

HOMENow Down Payment Assistance Program Policy

June 1, 2021

Program Description:

The *HOMENow* Down Payment and Closing Cost Assistance Program (the “*HOMENow* DPA Program”) is designed to assist low-income first-time homebuyers in purchasing a home. The program promotes statewide partnerships among MFA Participating Lenders and non-profit/public housing agencies and will help in offering increased access to homeownership for borrowers in communities that typically have limited access to affordable financing options.

Eligible Mortgage Lenders:

Mortgage Lenders must be approved by MFA (“Participating Lender”) to originate *HOMENow* DPA Program loans. MFA maintains a list of Participating Lenders on the MFA website (www.housingnm.org).

Eligible *HOMENow* DPA Program Loans:

HOMENow DPA Program loans 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. The *HOMENow* Program loan must be made in conjunction with MFA’s *FIRSTHome*, federally insured (*FHA, VA, and USDA Rural Development Guarantee*) or privately insured (*FNMA’s HFA Preferred™*) first mortgage programs.

Availability of Funds:

HOMENow DPA Program funds are limited and may be reserved on a first come, first served basis in conjunction with a *FIRSTHome* Program loan. A portion of these funds will be set aside for use in rural communities and economically distressed census tracts. Reservations of funds are made through MFA’s online reservation system, which can be accessed on MFA’s website (www.housingnm.org/lenders_realtors/online-reservations).

Eligible Borrowers:

The Annual Household Income must not exceed the applicable maximum limit as detailed in the *HOMENow* Income Limits (Exhibit A). The *HOMENow* Income Limits are limited to eighty percent (80%) AMI in all areas of the state, adjusted for family size.

- The *HOMENow* DPA Program requires the borrower to be a first-time homebuyer.
- The *HOMENow* DPA Program is not eligible for any income limit waivers associated with other MFA programs as allowed in Target Area Census tracts, for example.

- Borrower contribution of at least \$500, which must be the borrowers' own funds and cannot be derived from any type of gift, grant or down payment assistance.
- Minimum credit score of 620.
- Homebuyers must occupy the property within 60 days of closing.

Property Eligibility:

All areas of the state, including Federally Designated Tribal Land, are eligible for the program.

- Properties must be owner-occupied, Single family residences.
- Property types eligible for financing under the *HOMENow* DPA Program include Single family detached properties, townhomes, condominiums, and homes in Planned Unit Developments and manufactured homes on permanent foundations.
- Properties financed with the *HOMENow* DPA Program must not exceed the **lesser** of the purchase price limits set forth in Exhibit A or the acquisition cost limits set forth in Exhibit A of the *FIRSTHome* Program Policy .

Interest Rate and Terms:

HOMENow DPA Program loans are zero percent (0%) interest rate, non-amortizing 10-year maturity loans due on sale, refinance, or transfer of the property. The principal loan balance is forgiven in the eleventh year from the date of the note. If the property is sold within the 10-year affordability period, the new borrower may qualify to receive a loan under the same program and terms. *HOMENow* DPA Program loans do not carry a prepayment penalty.

Fees:

Participating Lenders may charge the borrower an origination fee of one hundred dollars (\$100.00) in conjunction with *HOMENow* DPA Program loan. Other allowable fees that may be charged in conjunction with this loan program include the recording fees, mortgagee title insurance policy premiums and settlement/closing fees.

MFA, as administrator, may charge additional fees to release the mortgage at time of payoff. No other fees may be charged in conjunction with the *HOMENow* DPA Program loan.

Maximum Loan Amount:

HOMENow DPA Program loan amounts are limited to the **lesser** of 8% of the purchase price or \$8,000.

Pre-Purchase Housing Counseling:

Homebuyer counseling is required for all first-time homebuyers ("FTHB") including co-borrowers. FTHB must complete a homebuyer counseling course through eHomeAmerica or another HUD approved housing counseling agency. (Certificates from Mortgage Insurance Companies are not acceptable).

Homebuyer counseling is not required for Co-signers.

Affordability Period:

HOMENow DPA Program loans require a minimum affordability period of 10 years. Homebuyers must agree to reside in the property for the duration of the period of affordability, or until there is a sale or other transfer of ownership of the property. Should the homebuyer cease to reside in the home as a principal residence (by vacating, selling, or renting the unit) during the period of affordability, then the full amount of the *HOMENow* DPA Program loan will be due and payable immediately. MFA, at its discretion, will take legal action to enforce the residency requirement.

Loan Closing:

The Mortgage Loan must close in the Lender's name on MFA's *HOMENow* DPA Program Note and Mortgage. The Lender must use MFA's MERS #1013401 to assign the mortgage to MFA via MERS.

The Note must be endorsed to New Mexico Mortgage Finance Authority it's successors and or assigns.

