



Helpful Tips for REALTORS®

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For Further Information Contact:

Phone: 505.843.6881



Helpful Tips for REALTORS®



How long does it take to close an MFA loan?

The time it takes to close an MFA loan depends on several factors. The lender is responsible for taking the loan application, gathering documentation, obtaining third-party verifications, underwriting, processing, preparing final documents, closing and funding the loan.

Once the loan is underwritten and approved by the lender, they will reserve funds and upload the file to MFA for a pre-close compliance review. The file is checked in at 8:00 AM on the business day following the upload and is now in the queue for review.

The initial review can take 3-4 business days. During periods of heavy volume, reviews can take five days. When the review is complete, the lender is notified that the file is approved or that it has been suspended for conditions.

Once the lender obtains the required conditions, they are sent in a single upload to MFA to be cleared. If there are fewer than four conditions, then they should be cleared within 24 business hours; if there are four or more, it will take 48 hours. If the lender fails to completely clear conditions, the file will again be suspended.

In summary, it typically takes about 60 days for most lenders to close an MFA loan. When all parties have realistic expectations from the onset, delays are minimized and everyone has a pleasant experience!

For Further Information Contact:

Phone: 505.843.6881

Quick Facts

- MFA's pre-close compliance review takes 3-4 business days, and during periods of heavy volume, reviews can take 5 days
- Incomplete files are suspended and must be reviewed again
- It is advisable for REALTORS® to write contracts that allow for a 60-day closing
- You can help set realistic expectations for your buyers at the time you write their purchase agreement

We appreciate and value you, our dedicated REALTOR® partners. Thank you for making sure your buyers know about MFA!



Helpful Tips for REALTORS®



Are REALTORS® able to obtain information from MFA about the status of a file undergoing a pre-closing compliance review?

Yes. MFA recognizes that REALTORS®, homebuilder representatives and manufactured home dealers, like lenders, are key partners to the success of our homeownership programs. We rely on our REALTOR® partners to help make homebuyers aware of the availability of our programs and to suggest that buyers choose an MFA-eligible lender.

Accurate and timely communication between all parties to a transaction is essential in order to ensure a smooth process and positive experience for borrowers and their REALTORS®.

Ideally, the buyer and their REALTOR® will receive regular communication from the loan officer (or processor) as to the status of their MFA loan. However, it is sometimes necessary for a REALTOR® to contact MFA directly to inquire about the status of a loan.

If you are party to a transaction, MFA will be able to provide the following information:

- Whether or not a loan reservation has been made and, if so, on what date.
- Whether or not the compliance file has been received from the lender and, if so, on what date.
- The current status whether the file is still pending review or has already been reviewed. We will let you know if the file was suspended because there are some conditions or if it has been approved and on what date.

MFA will not disclose personal borrower information or details with respect to the number or nature of the conditions.

The initial review generally takes 3-4 business days. A file is placed in the queue at 8:00 am on the day after receipt and the clock starts. When the review is complete, the lender is notified that the file is approved or that it has been suspended for conditions. Please note that during periods of heavy volume, reviews may take five days.

Once the lender has satisfied conditions, they are sent in a single upload to MFA to be cleared. If there are fewer than four conditions, then they should be cleared within 24 business hours; if there are four or more, it will take 48 hours. If the lender fails to completely clear conditions, the file will again be suspended.

Please don't hesitate to contact an MFA Homeownership Representative for information – we're here to help!

Quick Facts

- REALTORS® can call MFA for a status report on a file
- We will let you know if a loan reservation has been made
- We will tell you if MFA has received the compliance file from the lender
- We cannot share personal borrower information or details about any conditions
- The initial review can take 3-4 business days
- Conditions are usually cleared in 24 to 48 hours, depending on the number
- Please note that during periods of heavy volume, reviews can take five days

We appreciate and value you, our dedicated REALTOR® partners. Thank you for making sure your buyers know about MFA!

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Helpful Tips for REALTORS®

How can I be sure that MFA will have funds available for my buyer?



