

Montana Veterans' Home Loan Program

Loan Criteria:

Brief Description: During the 2011 Legislative Session, the Montana Veterans' Home Loan Mortgage Program was established. The intent is to create a fair and equitable process for veterans eligible under the program to apply for and receive first mortgage loans at an interest rate 1% lower than rates available in the market for purchasing their first home using funds from the principal of the Montana Coal Tax Trust Fund.

Lender Eligibility:

- Montana Board of Housing-approved current participating lender institution
- Individual originator has completed Montana Veteran Home Loan Program
- Certification on-line course

Borrower Eligibility:

- Veteran borrower is either serving or has served in eligible military service. Discharge must be honorable or general (not dishonorable).
- Eligible military service includes:
 - Montana National Guard
 - Federal reserve under Title 10 of the US Code
 - Duty under Title 10 of the US Code
- Borrower may also be the surviving spouse of a deceased eligible veteran killed in the line of duty who has not remarried.

Additional Borrower Criteria:

- Resident of Montana (filed income tax in Montana in previous year)
- First-time homebuyer (no ownership in home for past three years as shown on federal taxes)
- Have certificate of completion for an
- Montana Board of Housing-approved [homebuyer education class](#)
- Commit a minimum of \$2,500 of their own cash into the purchase transaction
- There are no income or asset limitations
- Maintain home as their primary residence

Primary Residence Requirement:

- Home is maintained as primary residence (home of record)
- Borrowers submit documentation of primary residence to Montana Board of Housing periodically
- If home ceases to be primary residence, Borrowers will pay off the loan within 12 months (refinance or sale of property)

NOTE: Montana Board of Housing may grant extensions to the 12 month period based on market factors and borrower's circumstances

Property Eligibility:

- Purchase price limit is **\$241,119** (95% of the Montana Board of Housing's statewide average).
- Residential real property in Montana purchased under the Montana Small Tract Financing Act
- Either existing home or new construction
- Post-1976 de-titled manufactured homes on permanent foundations are eligible if insured by FHA, VA, or HUD 184.
- The foundation for a manufactured home must be certified by an engineer
- Condominiums are not eligible and cannot be financed with this program

Loan Criteria:

- First lien mortgage under the Montana Small Tract Financing Act
- Must be insured by FHA, VA, or HUD 184
- Loans are purchased by Montana Board of Investments (BOI) without recourse
- Lenders allowed to charge up to 2% origination
- Servicing is purchased by Montana Board of Housing
- Servicing Release Premium of 75 basis points paid by Montana Board of Housing once servicing package complete