



MBOH loans - Made in Montana that *stay* in Montana

Lender tasks:

- ~ take applications
- ~ review credit
- ~ close / fund loans
- ~ Sell loans to secondary market investors

What is MBOH?

- ~ Montana-based investor
- ~ Agency of state government
- ~ Programs are self-funded

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Features of MBOH loan programs

- ✓ Low, fixed rates of interest
- ✓ No prepayment penalties
- ✓ MBOH pays some closing costs
- ✓ Loans serviced in-state

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Qualification criteria set by IRS

- ✓ Income limits based on family size and location
 - ~ Up to 140% area median income
- ✓ Purchase price limits based on location
- ✓ No prior ownership for three years - 'first-time'
 - Exceptions exist for:
 - Prior ownership of a mobile home
 - Purchasing in 'targeted areas'
 - Some Veterans
- ✓ Purchase-money mortgages (no refinances)



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Qualification criteria set by IRS (continued)

- ✓ Residence requirement
 - ~ Owner-occupied
 - ~ One dwelling unit only (no duplex, tri-plex, or quad)
 - ~ Single parcel of land, with no excess property
 - ~ Any business use of home limited to 15% of area
- ✓ Potential for recapture tax to IRS --- ONLY IF:
 - ~ Sell in first nine years; and
 - ~ Substantial net profit on sale; AND
 - ~ Significant increase in income



Mortgage loans made in Montana
that stay in Montana

MBOH offers mortgage loan programs designed to help qualified buyers purchase a home.
Potential home buyers apply through local participating lenders.
Lenders underwrite, close, and sell the loan to MBOH.



MBOH Regular Bond Program

- ~ 30-year, fixed rate loan with low interest rates / closing costs.
- ~ Loans insured or guaranteed by FHA, VA, RD or HUD.
- ~ Borrower investment ranges from zero to 3.5%
- ~ Single family homes, some condos and manufactured homes eligible.



SCORE ADVANTAGE Down Payment Assistance Program

- Two-loan combination with mortgage insurance; both loans amortize
- ~ First loan – 30 year term, MBOH first mortgage
- ~ Second loan – 15 year term, up to 5% (max \$6500) for down / closing costs
- ~ Interest rates for both loans based on credit scores
- ~ Borrower provides minimum \$1,000 towards purchase



80% Combined Program

- Two-loan combination without mortgage insurance; both loans amortize
- ~ First loan for 80% of purchase price, lenders sell to MBOH
- ~ Second loan for 20% of purchase price provided through NWMT
- ~ Borrowers provide 1% (minimum \$1,000) investment in purchase



Mortgage Credit Certificate (MCC) Program

- Tax credit attached to loan sold to other markets
- ~ Non-refundable federal tax credit, up to \$2,000/year
- ~ Cannot be combined with MBOH loans (above)
- ~ Lender sets interest rates, down payment requirements and closing costs



Montana Veterans' Home Loan Program

- Loans purchased by Board of Investments
- ~ No income limits. Spending limit currently \$251,900
- ~ Mortgage rate 1% below market
- ~ Borrower invests minimum of \$2500 down payment
- ~ Borrower pays all closing costs, including any VA funding fees

MBOH programs are self-supporting, funded through sale of Mortgage Revenue Bonds.
Program eligibility criteria established by IRS and bond sale agreements.

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