You may rest assured that we will. In the past few years, MFA has been able to establish funding sources that are much like what traditional mortgage investors utilize. As a result, buyers and their lenders no longer face possible delays to apply until MFA releases a new bond issue and funds may be reserved.

MFA operates under a “continuous lending” model which means that funds are made available to buyers continuously and without interruption. This type of financing allows us to offer the best possible interest rates. Your buyer’s rate will be locked in when their funds are reserved. In other words, we can finance homes for qualified buyers as quickly as you can sell them!

It’s important to make sure that your buyers are working with a lender that is MFA-eligible. A participating MFA lender is the only way they will be able to access MFA financing.

You can see a full list of participating lenders at this link: [Find a Participating Lender](#)

For Further Information Contact:

Phone: 505.843.6881

Quick Facts

- MFA makes funds available to homebuyers on a continual basis without interruption
- We utilize other funding sources in addition to issuing bond funds
- Only MFA-approved lenders can access our funds for your buyers
- Remind your buyers that MFA offers down payment assistance!

We appreciate and value you, our dedicated REALTOR® partners. Thank you for making sure your buyers know about MFA!





Helpful Tips for REALTORS®



Does the lender decide the interest rate on an MFA loan?

The short answer is no. MFA sets the interest rate for each program that lenders must adhere to. They are not allowed to charge any more or any less. Lenders may charge the borrower up to 0.5 percent origination fee; however, no discount fee may be charged. Lenders are also allowed to charge their normal and customary lender fees. Lender fees include items such as underwriting and processing, for example.

MFA analyzes its rates daily and determines if an increase or decrease is warranted. During periods when mortgage market rates are especially volatile, rates may be analyzed multiple times a day in an effort to make sure our rates are competitive with those of other investors. It is because of this that our rates are subject to change at any time.

Your buyer will not know their exact interest rate until the lender reserves the loan funds with MFA. Free rate locks are good for 60 days. MFA loans all have fixed interest rates for the 30-year term.

Our current interest rates are posted on our website at this link: [Current Rates](#)

Additionally, we offer a **Rate Change Text Alert Service** for anyone wishing to be notified every time our rates change.

To sign up, click on this link: [Rate Change Text Alert](#)

For Further Information Contact:

Phone: 505.843.6881

Quick Facts

- MFA sets the interest rates for each of our programs
- Lenders may charge up to 0.5% origination fee
- Lenders may not charge a discount fee
- Lenders may charge their normal and customary fees
- Free rate lock is good for 60 days
- Try out our Rate Change Text Alert Service!

We appreciate and value you, our dedicated REALTOR® partners. Thank you for making sure your buyers know about MFA!



Helpful Tips for REALTORS®

Helping your buyer shop for an MFA-approved lender.



When it's time for your prospective homebuyer to decide which MFA-approved lender to use, they might ask for your help. It's a good idea to recommend that they call multiple MFA-approved lenders before making a final decision. A list of MFA lenders can be found at housingnm.org/homebuyers

Here are some important questions that would be good for your buyer to ask a prospective lender:

1. Ask the loan officer if their company allows them to utilize all available MFA programs. (Eligible lenders are approved by MFA to utilize all programs; however, some lenders opt to offer only one program.)
2. Ask if the lender requires a higher credit score than the MFA minimum of 620. (Lenders are allowed to set a higher score requirement and some do.)
3. What are the lender's fees? (Although MFA sets the interest rates that all approved lenders must follow, there are differences in fees from lender-to-lender.)
4. Did the lender promptly return your call and were they forthcoming with information?
5. If a buyer has any special circumstances (such as no credit score or is purchasing a manufactured home or a property needing repairs) ask the lender if they can accommodate those circumstances.
6. Ask the lender to describe what the expected timeline is for the transaction. (Remember that the timeline really begins when the lender has received all initial requested documentation from the borrower, and that extra time should be allowed if unforeseen issues arise.)

