

# HomeForward (DPA) Second Mortgage Loan



HomeForward Down Payment Assistance (DPA) is a fixed-rate second mortgage loan with a 15-year term that provides funds up to 3% of the sales price that can be used toward the borrowers down payment. HomeForward must be combined with the HomeForward First Mortgage program.

HomeForward (DPA) has the same credit score, property and homebuyer counseling requirements as HomeForward. A list of those requirements is located on the HomeForward fact sheet.

HomeForward is only available through a network of Housing New Mexico-approved participating lenders. A list of participating lenders is published on the Housing New Mexico website: [www.housingnm.org/programs/homebuyers](http://www.housingnm.org/programs/homebuyers)



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## Quick Facts

- Borrower does not have to be a first-time homebuyer
- Provides up to 3% of the home sales price to assist with down payment
- HomeForward (DPA) loan funds may not be used toward closing costs, unless the first mortgage is USDA, VA or HUD Section 184.
- Subject to the same buyer requirements as the HomeForward program
- Use to finance most types of owner-occupied single-family properties located within the state of New Mexico
- Housing New Mexico will accept manufactured homes which meet current Agency or Government Sponsored Enterprise (GSE) guidelines for Federal Housing Administration (FHA), Freddie Mac (FHLMC), Fannie Mae (FNMA), Veterans Administration (VA), HUD Section 184, or the U.S. Department of Agriculture (USDA).
- A minimum credit score of 620 is required for all borrowers
- Works with FHA, VA, USDA, HFA Advantage and HFA Preferred Conventional mortgage loans

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## Tips for Becoming Mortgage-Ready

### 1. Review Your Credit Report

- Check your credit report for accuracy at: [www.annualcreditreport.com](http://www.annualcreditreport.com)
- You can get one free report from each of the three major bureaus per year. (Experian, TransUnion, Equifax)
- Avoid paying for your credit score—save that money to reduce debt.

If you spot errors, contact the credit bureau to correct them.

### 2. Dos and DON'Ts Before Applying

| DO:   | DO NOT:  |
|---|--|
| <ul style="list-style-type: none"><li>• Pay all bills on time</li><li>• Limit spending and start saving</li><li>• Consider using a budget worksheet:<br/><a href="https://consumer.gov/content/make-budget-worksheet">https://consumer.gov/content/make-budget-worksheet</a></li><li>• Pay down debts</li></ul> | <ul style="list-style-type: none"><li>• Open new credit accounts</li><li>• Close existing accounts*</li><li>• Deposit large amounts of cash*</li></ul> <p><i>*Check with your lender first before taking action.</i></p> |

### 3. Organize Your Financial Information *(Check with your lender for a complete list of required documents.)*



Housing New Mexico | New Mexico Mortgage Finance Authority (MFA)  
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