

“HomeForward” Program Policy

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Program Description:

The *HomeForward* Program (“*HomeForward*”) is designed to increase homeownership opportunities for low-to-moderate income families and individuals throughout the state of New Mexico. *HomeForward* is a combination first mortgage purchase loan and a Down Payment (“DPA”) second mortgage which features simplified qualification/eligibility guidelines as well as reduced documentation requirements. There is no First-time homebuyer requirement for the *HomeForward* program.

Eligible Mortgage Lenders:

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

www.housingnm.org/homebuyers/find-a-participating-lenders

Availability of Funds:

HomeForward program funds are made available on a continuous basis through various funding sources including but not limited to TBA or taxable bonds and may be reserved by participating lenders for homebuyers through MFA’s online reservation system, which can be accessed on MFA’s website.

www.housingnm.org/lenders_realtors/online-reservations

First Mortgage Loan Terms:

The loan term will not exceed 30-years, fixed interest rate with full amortization, paid in equal monthly installments of principal and interest. *HomeForward* loans do not carry a pre-payment penalty.

Mortgage Loan Types:

FHA:

- 203(b), 203(k) and in accordance with FHA guidelines.

VA:

- In accordance with VA guidelines.

USDA-RHS:

- In accordance with USDA guidelines.

Fannie Mae: HFA Preferred

- In accordance with FNMA and Primary Mortgage Insurance guidelines.
- HFA Preferred term sheets and program descriptions are available on the MFA website. www.housingnm.org/lenders_realtors/program-information

HUD-Section 184

- In accordance with HUD-Section 184 guidelines.

Interest Rate:

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

(www.housingnm.org/lenders_realtors/lenders-current-rates).

Reservation/Extension/Late Fee:

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

Down Payment Assistance (DPA) Second Mortgage:

The *HomeForward* program loans may be used in conjunction with the *HomeForward* DPA second mortgage program loans. The DPA is used, in addition to the borrower's own funds, to provide the minimum down payment. The DPA 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.

In some cases, especially if combined with other DPA programs, the DPA received is to be used to make a down payment that exceeds the minimum down payment requirements for the first mortgage (*HomeForward*). *HomeForward* DPA program guidelines can be found on the MFA website (<https://housingnm.org/lenders-realtors/mfa-loan-programs>).

Fees:

- Participating lenders may charge an Origination Fee of no more than .5% to the borrower. No discount fee may be charged to the borrower.
- Participating Lenders will be paid no more than a 1% origination fee by MFA or through the Contracted Service Provider at the time of loan purchase.
- Participating Lenders will be paid no more than 1.50% Service Release Premium by MFA or through the Contracted Service Provider at the time of loan purchase.
- Participating Lenders may charge additional fees to the borrower (underwriting, document preparation, processing, etc.) as long as such fees are "reasonable and customary".

Eligible Properties:

- Properties must be owner-occupied and specified as a Single family residence by the appraiser.
- Property types eligible for financing under the *HomeForward* program include Single family detached properties, townhomes, condominiums, and homes in Planned Unit Developments and manufactured homes on permanent foundations.
- Acquisition Cost Limits shall not exceed the county's median sales price.

Borrower Eligibility:

- There is no First-time homebuyer requirement under the HomeForward program.
- Household Income Limits as specified in the MFA Rules and Regulations Limit may be adjusted from time to time by MFA as allowed in the MFA Rules and Regulations.
- The Director of Homeownership will set the required minimum credit score which will be no lower than 620.
- Homebuyers must occupy the property within 60 days of closing.

Homebuyer Counseling:

Encouraged for all borrowers.

- Required for First-time Homebuyers, only.
- eHomeAmerica Online pre-purchase homebuyer counseling or face to face/group pre-purchase homebuyer counseling provided through a HUD approved Housing Counseling agency.