For Further Information Contact:

Phone: 505.843.6881

Quick Facts

- **Reminder!** Any homebuyer wishing to benefit from MFA's down payment assistance programs must apply with an MFA-approved lender
- A complete list of approved lenders may be accessed by clicking this link: housingnm.org/homebuyers (search by the name of a specific lending company or by city)
- It is advisable for prospective homebuyers to call two or three lenders before deciding with whom to apply

We appreciate and value you, our dedicated REALTOR® partners. Thank you for making sure your buyers know about MFA!



Helpful Tips for REALTORS®



Can MFA programs be used to finance an existing manufactured home?

Yes, they can! Both **FIRSTHome/FIRSTDown** and **NEXTHome/NEXTDown** may be used to help buyers who wish to purchase an existing manufactured home. Here's how it works:

The home must be multi-wide, as MFA does not finance single-wide homes. The home must be permanently attached to the property according to HUD specifications.

The lender will need to order an inspection from a qualified engineer who will affirm that the foundation and structure meet the necessary requirements. A home that does not meet the standards may need to be "retro fitted" to ensure that the installation is permanent and meets FHA guidelines.

Manufactured homes that have been moved more than once are not eligible for FHA insurance and, therefore, cannot be financed by MFA.

The current homeowner (seller) should provide their listing agent with evidence that the title has been deactivated through the Department of Motor Vehicles. Once the title has been deactivated, it must also be assessed as real property by the county in which it is located.

In some cases, the title deactivation process may not have been completed correctly. These situations will take some time and effort on the part of the seller and their agent to resolve. It may even be necessary to hire a manufactured home title expert to handle the situation.

Only an MFA-approved lender can help your buyer determine if they qualify for MFA programs. The lender can also explain more about the specific property and documentation requirements.

For a full list of MFA approved lenders, click here: [Find a Participating Lender](#)

**Not all lenders will finance manufactured homes so please call ahead to ask!*

For Further Information Contact:

Phone: 505.843.6881

Quick Facts

- MFA programs may be used to finance existing multi-wide manufactured homes
- The home must be permanently attached to the property according to HUD specifications
- The lender will likely need to order an inspection by a qualified engineer
- Evidence that the title has been deactivated by DMV will be required
- Only MFA-approved lenders can access MFA programs.
- The home and land must be assessed together as real property

We appreciate and value you, our dedicated REALTOR® partners. Thank you for making sure your buyers know about MFA!





Helpful Tips for REALTORS®

What property types are allowed with FIRSTHome and NEXTHome?



MFA's FIRSTHome and NEXTHome programs can only be used to finance single family residential properties located within the State of New Mexico.

The property can be a detached site-built, townhome, approved condominium, modular, or a multi-wide manufactured home on a permanent foundation. Homes in Planned Unit Developments and those on approved leasehold land are also eligible.

All manufactured homes must meet FHA guidelines. It's important to note that if a home has been moved more than one time, it is not eligible for FHA insurance and therefore cannot be financed by MFA.

Additionally, if a property has more than one kitchen or any additional living units (i.e. apartment, in-law quarters, etc.) it will not meet FIRSTHome program guidelines.

The subject property must meet MFA guidelines at the time the borrower signs the purchase agreement and may not be modified in order to meet this requirement.

Because not all MFA-approved lenders are able to finance all property types, it is recommended that you or your buyer check with their lender in advance.

You can see a full list of participating lenders at this link: [Find a Participating Lender](#)

For Further Information Contact:

Phone: 505.843.6881

Quick Facts

- MFA's FIRSTHome and NEXTHome programs may only be used to finance single-family residential properties
- Multi-wide manufactured homes on permanent foundations are allowed
- Properties must have only one kitchen and no additional living units
- Buyers should check with their MFA-approved lender to be sure they are able to finance a specific property

We appreciate and value you, our dedicated REALTOR® partners. Thank you for making sure your buyers know about MFA!



Helpful Tips for REALTORS®

My client wants to purchase a home that will require some repairs and updating. Is there a mortgage program that can help?



