

# Loans for homebuyers



Neighborhood Housing Services (NHS) assists homebuyers with loans to become a homeowner. Both first and second mortgages are available.

First mortgages are made through Neighborhood Housing Services of America (NHS), our secondary market partner in the NeighborWorks® Network. NHS takes the loan application and processes it. We send the completed borrower loan package to NHS where it is underwritten. NHS issues a commitment to purchase the loan when it is closed and sends the package to one of our local bank partners (BankAtlantic, HSBC, or Citibank). The designated bank partner funds and closes the loan. After the bank records the documents, they sell the loan at par usually within 30 days.

These first mortgage loans are provided at 80% Loan-to-Value or less and do not require Private Mortgage Insurance (PMI). The interest rate is 5.95% (subject to change), fixed for 30 years. The standard ratios are 33% and 45%. Qualifying guidelines require buyers to invest a minimum of 3% of the purchase price as a down payment. Borrowers must also have some established credit references showing a reasonably good record of meeting such obligations. Alternative credit such as payments to landlords, utilities (FPL, Bell South, cell phone, cable, insurance finance, or similar organizations) is also acceptable.

Second mortgages are funded directly by NHS at an interest rate which can vary from a high of 5.95% to a low of 2%, fixed for 30 years. The buyer's income and family size determine the amount and rate of our second mortgage. The amount of the second mortgage covers the remaining amount after the buyer's required 3% down payment and the amount provided by the first mortgage loan are applied. Credit requirements are identical to the first mortgages above. The chart below shows what interest rate and amount of second mortgage is available.

## Second Mortgage Funding Guidelines as of January 2004

Interest Rate	2%		3%	4%		5%	5.95%	
% of AMI	<30%	40%	50%	60%	70%	80%	100%	120%
Family Size	<E.Low		<V. Low		<Low		Mod	
1	11,050	14,760	18,450	22,140	25,830	29,500	36,900	44,280
2	12,650	16,880	21,100	25,320	29,540	33,750	42,200	50,640
3	14,250	18,960	23,700	28,440	33,180	37,950	47,400	56,880
4	15,800	21,080	26,350	31,620	36,890	42,150	52,700	63,240
5	17,050	22,760	28,450	34,140	39,830	45,550	56,900	68,280
6	18,350	24,440	30,550	36,660	42,770	48,900	61,100	73,320
7	19,600	26,120	32,650	39,180	45,710	52,300	65,300	78,360
8+	20,850	27,840	34,800	41,760	48,720	55,650	69,600	83,520

■ median

## Maximum 2nd Mortgage Amount Based on Median Income And Family Size

% Area Median Income	<30%	<40%	<50%	<60%	<70%	<80%	<100%	<120%
Maximum % of 2nd mortgage to value	50%	50%	50%	45%	40%	25%	25%	20%

Both mortgages are processed in our office at the same time after borrower applies with NHS. The average time required to close these transactions is 45 days. For borrowers whose income is very low, NHS also takes second mortgage applications and does the processing for loans submitted to Miami-Dade Housing Agency, a division of Miami-Dade County. Processing time is extended to 60 days. These loans can have an interest rate as low as 0%. If needed, closing cost assistance is available to the eligible borrowers through Metro Miami Action Plan, also part of Miami-Dade County, with a forgivable non-repayable third mortgage.



**For additional information on NHS or any of our services, please contact:**

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