

Memo

TO: Participating Lenders

FROM: Vicki Bauer, Homeownership Program Manager

RE: Changes to the Setaside Program

The Montana Board of Housing Setaside Program rate is now lowered to **3.125%**. This new rate will take effect **immediately**. The rate for the Regular Bond Program remains at 3.25% **(all rates subject to change at Board's discretion.)**

The Set-aside Program was created to purchase first mortgages benefitting home buyers who receive down payment assistance from sources approved by our governing Board. Partner organizations generally require borrowers to be at or below 80% of area median income to receive down payment or gap financing. The Setaside Program also allows first mortgage programs offered to target populations to remove barriers to homeownership.

The Setaside Program currently allows borrowers utilizing:

- Down payment assistance provided with HOME funds (sponsor letter required)
- Home\$tart Program
- Dream Makers Program
- HUD 184 loans

Thank you for all you do to help Montanans buy a home of their own.

Other Provisions:

Except as outlined above, all terms, conditions, definitions and program criteria applicable to the Regular Bond Program, set out in the Mortgage Purchase and Servicing Agreement and the Terms and Conditions of the 2015 HomeOwnership Program will apply to loans originated under the Setaside Program. Full documents located:

<http://housing.mt.gov/HBReqBond>

March 24, 2016