

“FirstDown” Program Policy

October 17, 2022

Program Description:

The *FirstDown* program (“*FirstDown*”) is a second mortgage loan that provides Down Payment and Closing Cost Assistance (“DPA”) for First-time homebuyers. *FirstDown* may only be combined with a *FirstHome* first mortgage loan. Qualification/eligibility guidelines vary, based on the size and location of the household. See *FirstHome* first mortgage program policy for eligibility and requirements.

Eligible Mortgage Lenders:

Mortgage Lenders must be approved by MFA (“Participating Lender”) to originate *FirstDown* program loans. Only Participating Lenders will be eligible to originate *FirstDown* program loans. A list of eligible Participating Lenders is published on the MFA website. (www.housingnm.org/homebuyers/find-a-participating-lender).

Availability of Funds:

FirstDown program funds are made available on a continuous basis and may be reserved in conjunction with a *FirstHome* program loan through an MFA approved participating lender.

FirstDown Fund Use:

FirstDown is available to homebuyers who obtain first mortgage loan financing through the *FirstHome* program. *FirstDown* may only be used to finance the minimum down payment and eligible closing costs. Eligible closing costs may include, but are not restricted to, “reasonable and customary” lender fees (underwriting, document preparation, processing, etc.), mortgage insurance premiums, pre-paid interest, property taxes, homeowners/flood insurance, title insurance policies/premiums, appraisals and home inspections, if applicable.

FirstDown Loan Terms:

The *FirstDown*, second mortgage loan maturity is 30-year, 15-year or 10-year amortization. *FirstDown* loans do not carry a prepayment penalty.

Interest Rate:

FirstDown interest rates are fixed with monthly, fully amortizing payments of principal and interest.

- The *FirstDown* 30-year interest rate shall not exceed two percent (2.00%) of the corresponding *FirstHome* FNMA <80% AMI loan interest rate.
- The *FirstDown* 15-year interest rate shall not exceed one point five percent (1.50%) of the corresponding *FirstHome* FNMA <80% AMI loan interest rate.

- The *FirstDown* 10-year interest rate shall not exceed one percent (1.00%) of the corresponding *FirstHome* FNMA <80% AMI loan interest rate.

Maximum Loan Amount:

The maximum *FirstDown* maximum loan amount is four percent (4%) of the purchase price.

When combined with other MFA administered funds, maximum DPA assistance is not to exceed \$35,000.

Reservation/Extensions/Late fees:

Loan reservation, loan extension and late fee guidelines can be found on MFA's website. (www.housingnm.org/lenders_realtors/online-reservations).

Maximum Loan to Value ("LTV") and Combined Loan to Value ("CLTV")

- FHA/VA/USDA-RHS: as determined within the underwriting/insurance eligibility criteria for each loan type.
- Fannie Mae HFA Preferred: 97%/105%.
- Freddie Mac HFA Advantage: 97%/105%

Fees:

Participating Lenders may charge the borrower an origination fee of one hundred dollars (\$100.00) in conjunction with a *FirstDown* loan.

Other allowable fees that may be charged in conjunction with a *FirstDown* loan including the recording fees, mortgagee title insurance policy premiums, settlement/closing fees and daily interest charges.

Borrower and Property Eligibility

FirstDown DPA second mortgages may only be obtained if the borrower qualifies for and uses the *FirstHome* program. Borrower income, acquisition cost limits and property eligibility requirements for the *FirstDown* program are the same as the eligibility requirements for the *FirstHome* program. Please refer to Exhibit A for current limits.

Program Guideline Limits:

- This policy establishes minimums and maximum limits for the identified program. From time-to-time staff may impose overlays to operate within the band of the above established minimums and maximums. This allows management the flexibility to comply with regulatory changes as they arise or to mitigate risk.

Exhibit A

2022 FirstHome Single Family Programs Household Income Limits

Effective May 16, 2022

Non-Targeted Areas	1-2 Person Household	3+ Person Household
Albuquerque MSA (Bernalillo, Sandoval, Torrance, and Valencia)	\$79,750.00	\$91,713.00
Las Cruces MSA (Dona Ana)	\$73,200.00	\$85,400.00
Farmington MSA (San Juan)	\$76,560.00	\$89,320.00
Santa Fe MSA (Santa Fe)	\$89,411.00	\$102,823.00
Catron	\$73,200.00	\$85,400.00
Chaves	\$73,200.00	\$85,400.00
Cibola	\$73,200.00	\$85,400.00
Colfax	\$73,200.00	\$85,400.00
Curry	\$73,200.00	\$85,400.00
De Baca	\$77,280.00	\$90,160.00
Eddy	\$81,500.00	\$93,725.00
Grant	\$73,920.00	\$86,240.00
Guadalupe	\$73,200.00	\$85,400.00
Harding	\$73,200.00	\$85,400.00
Hidalgo	\$73,200.00	\$85,400.00
Lea	\$81,070.00	\$93,231.00
Lincoln	\$79,560.00	\$92,820.00
Los Alamos	\$142,900.00	\$164,335.00
Luna	\$73,200.00	\$85,400.00
McKinley	\$73,200.00	\$85,400.00
Mora	\$73,200.00	\$85,400.00
Otero	\$73,200.00	\$85,400.00
Quay	\$73,200.00	\$85,400.00
Rio Arriba	\$73,200.00	\$85,400.00
Roosevelt	\$74,280.00	\$86,660.00
San Miguel	\$73,200.00	\$85,400.00
Sierra	\$73,200.00	\$85,400.00
Socorro	\$73,200.00	\$85,400.00
Taos	\$73,200.00	\$85,400.00
Union	\$74,160.00	\$86,520.00

**Source: Kutak Rock*

Exhibit A (cont.)

**2022 FirstHome Single Family Programs
Acquisition Limits
Effective April 11, 2022**

County	Purchase Price Limits
Santa Fe County	\$ 388,884
Los Alamos	\$ 440,480
Taos	\$ 351,620
All Other Areas and Counties within the State	\$ 349,526

*Source: Ballard Spahr LLP

**2022 FirstHome Single Family Targeted Area Programs
Household Income Limits
Effective May 16, 2022**

Targeted Area	1-2 Person Household	3+ Person Household
Albuquerque MSA (Bernalillo, Sandoval, Torrance, and Valencia Counties)	\$90,600	\$105,700
Eddy County	\$97,800	\$114,100
Lea County	\$82,680	\$96,460
Los Alamos	\$171,480	\$200,060
Santa Fe MSA census tract	\$96,720	\$112,840
All other census tracts	\$82,400	\$96,180

*Source: Kutak Rock

**2022 FirstHome Single Family Targeted Area Programs
Acquisition Cost Limits
Effective April 11, 2022**

County	Purchase Price Limits
Santa Fe County	\$ 475,302
All Other Areas and Counties within the State	\$ 427,198

*Source: Ballard Spahr LLP