



MONTANA

Program Summary	Product Type	Deferred second mortgage to assist qualified borrowers with down payment, closing costs, and mortgage buydown associated with purchasing a single-family home.
	Eligible Lenders	Clearwater Credit Union, Glacier Bank, First Interstate Bank, Opportunity Bank, Stockman Bank
	General Requirements	<ul style="list-style-type: none">Owner-occupied single-family residences including, condos, townhouses and homes with an ADU are eligibleBorrowers are required to complete a NeighborWorks Montana approved homebuyer education class and housing counseling prior to loan closing
	Area Restrictions	<ul style="list-style-type: none">Statewide in approved counties (see list below)
Basic Eligibility	Income Limits	<ul style="list-style-type: none">Total household income must be between 60% and 140% of the HUD median income guidelines adjusted for family size in the county in which the home is located, unless the state income limit is lower, in which case the state income limit must be used.
	Credit Score	<ul style="list-style-type: none">Middle score of 640 unless valid compensating factorsIf mid-credit score of any borrower is below 640 the following additional items are required: 1. verification of rent (VOR) for minimum of 12 months, 2. credit explanation letter from applicant(s), and 3. letter from loan officer as to why NWMT should grant a credit waiver
	Qualifications	Non-occupying co-borrowers not permitted
	Purchase Price	Limits only as defined by first mortgage loan
Loan Terms	Loan Amount	Maximum loan amount is 30% of the total purchase price
	Term	30 years
	Interest Rate	0.00% Appreciation on the home will be limited to 1% per year to the borrower upon sale less closing costs, initial down payment, principal payments made on the first mortgage, and qualified improvements.
	First Mortgage	<ul style="list-style-type: none">Borrower must qualify for a Conventional 1st mortgage through a participating lenderNWMT anticipates standard mortgage insurance will not be required on the first mortgage unless required by the secondary market.First mortgage must be 30-year fixed rate
	Lien Position	<ul style="list-style-type: none">Loan secured by a Deed of TrustNWMT must be in 2nd lien position unless valid compensating factors
	CLTV	Total combined loan to value cannot exceed 105% of the purchase price
	Payment Requirement	N/A Due upon sale of the home <ul style="list-style-type: none">Loan becomes due and payable upon maturity or if any of the following occurs prior to the maturity date: home is no longer being used as borrower(s) sole residence; home is sold, leased, rented, or transferred; death of borrower(s); or in some cases if the 1st mortgage is refinanced (unless NWMT agrees to resubordinate)
	Occupancy	<ul style="list-style-type: none">Borrowers must occupy the home as their principal residence for the duration of the loanMortgage is not assumable
Ratios	Ratios Guidelines	<ul style="list-style-type: none">Housing ratio (PITI) must not exceed 30%Back-end ratio must not exceed 42% unless valid compensating factorsOther ratios based on secondary market approval
	Ratio Calculations	<ul style="list-style-type: none">NWMT follows the debt calculation approach of the first mortgage, including for items such as medical debt, collections and student loans
Assets & Borrower Contribution	Asset Limitations	<ul style="list-style-type: none">Total Liquid assets cannot exceed \$15,000, unless put into the transactionTotal household assets cannot exceed \$100,000, unless put into the transactionBorrower cannot own any residential rental property
	Minimum Investment	<ul style="list-style-type: none">Borrowers are required to contribute 1.00% of the purchase price of their own funds.Borrower may contribute their own funds over and above any downpayment requirements.
	Refinance	<ul style="list-style-type: none">If the first mortgage is refinanced, this second mortgage may be paid off or the loan may be resubordinated to the first mortgage. No cash out allowed on refinance if the loan is resubordinated.
	Fees	1.00% of HomeStretch loan amount

Approved Counties:

NeighborWorks Montana Approved Counties: Beaverhead, Fergus, Gallatin, Judith Basin, Lake, Lewis & Clark, Lincoln, Mineral, Missoula, Musselshell, Park, Petroleum, Powell, Sanders, Valley

NeighborWorks Great Falls Approved Counties: Blaine, Cascade, Choteau, Glacier, Pondera, Teton, Toole