

MBOH HABITAT LOAN ESSENTIALS



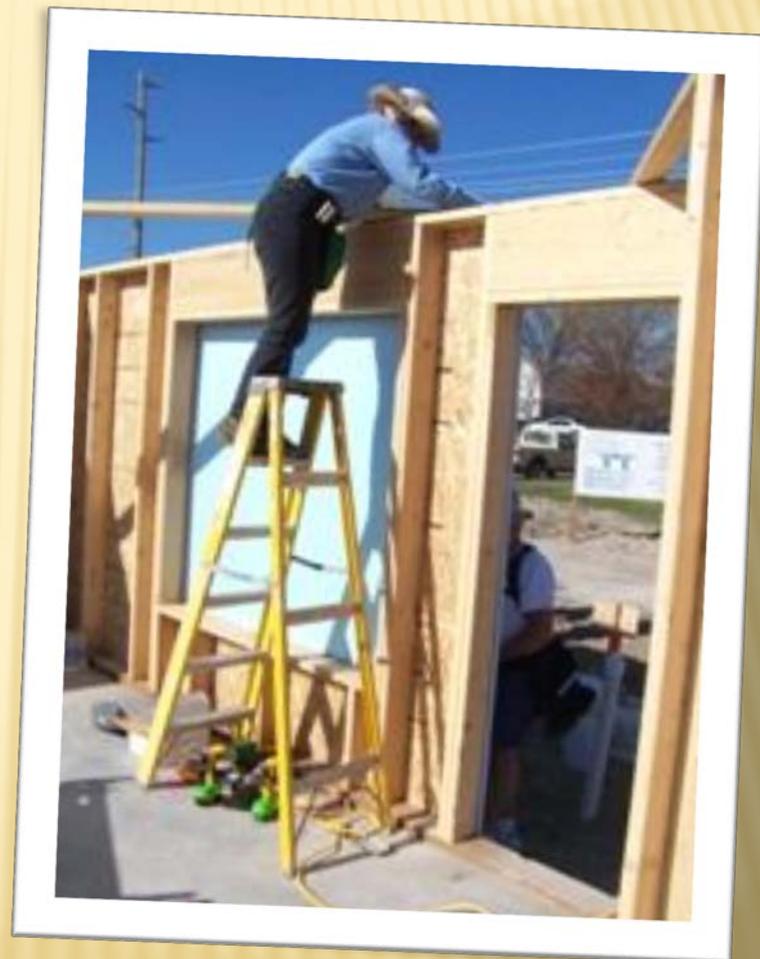
MBOH'S MISSION:

Create affordable housing opportunities for Montana's families and communities whose needs are not met by the market.



HABITAT FOR HUMANITY

MISSION: Provide first mortgages for Habitat homeowners who credit-qualify for a loan.



BLEND OF HABITAT AND MBOH OBJECTIVES:

* Habitat borrower qualifies for loan amount at 0% interest



* MBOH makes loan at 2%

ELIGIBILITIES





BORROWER ELIGIBILITY CRITERIA:

- * Fall under income limits (*Habitat criteria)
 - * A first-time homebuyer
 - * Plan to occupy residence
 - * No asset limitations
 - * Taken Homebuyer Education Class



HABITAT INCOME LIMITS

Gallatin County

(Area median income for family of 4 is \$64,200)

FAMILY SIZE	MONTHLY INCOME	FAMILY SIZE	MONTHLY INCOME
	\$1120 - 2250		\$1730 - 3470
	\$1280 - 2570		\$1860 - 3720
	\$1450 - 2890		\$1990 - 3980
	\$1610 - 3210		\$2120 - 4240

Park County

(Area median income for family of 4 is \$53,400)

FAMILY SIZE	MONTHLY INCOME	FAMILY SIZE	MONTHLY INCOME
	\$940 - 1870		\$1440 - 2880
	\$1070 - 2140		\$1550 - 3100
	\$1200 - 2400		\$1660 - 3310
	\$1340 - 2670		\$1760 - 3520

Website: <http://habitatbozeman.org/get-involved/become-homeowner/qualifications-application>

UNDERWRITING CRITERIA:



Underwrite to RD standards



PROPERTY CRITERIA:

- * Purchase Price Limits
- * Limit of 15% use of the property for business
- * Cannot subdivide property (multiple lots)
- * Applicable state & local building laws



MBOH's Quick reference Guide can be found at:

<http://housing.mt.gov/HBProgDocs#Information-Regulations-Procedures-180>

LOAN CRITERIA:

* MBOH loan at 2% with Habitat 2nd loan at 0%

* No lender fees allowed

* 180 days for reservations

* Escrow is required

* Hazard insurance deductible \$1,000
or 1% of dwelling, all perils



SPECIAL RESERVATION CRITERIA:

*Loan reservation is **NOT** automatic*

Lender must submit confirmation letter from Habitat Chapter and qualified loan amount (0%) to MBOH prior to reservation approval.



