

# Fact Sheet

## NeighborWorks® #2

### Down Payment Assistance

#### Program Guidelines

<b>Product Type</b>	A fully amortizing loan for down payment assistance & closing costs. Maximum 20% available for closing cost.
<b>Lien Position</b>	2nd or 3rd position, behind an amortizing 1st mortgage
<b>Minimum Loan Amount</b>	N/A
<b>Maximum Loan Amount</b>	\$10,000
<b>Interest Rate</b>	5.5% fixed rate / 7.174% APR
<b>Term</b>	10 years
<b>Max CLTV</b>	105%
<b>Use of Funds</b>	Funds may be used for down payment, mortgage assistance. Interest rate buy downs are not allowed.
<b>Refinancing</b>	Refinancing may be allowed subject to NeighborWorks® HOCSR subordination policy.
<b>Repayment</b>	Loans shall be repayable upon sale or transfer of the property, when the property ceases to be owner-occupied, or upon the loan maturity date.
<b>Eligible Properties</b>	1-4 units, SFR/Condo/PUD, Manufactured Homes must be on permanent foundations.
<b>Maximum Sales Price</b>	None
<b>Occupancy</b>	Owner-occupied only.
<b>First-Time Homebuyer</b>	Yes, single parent & displaced homemaker.
<b>Credit</b>	FICO = 650. All open collections to be paid prior to closing.
<b>Fee to NWHOCSR</b>	\$375 Processing Fee \$350 Underwriting/Document Prep Fee
<b>Borrower's Min Investment</b>	\$500
<b>Household Income</b>	Maximum 150% Area Median Income
<b>Eligibility vs Lender Income</b>	No Adjustments
<b>Housing Debt Ratio</b>	36/45

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#### Underwriting

The first mortgage lender will perform the underwriting using established credit guidelines for the particular program. NeighborWorks® HOCSR will provide oversight of this function and may require credit explanations or payoff of collections if deemed necessary and prudent. There may be no outstanding unpaid judgments or involuntary liens at the time the loan is recorded.

#### First Mortgage Restrictions

Borrower shall obtain the maximum first lien mortgage loan with a term and interest rate from a mortgage lender consistent with affordable housing costs outlined above.

#### Escrow Prohibitions

Cash transactions and oral agreements outside of escrow are prohibited. Cash out of escrow to the borrower is limited to \$250 maximum.

#### Homebuyer Education

Homebuyer must attend homebuyer education classes. The homebuyer education requirement may be met by taking the following classes from NeighborWorks® HomeOwnership Center Sacramento Region:  
Preparing for Homeownership Workshop.

#### Geographical Area

City & County of Sacramento, West Sacramento

#### Special Features

FHA requires 3.5% borrower cash investment  
Buyer's Agent must be an SAR Member  
Must obtain full copy package from 1st mortgage lender.  
\*Approved behind FHA, CalHFA or Conventional Programs  
\*Property must meet the Housing Quality Standards (HQS) & have a Clear Termite & Home Inspection

#### Application Procedure

To apply for the program, please call Alicia Perez at (916) 452-5356 ext. 227 or [alicia@nwsac.org](mailto:alicia@nwsac.org)