

“HomeForward DPA” Program Policy

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Program Summary:

The *HomeForward DPA* program (“*HomeForward DPA*”) is a second mortgage loan that provides Down Payment (“DPA”) for the purchase of a primary residence. *HomeForward DPA* is combined with a *HomeForward* first mortgage loan. The DPA loan funds must be used for down payment only and may not be used for closing costs. Because USDA or VA loans do not require a down payment, the DPA assistance may be used to cover closing costs for these loan types only.

Eligible Mortgage Lenders:

Mortgage Lenders must be approved by MFA (“Participating Lender”) to originate *HomeForward DPA* program loans. A list of eligible Participating Lenders is published on the MFA website.

<https://housingnm.org/homebuyers/mfa-participating-lenders>

Availability of Funds:

HomeForward DPA program funds are made available on a continuous basis through various funding sources including but not limited to premium pricing of the *HomeForward* loan, New Mexico Housing Trust Fund, or Housing Opportunity Fund. Funds may be reserved in conjunction with a *HomeForward* program loan through MFA’s online reservation system, which can be accessed on MFA’s website.

(www.housingnm.org/lenders_realtors/online-reservations).

HomeForward DPA Fund Use:

HomeForward DPA is available to homebuyers who obtain first mortgage loan financing through MFA’s *HomeForward* program. *HomeForward DPA* may be used to finance the minimum down payment. Because USDA or VA loans do not require a down payment, the DPA assistance may be used to cover closing costs for these loan types only.

Mortgage Loan Term:

HomeForward DPA, funded from sources other than premium pricing, is a 15-year or 10-year, fixed term, amortizing, second mortgage requiring monthly payments.

HomeForward DPA loans do not carry a prepayment penalty.

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: as determined by Fannie Mae or Freddie Mac.

Interest Rate:

The HomeForward DPA program interest rates are set according to the MFA Rules and Regulations and published each day on MFA's website.

Maximum Loan Amount:

The current HomeForward DPA loan amount is up to three percent (3.00%) of the purchase price. MFA may seek to increase the amount of assistance through budget amendments or fund allocation requests if funding sources are available.

Fees:

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

Other allowable fees that may be charged in conjunction with a HomeForward DPA loan include the recording fees mortgagee title insurance policy premiums, settlement/closing fees and daily interest charges. No other fees may be charged in conjunction with the HomeForward DPA loan.

Eligibility:

- HomeForward DPA follows the eligibility requirements specified in the HomeForward Program Policy.

Homebuyer Counseling:

- HomeForward DPA follows the eligibility requirements specified in the HomeForward Program Policy.