



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

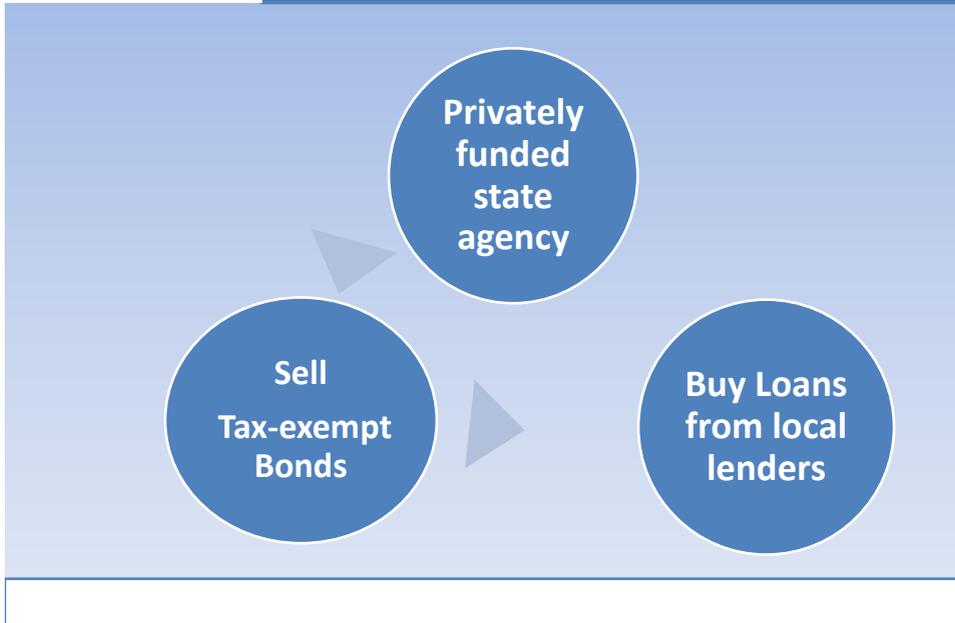


June 11, 2015
Jeannene Maas
Montana Board of Housing
PO Box 200528
Helena, MT 59620
406-841-2851
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<http://housing.mt.gov>



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



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Alphabet soup, anyone?



- ✓ Regular Bond Program (MRB)
- ✓ Mortgage Credit Certificate Program (MCC)
- ✓ Score Advantage Down Payment Assistance (DPA)
- ✓ Montana Veterans Home Loan Program (BOI)
- ✓ Reverse Annuity Program (RAM)



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Federal Guidelines

Purchase price limits

Income limits

Prior ownership limitations

Owner-occupancy requirement

Business/Investment use limits

Potential Recapture tax

New Loan requirement



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Why MBOH?

- Competitive rates
- Income limits up to 140% area median income
- MBOH pays portion of lender fees
- Some repeat buyers are eligible
- No minimum credit score

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



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2014 Terms and Conditions

All loans FHA VA RD HUD-184

MBOH pays 1% lender fees

Allows lenders charge up to 1% compensation

Hazard insurance deductible 1% or \$1,000

Investor overlay!

<http://housing.mt.gov/Portals/93/shared/docs/Homebuyers/ProgramDocuments/InfoRegsProcedures/WHOLELOANTERMSANDCONDITIONS2014.pdf>



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2014 Terms and Conditions (cont)

No minimum credit scores

No added fees or higher rates for low scores and/or high LTV

“No-credit” score loans allowed

Manufactured homes detitled; post-76

NO CASH BACK ON HUD-1

Investor overlay!



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Eligible Properties

Single Family home

Condominium (25% of project)

Townhouse

Manufactured home/land



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Ineligible Properties

Duplex, Triplex, Quad

Apartments (Basement, attic)

Excess property (additional lots)

Business use over 15%



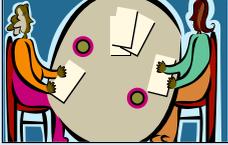
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Help buyers prepare

Hazard – MUST name MBOH c/o Servicer @ their address

HUD-1 – NO CASH BACK

Title Policy – no short form



Review docs ahead of time



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Buyer's / Seller's Affidavit

Uniform Rider

Recapture forms



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



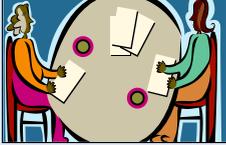
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Help buyers prepare

TRID

Loan Applications AFTER August 1

Some transactions – NOT ALL



?????