MFA programs can be used with the FHA 203(k) streamline loan. A buyer will have the dual benefit of receiving assistance with their down payment and closing costs as well as being able to borrow up to \$35,000 more to make needed repairs and desired improvements.

The list of eligible improvements covered with this loan is quite extensive and includes such items as the repair or replacement of roofs, HVAC, plumbing, electrical, and well and septic systems. Accessibility improvements for persons with disabilities are also included, as are windows and doors, flooring, siding and stucco and painting. Cost-saving improvements such as weatherization, insulation and the purchase and installation of energy-efficient appliances can be a wise investment as well.

Here's how it works: The homebuyer first determines the type of repairs or upgrades that they would like done. They then select a contractor to complete a work plan and cost estimate. The homebuyer will work with both the mortgage lender and contractor to ensure that the work plan and cost estimate is reasonable and customary for the area. An appraisal is done to reflect an "as is" and an "as improved" value. The loan amount is based on the lesser of the sales price and rehabilitation cost or 110% of the "as improved" value.

Perhaps you have a listing or two that will benefit from a minor kitchen or bath remodel or even a new deck or patio. Knowing how the 203(k) works with MFA programs could help you sell that "diamond in the rough!"

For Further Information Contact:

Phone: 505.843.6881

Quick Facts

- MFA programs can be used with the FHA 203(k) streamline loan
- Borrowers can receive assistance with down payment and closing costs
- Homebuyers can choose up to \$35,000 worth of repairs and desired improvements
- The lender and contractor help the homebuyer coordinate the work plan and cost estimate
- Some repairs are considered mandatory and must be given priority over any extra improvements desired by the buyer.

We appreciate and value you, our dedicated REALTOR® partners. Thank you for making sure your buyers know about MFA!





Helpful Tips for REALTORS®



Is it true that MFA loans only require a “down payment” of \$500?

No, that’s not an accurate way to state it. Because MFA programs are really an “add-on” or “accessory” to a standard loan such as FHA, VA, USDA and HFA Preferred Conventional, MFA doesn’t determine the actual down payment percentage required for the loan.

While it’s true that MFA’s program guidelines require that the buyer invest at least \$500 of his or her own funds toward the purchase of the home, the actual down payment required is determined by the underlying loan program.

For example, a buyer using an FHA loan is required to make a down payment equal to 3.5 percent of the sales price of the home. MFA has programs that can help cover that requirement; however, we want to make sure that buyers have an initial investment in the purchase, so we require that they contribute at least \$500. In this scenario the balance of the down payment requirement can be financed with our **FIRSTDown** program, for example, which is a 30-year, second mortgage of up to \$8,000.

On the other hand, a buyer using USDA’s guaranteed loan program, which provides 100 percent financing, isn’t required by the USDA to have any down payment. However, MFA still requires them to invest at least \$500 of their own funds.

The bottom line is that we must be mindful of the distinction between the actual down payment required and MFA’s required minimum cash investment.

For Further Information Contact:

Phone: 505.843.6881

Quick Facts

- MFA requires that buyers invest at least \$500 of their own funds toward the purchase of their home
- The actual down payment percentage required is determined by the underlying loan (FHA, VA, USDA & HFA Preferred Conventional)
- Down payment percentage required for:
 - FHA – 3.5%
 - VA – 0%
 - USDA – 0%
 - HFA Preferred – 3%

We appreciate and value you, our dedicated REALTOR® partners. Thank you for making sure your buyers know about MFA!



Helpful Tips for REALTORS®



How does MFA calculate borrower income for purposes of program eligibility?

The rules for calculating income are different for each of our programs.

NEXTHome/NEXTDown

For the NEXTHome/NEXTDown program, MFA counts only the qualifying income that the lender's own underwriter reports. If that figure is under the current program limit then the borrower meets our guideline. It's that simple!

If the transaction involves a non-occupying cosigner, their income will be counted as well.

Qualifying income may or may not include such items as overtime and bonuses. For example, if a borrower receives a base salary plus occasional overtime, the underwriter must determine whether the overtime earnings are likely to continue. If not, then they may use only the base salary to qualify the borrower. In that case, MFA will only consider the base salary as well. MFA does not calculate income for borrowers using NEXTHome/ NEXTDown; that's up to the lender.