- The Lender must ensure that the *HOMENow* DPA Program loan meets all applicable program guidelines and has been Compliance Approved by MFA prior to the loan closing.

The *HOMENow* DPA Program loan must be closed according to the terms specified in the Compliance Approval/Purchase Commitment ("Commitment") and the Closed Loan File delivered to the Contract Service Provider prior to the Final Mortgage Loan Purchase Date as specified on the Commitment. The Closed Loan Checklist outlines the documents that must be submitted by the Lender. Failure by the Lender to submit the required documentation prior to the purchase expiration date may result in MFA's determination that the loan is not eligible for the program or MFA will charge a fee to the Lender for an extension or the loan may be purchased from the Lender on a worst case, Mark-to-Market basis. In these cases, MFA will not be obligated to authorize the Contract Service Provider to purchase the loan.

Funding:

HOMENow DPA Program loans must be delivered to and purchased by the Contract Service Provider via Lender Connection prior to the Final Mortgage Loan Purchase Date as specified on the Commitment. The Closed Loan Checklist outlines the documents that must be submitted by the Lender. In addition, if at the time the Closed Loan File is reviewed, and the *HOMENow* DPA Program Loan is found to be ineligible MFA will not be obligated to authorize the purchase of the loan.

Servicing:

MFA will service all *HOMENow* DPA Program loans.

EXHIBIT A

HOMENow DPA Program Income Limits (80% AMI)

Effective June 1, 2021

HOMENow DPA Program income eligibility is based on either HUD’s HOME published income and purchase price program guidelines or MFA’s Amended New Mexico Annual Action Plan limits. The HOMENow DPA Program is reserved for families falling in the 80 percent or less area median income (AMI) for the respective county as published annually for the HOME program. HUD publishes the HOME income guidelines annually between May and June. The limits below reflect 2021 figures.