Mortgage Credit Certificates 

Three benefits
For Homebuyers



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



Benefits

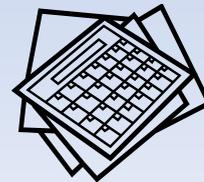
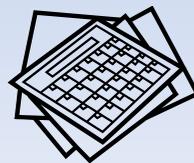
1. 20% of mortgage interest paid each year converts to a dollar-for-dollar Federal income tax credit
2. Increase take-home pay
3. Valid for life of loan, if owner-occupied

****All for a one-time \$500 fee****



Example

- ❖ \$150,000 at 4% = \$6,000 interest first year
(20% = \$1,200)
- ❖ Amend W-4 = increase take-home pay \$100/mo
- ❖ Valid for life of loan
- ❖ Any loan type, any term (except MBOH)
- ❖ Unused credit carry-forward up to 3 years





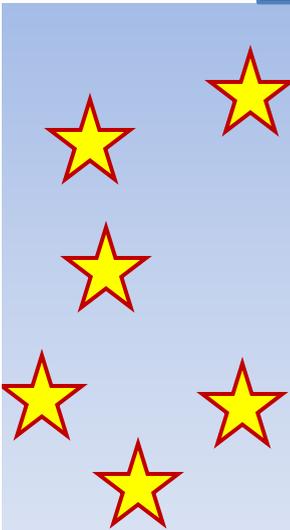
What the lender does .



- Reserve a loan with MBOH
 - Lender on line OR by Fax
- Close loan (using MCC docs)
- Submit package to MBOH for certificate



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MBOH Quick Reference Guide March 6, 2015
Income Limits changed!!

| Program Name: | Regular Bond | MCC | Score Advantage Down Payment Assistance |
|-----------------------------------|--|---|--|
| Loan sold to | MBOH | Lender-held or other investor | Both loans sold to MBOH |
| Mortgage insurance | FHA, VA, RD or HUD-184 | Set by Lender | First: FORWARD or HUD-184 Second: loan uninsured |
| Minimum down payment requirements | FHA: 3.5% VA: zero down RD*: \$1500 or \$300 cash reserve HUD-184 | Set by Lender | Minimum of \$1,000 |
| Income and Purchase limits | List dated March 6, 2015 | List dated March 6, 2015 | List dated March 6, 2015 |
| Limitations on prior ownership | No prior ownership during previous three years ** | No prior ownership during previous three years ** | No prior ownership during previous three years ** |
| Business use limits | 15% | Must remain below 15% to claim credit | 15% |
| Uniform Rider required | Yes | No | Yes |
| Loan purpose | Buy new or existing home, or roll over construction loan | Buy new or existing home, or roll over construction loan | Buy new or existing home, or roll over construction loan |
| Loan term | 30 years | Set by Lender | First loan: 30 years Second Loan: 15 years |
| 35% land-to-value | Applies to new construction only | Applies to new construction only | Applies to new construction only |
| Manufactured Homes | Post-1976, perm foundation; defined (including MF-70); title policy Form 7 | Set by Lender | Post-1976, perm foundation; defined (including MF-70); title policy Form 7 |
| Condominiums | Approved by FHA or FIMA; MBOH insurance criteria; MBOH max 20% per project | Set by Lender | MBOH insurance criteria; MBOH max 20% per project |
| Hazard and flood insurance | Deductible either \$1,000 or 1% of policy | Set by Lender | Deductible either \$1,000 or 1% of policy |
| Early default counseling | Required | No | Required |
| Home buyer education | Required if a loan file shows certain risk factors *** | Recommended but not required | Required for all |
| Interest rate | Regular Bond Program Rate posted on website | Set by Lender | Both loan rates based on borrower's credit score |
| Lender compensation and loan fees | 1.5% paid by MBOH; up to \$300 | Loan Fee: \$300 MCC fee: \$300 Set by Lender (both between MBOH/lender) | First: Same as Regular Bond Second: Lenders charge \$175 processing fee |

* RD down payment is \$1500; reduced to \$500 for completion of home buyer education course
 ** Exceptions for Targeted areas (identified on income list), prior mobile home ownership, qualified veterans
 *** Rates with any of the following: credit scores below 680, front ratio above 35% or back ratio above 45%
Score Advantage Program is a combination of two amortizing loans sold to MBOH. The second loan for down payment assistance is 5% of purchase price, up to \$6500. Both loans require monthly payments. Interest rates for both loans based on credit scores. Lender training required.