FIRSTHome/FIRSTDown

For our FIRSTHome/FIRSTDown programs the rules are very different, in that all income must be counted.

Lenders are required to consider actual year-to-date earnings **including** overtime, bonuses, commissions and all other pay or income categories.

For example, if a lender is unable to use the overtime pay as part of the qualifying income, it still must be counted for the purpose of MFA program eligibility.

As part of MFA's pre-closing compliance review, we will examine all income documentation and confirm the lender's calculation. The borrower's income must be under the limit for their respective area of the state in order to qualify for assistance.

In the event a married borrower wishes to do a sole and separate transaction, the lender **MUST** count the income of the non-purchasing spouse even though their income is not used for qualifying purposes. If the combined income is under the applicable limit, then they qualify.

Income from a non-occupying cosigner need not be counted towards MFA's program limit.

Visit our website for more details about our programs and their respective income limits: www.housingnm.org

We hope that this information will allow you to help more potential homebuyers realize the American dream!

Quick Facts

- MFA's income calculation guidelines vary depending upon the program
- NEXTHome/NEXTDown only counts the borrower's qualifying income
- Qualifying income may or may not include overtime, bonuses or commissions
- FIRSTHome/FIRSTDown programs require that ALL income, including overtime, bonuses, etc. be counted
- A borrower who doesn't qualify for FIRSTHome may qualify for NEXTHome!

We appreciate and value you, our dedicated REALTOR® partners. Thank you for making sure your buyers know about MFA!

For Further Information Contact:

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Helpful Tips for REALTORS®



Are all homebuyers required to take homebuyer education?

MFA is committed to ensuring that the borrowers we help are given every opportunity to become successful homeowners. We want their home to be a blessing rather than a burden. For that reason, we require all first-time homebuyers to take homebuyer education. Repeat homebuyers must also take the course if they are using **FIRSTHome**. Taking the course is optional for buyers who are not first-time homebuyers, if they're using **NEXTHome**.

MFA has contracted with eHome America to provide the counseling online. eHome America is considered the nation's premier online homebuyer education platform.

MFA-approved mortgage lenders are responsible for making sure that borrowers complete the course and receive a certificate of completion prior to closing. Some REALTORS® even suggest to their first-time buyers that they go ahead and take the course before they are under contract to buy a home since the certificate of completion is valid for one year.

The course is made up of six modules. Each module has a number of chapters and chapters might have multiple pages. Most sections begin with an introductory video, then text pages, followed by a quiz or test. A passing grade of 80 percent is required before moving to the next section. In some cases, it is necessary to repeat a module in order to pass. The course is available in both English and Spanish. The cost of the course is \$45 and can be paid by either a credit or debit card. Two borrowers on the same loan may register together and pay one fee.

Most buyers take 7 to 8 hours to complete the course but don't do it in one sitting. They can log in as many times as needed so they can work around their busy schedules.

Anyone can take the course, even if they're not in the process of buying a home.

Here's the link: <http://ehomeamerica.org/nmmfa>

For Further Information Contact:

Phone: 505.843.6881

Quick Facts

- MFA requires that all first-time buyers take a homebuyer education course
- Repeat buyers using **FIRSTHome** must also take the course
- The approved online course is provided by eHome America and is available in English and Spanish
- Borrowers should plan to spend 7 to 8 hours completing the course but can log in and out as their schedule allows
- The cost is \$45. It is acceptable for two borrowers to register together and pay only one fee

We appreciate and value you, our dedicated REALTOR® partners. Thank you for making sure your buyers know about MFA!





Helpful Tips for REALTORS®



Does MFA allow “sole and separate” transactions?

Yes. MFA recognizes that, oftentimes, married couples face some unique challenges when applying for a mortgage, which is why MFA will allow a sole and separate purchase.

However, there are some very important rules to keep in mind.

