially identical Home at Last Access Program offered by the Nevada Rural Housing Authority (NRHA), such that the two programs will cover the entire state. This program can also be paired with the Mortgage Credit Certificate mortgage tax savings.

Program Mortgage Rate: The mortgage rate for the program is slightly above market (e.g., anticipated to be **4.50%** for Government loans as of 8/15/14). The program mortgage rate will change periodically to stay competitive with the market.

Program DPA/Lender Compensation: Each homebuyer family will receive a non-repayable DPA grant up to 4.00% of the initial principal balance of the mortgage loan. This is advanced on behalf of NHD by the participating lenders at mortgage loan closing. Net DPA to the homebuyer is 3.00% if the borrower pays the 1.00% origination or discount fee, which may be paid by the buyer or seller. Lender income is 2.25%, coming from the 1.00% origination or discount fee and 1.25% SRP (0.75% for VA loans, 1.0% for conventional loans) upon sale of the loan to the Servicer, U.S. Bank Home Mortgage.

Program Size: \$20,000,000 revolving. Initially, \$20 million of funds may be reserved, closed, or purchased by the Servicer at any one time. However, as soon as the resulting MBS Certificates are pooled and delivered by the Servicer, such amounts are added back into the available \$20 million. It is also anticipated that additional amounts would be added as needed so that funds would be "continuously available."

Program Period: NHD, as Program Sponsor, anticipates launching mortgage loan reservations for the program in September 2014. NHD intends to make the program available to provide for continuous origination as long as it delivers a competitive mortgage and DPA product that meets the needs of homebuyers and lenders.

Eligible Mortgagors: The normal tax-exempt bond or MCC program requirements (income & purchase price limit, and first-time homebuyer requirement) do not apply. In addition, the homebuyers are not subject to "Recapture Tax." NHD has established the following requirements for eligible homebuyers:

- 1) **No First-time Homebuyer Requirement**
- 2) **Maximum "Credit Qualifying" Income: \$95,500**
- 3) **Maximum Home Purchase Price: \$400,000**

Eligible Loans: Initially, FHA, VA, or USDA-RD, all 30-year, fixed rate & poolable into GNMA Certificates. Minimum 640 FICO score (660 for manufactured housing, 680 for conventional loans with 95.01-97% LTV), maximum 45 debt-to-income (DTI) ratio. All homebuyers under the program are required to take an approved homebuyer education course. Loans must be "underwriter certified" within 15 days of loan reservation, closed within 45 days, and purchased by the Servicer within 70 days. Refinance loans are not permitted. NHD also anticipates offering Fannie Mae eligible Conventional loans to the program.

Eligible Loan Area: Mortgage loans under the program primarily serve qualifying borrowers throughout Clark and Washoe Counties.

Participating Lenders: Must be approved by NHD & the Servicer, sign a Participating Lender Agreement with the Servicer, sign a Lender Agreement with NHD and receive webinar training from Administrator and the Servicer.