



Nevada Housing Division - MBS Purchase Program

Program Benefit: The Nevada Housing Division (NHD) Home is Possible Program provides a competitive 30-year fixed-rate mortgage with a non-repayable down payment assistance (DPA) grant up to **5.00%** of the mortgage amount to qualifying low and moderate income homebuyer families statewide. 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., **4.50%** for Government loans as of 1/11/16 offering a 4% downpayment grant). The program mortgage rate will change periodically to stay competitive with the market. There is a special loan product for veteran and military members offering a below market mortgage rate without down payment assistance.

Program DPA/Lender Compensation: Each homebuyer family will receive a non-repayable DPA grant up to 5.00% of the initial principal balance of the mortgage loan. This is advanced on behalf of NHD by the participating lenders at mortgage loan closing. Lender income is 2.25%, coming from the 2.25% SRP (1.75% for VA loans) upon sale of the loan to the Servicer, U.S. Bank Home Mortgage.

Program Size: \$200,000,000 revolving. \$200 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 \$200 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, began allowing mortgage loan reservations for the program in September 2014. NHD has made the program available to provide for continuous origination and doesn't foresee changes based upon current market conditions.

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: FHA, Fannie Mae Conventional, VA, or USDA-RD, all 30-year, fixed rate & poolable into MBS Certificates. Minimum 640 FICO score (680 for manufactured housing, 680 for conventional loans with 95.01-97% LTV), maximum 45 debt-to-income (DTI) ratio. FHA loans falling within the 640—659 credit score band are subject to a 1% grant adjustment. Additionally, manufactured housing loans are subject to a 1% grant adjustment. All homebuyers under the program are required to take an approved homebuyer education course. Loans must be “underwriter certified” within 20 days of loan reservation, closed within 45 days, and purchased by the Servicer within 70 days. Refinance loans are not permitted. Please refer to current Administrator Guidelines shown on the eHousingPlus website for updates.

Eligible Loan Area: Mortgage loans under the program serve qualifying borrowers statewide with no geographic restrictions.

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.