MFA-approved mortgage lenders are responsible for making sure that borrowers comply with agency guidelines. “Agency” refers to FHA, VA, USDA or Fannie Mae in the case of a conventional loan. Once those requirements are met, the lender must then ensure that MFA’s program guidelines are met. Primarily, MFA is concerned with how the income is calculated.

For example, when using our **FIRSTHome/FIRSTDown** programs, the lender **MUST** count the income of the non-purchasing spouse even though their income is not used for qualifying purposes. If the combined income is under the applicable limit, then they qualify.

Conversely, our **NEXTHome/NEXTDown** program only requires that the qualifying income of the purchasing spouse be counted towards MFA’s program limit.

Current income limits for all MFA programs can be found on our website: www.housingnm.org

Another very important rule is that the non-purchasing spouse is not allowed to be on title. The home will truly be the sole and separate property of the purchasing spouse and a sole and separate property agreement is required to be signed.

We hope that this information will allow you to help more potential homebuyers realize the American dream!

For Further Information Contact:

Phone: 505.843.6881

Quick Facts

- MFA allows “sole and separate” transactions for any reason
- MFA-approved lenders must follow agency guidelines (FHA, VA, USDA or Fannie Mae)
- **FIRSTHome/FIRSTDown** programs require that the income of **BOTH** spouses be counted
- **NEXTHome/NEXTDown** program uses only the qualifying income of the purchasing spouse

We appreciate and value you, our dedicated REALTOR® partners. Thank you for making sure your buyers know about MFA!





Helpful Tips for REALTORS®



Is it possible for a person who has no credit score to qualify for a mortgage loan?

Yes, it is. MFA accepts what is known as “alternative” or “nontraditional” credit.

When underwriting a loan for a borrower with alternative credit, the lender must verify that he or she has made regular and timely payments consistently over a period of time. Generally, the lender needs to verify at least four sources that have at least a two-year track record.

For instance, a borrower’s rental history can be evaluated to help determine his or her creditworthiness. If rent payments are well documented as having been paid on time, a lender believes there is a likelihood that the borrower will pay their mortgage on time as well.

Other examples of alternative credit can include monthly payments for auto insurance, utilities, storage unit rentals, cell phone service and even some medical accounts that are on a structured repayment plan.

It is important to note that alternative credit accounts **MUST** be in the borrower’s own name in order to be verified.

A person who is living with his or her parents may be helping pay utilities; however, if the utility accounts are in the parents’ names, it wouldn’t be considered an acceptable source.

Using alternative credit requires the lender to manually underwrite the loan. Because the process can be very time-consuming and labor intensive, not all lenders are able to offer this service.

We recommend that borrowers call the lender to inquire.

A list of MFA-approved lenders can be accessed here: [Find a Participating Lender](#)

For Further Information Contact:

Phone: 505.843.6881

Quick Facts

- A borrower who has no credit score may still be able to obtain a mortgage loan
- MFA accepts alternative or non-traditional credit
- Lenders generally require at least four sources of alternative credit that can be verified
- Rent, utility and auto insurance payments are examples of non-traditional credit accounts
- Not all lenders offer this service so be sure to call and ask!

We appreciate and value you, our dedicated REALTOR® partners. Thank you for making sure your buyers know about MFA!





Helpful Tips for REALTORS®

Is there a conventional loan option that works with MFA programs?



Yes, there is. MFA programs may be coupled with a special conventional loan called **HFA Preferred**. In fact, HFA Preferred is the only conventional loan that can be used in conjunction with MFA programs.

HFA Preferred is an exclusive Fannie Mae® product that is only available to borrowers using **Housing Finance Agency** programs - thus the name.

HFA Preferred offers some very attractive benefits to qualified borrowers. One major benefit is that the down payment requirement is only 3 percent of the sales price. That's lower than the 3.5 percent currently required to obtain an FHA loan!

Another advantage to low-income borrowers using HFA Preferred, is that the private mortgage insurance (PMI) coverage requirement is lower than what is normally required for regular conventional loans.