MBOH calculates and sends lender amounts for MBOH's first lien and Habitat's Wrap-around 2nd lien.

TERMS AND CONDITIONS:

MBOH + Wrap-around loan together
are at **80%** LTV (or lower)



Habitat 3rd lien loan is at least
20% of the appraised value = **100%**

(Meets MBOH's criteria for a loan without mortgage insurance)

TERMS & CONDITIONS CONT.....

Fits Profile of regular MBOH loan:

- * Income Limit
- * Purchase Price Limit
- * First Time Homebuyer
- * Residence Requirement
- * New Mortgage Requirement
- * Assumptions
- * Recapture Tax does NOT apply to Habitat loans



Mortgage Purchase and Servicing Guide can be found at:

<http://housing.mt.gov/Portals/93/shared/docs/Homebuyers/ProgramDocuments/InfoRegsProcedures/purchaseguide.pdf>

TERMS AND CONDITIONS MISC.....

MBOH accepts loan reservations on a loan-by-loan, first-come, first-served basis.

Habitat Chapters are responsible for coordinating their applications among themselves for equitable distribution



Terms & Conditions can be found at:
<http://housing.mt.gov/HBHabitat>

LENDER RESERVATION REQUIREMENTS

- ✓ Loan Reservation/Confirmation Report (Form 99)
- ✓ Copy of executed Loan Application
- ✓ Verification of annual household income
- ✓ Copy of executed Buy/Sell Agreement
- ✓ Program Acceptance Letter from Habitat
- ✓ Signed "Release of Financial Information" form
- ✓ Borrower Stat Sheet
- ✓ Certificate of Homebuyer Education



For program documents, please visit our website at:

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

LOAN CALCULATION PROCESS:



THE PROCESS PART I:

Habitat suggests a qualifying loan amount for borrower based off of the construction cost of the house...

Example: Borrower qualifies for \$100,000

Appraisal amount is \$125,000

\$100,000 @ 0% for 30 years payment: \$277.78

Principal	100000.00	Payments per Year	12
Annual Interest Rate	0.0000	Number of Regular Payments	360
Balloon Payment		Payment Amount	277.78

THE PROCESS PART II::

MBOH calculates the 1st mortgage loan based on the qualified payment amount...

Payment amount borrower qualifies for is **\$277.78**

\$277.78 for 30 years @ 2%

Principal	75152.97	Payments per Year	12
Annual Interest Rate	2.0000	Number of Regular Payments	360
Balloon Payment		Payment Amount	277.78

MBOH 1st Lien amount is **\$75,153.00**

THE PROCESS PART III::

Habitat 2nd Lien (Wrap-Around Loan)

$$\$100,000 - \$75,153 = \underline{\$24,847}$$

(Purchase Price - MBOH loan = 2nd Lien)

THE PROCESS PART IV::

Habitat 3rd Lien

$$\$125,000 - \$100,000 = \underline{\$25,000}$$

(Appraisal Amount - MBOH + Habitat 2nd = Habitat 3rd Lien)

PULL IT ALL TOGETHER

MBOH 1st Lien @ 2% \$75,153

Habitat 2nd Lien @ 0% \$24,847

Habitat 3rd Lien (Silent) \$25,000

\$125,000 → Appraisal amount

RESULT OF CALCULATIONS:

MBOH provides the lender with the amortization schedule for the Habitat wrap-around.



SPECIAL CLOSING DOCUMENTS:

NOTE: Habitat loans require a specific *Mortgagor's Affidavit* at closing.

See Habitat webpage:

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

Other closing documents for MBOH loans:

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

POST CLOSING:

Mortgage Loan purchase package must be tendered for sale to the Board within 30 days following execution of the note by the mortgagor.

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**Disabled, Delinquent,
Assumptions, Foreclosure**

Website www.housing.mt.gov

Q & A