Terms and Conditions, current rates and program guides found on our website
www.housing.mt.gov 406-841-2840

<http://housing.mt.gov/Portals/93/shared/docs/Homebuyers/ProgramDocuments/InfoRegsProcedures/MBOHQuickReferenceGuide030615.pdf>



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| Income and Purchase Limits | | | March 6, 2015 |
|--------------------------------------|----------------------------------|-------------------------------------|-----------------------|
| County or area: | Maximum Income Limits | | Purchase Price Limits |
| | Small Household 1 or 2 people | Large Household 3 or more people | |
| Beaverhead | \$64,845 | \$74,572 | \$265,158 |
| * Blaine | \$70,200 | \$81,900 | \$324,082 |
| Carbon | \$64,565 | \$74,250 | \$265,158 |
| Cascade | \$65,965 | \$74,825 | \$265,158 |
| * City of Great Falls | \$70,200 | \$81,900 | \$324,082 |
| Dawson | \$65,700 | \$75,555 | \$265,158 |
| * Deer Lodge | \$70,200 | \$81,900 | \$324,082 |
| Fallon | \$65,700 | \$75,555 | \$265,158 |
| * Flathead | \$70,200 | \$81,900 | \$324,082 |
| Gallatin | \$82,712 | \$95,260 | \$338,625 |
| * Gallatin Census Tracts 6 and 11.01 | \$85,320 | \$99,540 | \$413,875 |
| * Hill | \$71,280 | \$83,160 | \$324,082 |
| Jefferson | \$74,500 | \$85,135 | \$326,125 |
| Lewis & Clark | \$70,800 | \$81,420 | \$326,125 |
| Lincoln | \$65,065 | \$74,825 | \$265,158 |
| * Lincoln Census Tract 2 | \$70,200 | \$81,900 | \$324,082 |
| Madison | \$70,320 | \$82,040 | \$318,375 |
| McCone | \$64,305 | \$73,951 | \$265,158 |
| * Mineral | \$70,200 | \$81,900 | \$324,082 |
| * Missoula | \$73,440 | \$85,680 | \$338,250 |
| Phillips | \$64,565 | \$74,733 | \$265,158 |
| Rawl | \$65,965 | \$74,755 | \$265,158 |
| Richland | \$64,185 | \$73,813 | \$265,158 |
| Rosebud | \$64,465 | \$74,135 | \$265,158 |
| * Sanders | \$70,200 | \$81,900 | \$324,082 |
| Sheridan | \$64,405 | \$74,066 | \$265,158 |
| * Silver Bow | \$70,200 | \$81,900 | \$324,082 |
| Stillwater | \$69,480 | \$79,813 | \$265,158 |
| Sweet Grass | \$69,910 | \$80,356 | \$283,500 |
| Todd | \$64,465 | \$74,135 | \$265,158 |
| Valley | \$64,145 | \$74,457 | \$265,158 |
| Yellowstone | \$64,565 | \$74,250 | \$265,158 |
| * All other Counties | \$65,065 | \$74,825 | \$265,158 |
| * Targeted Areas | | | |

www.housing.mt.gov


 406-841-2840



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Buyer's first step? Home buyer education

Required for some --- recommended for all!

Credit score below 680

Front end ratio above 31%

Back end ratio above 41%

Special programs (DPA)

<http://www.nwmt.org/schedule.html>



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Down payment assistance

Montana Homeownership Network

<http://www.nwmt.org/Templates/MHNDownPayment.html>

Dream Makers Grant

http://www.pentagonfoundation.org/site/PageServer?pagename=dream_index

Montana First Time Buyers Savings Account

<http://msuextension.org/publications/FamilyFinancialManagement/MT199918HR.pdf>

Montana Credit Unions for Community Development

<http://www.montanacreditunions.coop/RTF1.cfm?pagename=Matched%20Savings%20Accounts%20/%20IDAs>

Home\$tart Program

<http://www.fhlbsea.com/CommunityInvestment/ourprograms/homestart/default.aspx>



Veterans Loan Program www.housing.mt.gov



Offered in
partnership
with the
**Montana
Board of
Investments**



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Reverse Annuity Mortgages (RAM loans)

- **Helps lower income elderly Montanan's**
- **Convert equity in home to income for 10 years**
- **Use income for medications, food or fun**
- **5% fixed rate on the growing balance**



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

Home Ownership Team

| | | |
|-------------------------|-----------------|---|
| Charlie Brown | 841-2850 | <u>Chbrown@mt.gov</u> |
| Julie Hope | 841-2853 | <u>Jhope@mt.gov</u> |
| Brandon Whitaker | 841-2847 | <u>bwhitaker@mt.gov</u> |
| Jeannene Maas | 841-2851 | <u>Jmaas@mt.gov</u> |
| Vicki Bauer | 841-2849 | <u>Vibauer@mt.gov</u> |
| Doug Jensen | 841-2854 | <u>dojensen@mt.gov</u> |

FAX 841-2841

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