In general, conventional loans typically require a slightly higher interest rate as compared to government loans such as FHA or VA. The same can be true for HFA Preferred; however, the savings realized by a low-income buyer because of the lower PMI requirement can more than make up the difference. PMI is not required for the life of the loan, whereas FHA insurance is.

When financing a site-built property, HFA Preferred allows a maximum loan-to value (LTV) ratio of 97 percent. For a transaction wherein the borrower also has an MFA second mortgage, the combined loan-to-value (CLTV) ratio can be as high as 105 percent if needed. For manufactured homes, the maximum LTV on the first mortgage is 95 percent and the CLTV is limited to 105 percent.

MFA's second mortgage program, **FIRSTDown**, only allows the borrower to finance the required minimum down payment plus closing costs. So, in a case where the collateral is a manufactured home, the borrower would need to contribute the additional two percent down payment needed.

Only an MFA-approved lender can help your buyer determine if they qualify for HFA Preferred.

To view a list of MFA-approved lenders click here: [MFA Participating Lender List](#)

To view the HFA Preferred term sheet, click here: [HFA Preferred Term Sheet](#)

For Further Information Contact:

Phone: 505.843.6881

Quick Facts

- HFA Preferred is only available to MFA borrowers
- HFA Preferred just requires a 3% down payment
- HFA Preferred has reduced PMI requirements for low-income borrowers
- Only MFA-approved lenders can offer HFA Preferred

We appreciate and value you, our dedicated REALTOR® partners. Thank you for making sure your buyers know about MFA!



Helpful Tips for REALTORS®



Who qualifies for NEXTHome/NEXTDown and what benefits are offered?

MFA's NEXTHome/NEXTDown program is open to both first-time and non-first-time homebuyers.

The program is a first and second mortgage combination which is designed to provide borrowers with funds to purchase a home and also assist with down payment and closing costs.

A buyer must be able to qualify for a mortgage under FHA, VA, USDA or HFA Preferred (conventional) guidelines. Additionally, a buyer must meet MFA program guidelines. For example, MFA requires a minimum credit score of 620 and a **minimum** borrower investment of \$500.

The NEXTDown second mortgage amount will be equal to three percent of the first mortgage loan amount. NEXTDown has a zero-percent interest rate and is non-amortizing, meaning that the borrower won't have a monthly payment.

NEXTDown is eligible for forgiveness after 15 years, provided that the borrower doesn't sell, refinance or transfer title, for that period of time.

The exact terms of the NEXTDown Note and Mortgage may be viewed at www.housingnm.org

NEXTHome/NEXTDown guidelines require that the borrower's income is \$91,000 or lower. The limit applies statewide and is not based on the number of people in the household. MFA does not calculate borrower income for NEXTHome but relies on the MFA-approved lender to determine the borrower's qualifying income. If that figure is under \$91,000, then the borrower has met our requirement. Only the income of the person(s) signing the note is counted toward the MFA limit.

First-time buyers must take the online eHome America homebuyer education course even if they're using the NEXTHome/NEXTDown program.

And, finally, NEXTHome/NEXTDown has a home purchase price limit of \$340,000. The purchase price is also referred to as acquisition cost.

For more information please visit our website or contact an MFA-approved lender from this list: [Find a Participating Lender](#)

For Further Information Contact:

Phone: 505.843.6881

Quick Facts

- NEXTHome/NEXTDown is available to both first-time and non-first-time homebuyers
- NEXTHome is a first mortgage that is coupled with NEXTDown, a second mortgage
- NEXTDown loan amount is equal to 3% of the first mortgage loan amount
- NEXTDown has a 0% interest rate and is non-amortizing
- NEXTDown may be forgiven after 15 years provided that certain terms and conditions are met
- NEXTHome can be used in conjunction with FHA, VA, USDA and HFA Preferred loans
- The maximum income limit is \$91,000
- The maximum home purchase price is \$340,000

Income and purchase price limits are subject to change.

We appreciate and value you, our dedicated REALTOR® partners. Thank you for making sure your buyers know about MFA!