County	Number of People in the Household							
	1	2	3	4	5	6	7	8
Bernalillo County	\$ 37,800	\$ 43,200	\$ 48,600	\$ 54,000	\$ 58,350	\$ 62,650	\$ 67,000	\$ 71,300
Catron County	\$ 30,600	\$ 35,000	\$ 39,350	\$ 43,700	\$ 47,200	\$ 50,700	\$ 54,200	\$ 57,700
Chaves County	\$ 30,600	\$ 35,000	\$ 39,350	\$ 43,700	\$ 47,200	\$ 50,700	\$ 54,200	\$ 57,700
Cibola County	\$ 30,600	\$ 35,000	\$ 39,350	\$ 43,700	\$ 47,200	\$ 50,700	\$ 54,200	\$ 57,700
Colfax County	\$ 30,600	\$ 35,000	\$ 39,350	\$ 43,700	\$ 47,200	\$ 50,700	\$ 54,200	\$ 57,700
Curry County	\$ 30,600	\$ 35,000	\$ 39,350	\$ 43,700	\$ 47,200	\$ 50,700	\$ 54,200	\$ 57,700
De Baca County	\$ 32,250	\$ 36,850	\$ 41,450	\$ 46,050	\$ 49,750	\$ 53,450	\$ 57,150	\$ 60,800
Dona Ana County	\$ 30,600	\$ 35,000	\$ 39,350	\$ 43,700	\$ 47,200	\$ 50,700	\$ 54,200	\$ 57,700
Eddy County	\$ 40,850	\$ 46,650	\$ 52,500	\$ 58,300	\$ 63,000	\$ 67,650	\$ 72,300	\$ 77,000
Grant County	\$ 30,900	\$ 35,300	\$ 39,700	\$ 44,100	\$ 47,650	\$ 51,200	\$ 54,700	\$ 58,250
Guadalupe County	\$ 30,600	\$ 35,000	\$ 39,350	\$ 43,700	\$ 47,200	\$ 50,700	\$ 54,200	\$ 57,700
Harding County	\$ 30,600	\$ 35,000	\$ 39,350	\$ 43,700	\$ 47,200	\$ 50,700	\$ 54,200	\$ 57,700
Hidalgo County	\$ 30,600	\$ 35,000	\$ 39,350	\$ 43,700	\$ 47,200	\$ 50,700	\$ 54,200	\$ 57,700
Lea County	\$ 34,550	\$ 39,450	\$ 44,400	\$ 49,300	\$ 53,250	\$ 57,200	\$ 61,150	\$ 65,100
Lincoln County	\$ 33,450	\$ 38,200	\$ 43,000	\$ 47,750	\$ 51,600	\$ 55,400	\$ 59,250	\$ 63,050
Los Alamos County	\$ 55,950	\$ 63,950	\$ 71,950	\$ 79,900	\$ 86,300	\$ 92,700	\$ 99,100	\$105,500
Luna County	\$ 30,600	\$ 35,000	\$ 39,350	\$ 43,700	\$ 47,200	\$ 50,700	\$ 54,200	\$ 57,700
McKinley County	\$ 30,600	\$ 35,000	\$ 39,350	\$ 43,700	\$ 47,200	\$ 50,700	\$ 54,200	\$ 57,700
Mora County	\$ 30,600	\$ 35,000	\$ 39,350	\$ 43,700	\$ 47,200	\$ 50,700	\$ 54,200	\$ 57,700
Otero County	\$ 30,600	\$ 35,000	\$ 39,350	\$ 43,700	\$ 47,200	\$ 50,700	\$ 54,200	\$ 57,700
Quay County	\$ 30,600	\$ 35,000	\$ 39,350	\$ 43,700	\$ 47,200	\$ 50,700	\$ 54,200	\$ 57,700
Rio Arriba County	\$ 30,600	\$ 35,000	\$ 39,350	\$ 43,700	\$ 47,200	\$ 50,700	\$ 54,200	\$ 57,700
Roosevelt County	\$ 31,050	\$ 35,450	\$ 39,900	\$ 44,300	\$ 47,850	\$ 51,400	\$ 54,950	\$ 58,500
San Juan County	\$ 33,500	\$ 38,250	\$ 43,050	\$ 47,800	\$ 51,650	\$ 55,450	\$ 59,300	\$ 63,100
San Miguel County	\$ 30,600	\$ 35,000	\$ 39,350	\$ 43,700	\$ 47,200	\$ 50,700	\$ 54,200	\$ 57,700
Sandoval County	\$ 37,800	\$ 43,200	\$ 48,600	\$ 54,000	\$ 58,350	\$ 62,650	\$ 67,000	\$ 71,300
Santa Fe County	\$ 40,900	\$ 46,750	\$ 52,600	\$ 58,400	\$ 63,100	\$ 67,750	\$ 72,450	\$ 77,100
Sierra County	\$ 30,600	\$ 35,000	\$ 39,350	\$ 43,700	\$ 47,200	\$ 50,700	\$ 54,200	\$ 57,700
Socorro County	\$ 30,600	\$ 35,000	\$ 39,350	\$ 43,700	\$ 47,200	\$ 50,700	\$ 54,200	\$ 57,700
Taos County	\$ 30,600	\$ 35,000	\$ 39,350	\$ 43,700	\$ 47,200	\$ 50,700	\$ 54,200	\$ 57,700
Torrance County	\$ 37,800	\$ 43,200	\$ 48,600	\$ 54,000	\$ 58,350	\$ 62,650	\$ 67,000	\$ 71,300
Union County	\$ 31,000	\$ 35,400	\$ 39,850	\$ 44,250	\$ 47,800	\$ 51,350	\$ 54,900	\$ 58,450
Valencia County	\$ 37,800	\$ 43,200	\$ 48,600	\$ 54,000	\$ 58,350	\$ 62,650	\$ 67,000	\$ 71,300

*** In cases where the household exceeds eight persons, please contact MFA, for income figure**

HOMENow DPA Program Purchase Price Limits
Effective June 1, 2021

County	Existing Home	New Home
Bernalillo County	\$200,000	\$243,000
Catron County	\$170,000	\$243,000
Chaves County	\$170,000	\$243,000
Cibola County	\$170,000	\$243,000
Colfax County	\$223,000	\$243,000
Curry County	\$170,000	\$243,000
De Baca County	\$170,000	\$243,000
Dona Ana County	\$176,000	\$243,000
Eddy County	\$221,000	\$250,000
Grant County	\$170,000	\$243,000
Guadalupe County	\$170,000	\$243,000
Harding County	\$170,000	\$243,000
Hidalgo County	\$170,000	\$243,000
Lea County	\$187,000	\$243,000
Lincoln County	\$214,000	\$243,000
Los Alamos County	\$323,000	\$323,000
Luna County	\$170,000	\$243,000
McKinley County	\$170,000	\$243,000
Mora County	\$170,000	\$243,000
Otero County	\$170,000	\$243,000
Quay County	\$170,000	\$243,000
Rio Arriba County	\$170,000	\$243,000
Roosevelt County	\$170,000	\$243,000
San Juan County	\$181,000	\$243,000
San Miguel County	\$170,000	\$243,000
Sandoval County	\$200,000	\$243,000
Santa Fe County	\$295,000	\$295,000
Sierra County	\$170,000	\$243,000
Socorro County	\$170,000	\$243,000
Taos County	\$271,000	\$271,000
Torrance County	\$196,000	\$243,000
Union County	\$170,000	\$243,000
Valencia County	\$196,000	\$243,000