

**Fact Sheet**  
**NeighborWorks®**  
**Purchase Advantage Loan**  
**Program Guidelines**  
**Income Limits Effective 10/28/2016**

<b>Product Type</b>	A fully amortizing loan for down payment assistance & closing costs.
<b>Lien Position</b>	2nd position - no exceptions
<b>Loan Amount</b>	\$15,000
<b>Interest Rate</b>	5.50%
<b>Term</b>	10 year term
<b>Max CLTV</b>	103% max 3% for non re-occurring closing costs
<b>Use of Funds</b>	Funds may be used for down payment and up to 3% of the sales price toward non-recurring closing costs. Interest rate buy downs and single Mortgage Insurance Premiums are not allowed.
<b>Refinancing</b>	Refinancing may be allowed subject to NeighborWorks® Sacramento subordination policy.
<b>Repayment</b>	Principal & interest payment due each month; borrowers are sent monthly billing statement. Online payments can be setup at our website <a href="http://www.nwsac.org">www.nwsac.org</a>
<b>Eligible Properties</b>	1-4 units, SFR/Condo/PUD, Manufactured Homes must be on permanent foundations. HUD-approved condos only.
<b>Maximum Sales Price</b>	None.
<b>Occupancy</b>	Owner-occupied only.
<b>First-Time Homebuyer</b>	At time of closing, borrower must own no other real estate.
<b>Credit</b>	FICO = 650. All open collections to be paid prior to closing.
<b>Loan Fee</b>	\$750.00
<b>Borrower's Min Investment</b>	1% of purchase price. Must be from borrower's own funds. Cannot be borrowed or gifted. No POCS allowed toward borrower's 1% contribution.
<b>Household Income</b>	FHA Transactions - 115% Area Median Income. Non FHA transactions - 120% Area Median Income
<b>Housing / Debt Ratio</b>	36/45



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**Underwriting**

The first mortgage lender will submit a full loan submission package to include a credit approval subject only to approval of the second mortgage. NeighborWorks® Sacramento will perform the underwriting of the PAL loan using the established credit guidelines for the program 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. The first mortgage lender is required to collect and manage impound accounts for payment of taxes, assessments, and hazard insurance according to the lenders requirements.

**Escrow Prohibitions**

Cash transactions and oral agreements outside of escrow are prohibited. No Cash back to the borrower is allowed.

**Homebuyer Education**

Homebuyer must attend 8-hour homebuyer education course "Preparing for Homeownership Workshop" provided by NeighborWorks® HomeOwnership Center Sacramento Region. To sign up call: (916) 452-5356 or visit our website: [www.nwsac.org](http://www.nwsac.org). No online classes allowed.

**Geographical Area**

Greater Sacramento Region service area - Colusa, Placer, Sacramento, San Joaquin, Sutter, Yolo & Yuba Counties.

**Special Features**

Any junior liens must be deferred

**How to Apply**

NeighborWorks® Preferred Lending Professionals will apply on behalf of the borrower and submit a full copy package directly to NeighborWorks® Sacramento.

