

**Montana Board of Housing  
Disabled Accessible Affordable Homeownership Program (DAAHP)**

Created: October 18, 2002 (Revised 6/13/07)

**OBJECTIVE:** Provide affordable architecturally accessible homes for people with permanent physical disabilities such that they can live independently.

Homeownership:

To assist people or families with permanent physical disabilities with the construction of new homes, to acquire and rehabilitate existing homes and for the rehabilitation of a home whose owner or owner's family member became disabled after the house was purchased.

**TERMS AND CONDITIONS:**

1. Loans may be insured by FHA 203(b) or FHA 203(k), guaranteed by VA or RD.
2. Funding is available for Homeownership for up to 30 year mortgages with a fixed mortgage rate, depending on the annual gross income of the family residing in the home. Maximum gross annual family income limits and mortgage rate ranges are as follows:

Maximum Gross Annual Family Income After Exclusions For Defined, Non-Reimbursed, On- Going Medical/Vocational/Independent Living Expenses Attributed To Disability	Mortgage Rate
\$25,001 - \$30,000	5.00%
20,001 - 25,000	4.75%
15,001 - 20,000	3.75%
0 - 15,000	2.75%

3. A NHS/Home Ownership Network loan of up to \$5,000 may be available to eligible homebuyers. Total family assets not to exceed \$25,000 and family liquid assets not to exceed \$5,000. \$500 minimum cash investment by homebuyer and \$1,500 investment for RD loans.

The NHS/Home Ownership Network loan is a second loan at the same mortgage rate as the first loan.

4. No MBOH reservation fee, loans purchased by MBOH at 102%.
5. Funds reserved on first-come, first-served basis.
6. Maximum mortgage limited to FHA's maximum mortgage limits for the appropriate area. (Subject to the Boards purchase price limits.)

## HOMEBUYER ELIGIBILITY GUIDELINES

1. A) Homebuyer or immediate family member (spouse, child, parent or sibling) with a permanent physical disability. **If homebuyer is not disabled, the homebuyer and the disabled family member must live in the home.** Defined as:

A permanent disability or disabling condition which limits an individual's ability to walk, reach, bend, climb stairs or otherwise perform essential physical functions of daily living. The disability or disabling condition requires that the individual's home incorporate accessible features such as: ground floor construction; wheelchair lifts; wheelchair ramps; open floor plan; widened doorways; grab bars; roll-in showers; lowered cabinets and counter tops; over-sized rooms; attached garage; sidewalks; accessible controls and fixtures; other individualized architectural adaptations; and non toxic environments, which are accessible to people with environmental illness or multiple chemical sensitivity.

2. Maximum gross annual family income of \$30,000 after exclusions for certain defined, non-reimbursed, on-going, medical, vocational and independent living expenses attributed to disability.

3. Total asset limitation of family (\$50,000) excluding certain defined adaptive equipment necessary to accommodate the disability.

4. Purchaser must be of legal age to enter into a contract and be a first time homebuyer and disabled or have an immediate family member (spouse, child, parent or sibling) who is disabled and living in the home with the homebuyer.

Definition of first time homebuyer: The homebuyer intending to live in the residence must not have had an ownership interest in a principal residence at any time after the homebuyer became disabled and prior to the date on which the mortgage loan is executed, except where the homebuyer became disabled after the residence was purchased and the residence is determined to not be compatible with the disability or where more than 3 years has lapsed since the disabled homebuyer lost a residence due to complication created by the disability.

5. The residence must be occupied by the homebuyer.

6. Homeownership loans not assumable unless new owner qualifies for FHA and the Disabled Accessible Affordable Homeownership Program requirements. The cash assistance second loan is not assumable.

## **CRITERIA USED IN THE SCREENING AND QUALIFYING APPLICANTS AS TO ELIGIBILITY GUIDELINES**

1. Meets definition of a permanent disability.
2. Meets asset limitation of family or individual.

3. Meets maximum gross annual family income limits.
4. Meets first-time homebuyer criteria.

### **RESERVATION AND PURCHASE PROCEDURE**

(1) All proceeds available for purchase of Mortgage Loans will be placed in a pool. Mortgage Lenders may reserve funds in this pool on a loan-by-loan, first-come, first-served basis. An eligible Mortgage Lender desiring to reserve funds must submit (1) the Mortgage Loan Reservation/Confirmation Report (BOH Form 99); (2) a copy of the executed FHA/VA/RD Loan Application; (3) a copy of an executed buy/sell agreement; (4) verification of Annual Family Income; (5) Doctor's certificate or Lenders verification of disability. Upon receipt of such documents, the Board may reserve funds for 120 days to acquire Mortgage Loans on existing housing and 180 days to acquire Mortgage Loans for new construction.

(2) The Board will purchase Mortgage Loans at up to one hundred two percent (102%) of the face amount of the Mortgage Loan.

(3) Mortgage Loans shall be tendered for sale to the Board within 45 days following execution of the note by the mortgagor. If the Mortgage Lender fails to deliver such loans within 45 days after origination, the purchase price will be reduced by one-half of one percent (.5%) for each 30 days the loan is not delivered. To determine the accrued interest for purchase or payoff, multiply the number of accrual days by the outstanding principal balance, and divide by the 365 day factor [13272.73 for 2.75%, 9733.33 for 3.75%, 7684.21 for 4.75% and 7300.00 for 5.00%]. Interest on monthly mortgage payments is calculated using the 360 day factor of [13090.91 for 2.75%, 9600.00 for 3.75%, 7578.95 for 4.75% and 7300.00 for 5.00%]. The Servicer may deduct a monthly servicing fee at the annual rate of three-hundred-seventy-five thousandths of one percent (.375%) of the outstanding principal balance of Mortgage Loan. The servicing fee factor is [.13636 for 2.75%, .10000 for 3.75%, .07894 for 4.75% and .075 for 5.00%].

(4) Please contact the Board of Housing for reporting instructions. Also, contact the Board of Housing for WIRE and ACH information for remitting mortgage payments and payoffs.