HOMEBUYER ASSISTANCE (HBA) PROGRAM

THIS IS ONLY A SUMMARY OF THE HBA PROGRAM AND IS NOT INCLUSIVE OF ALL LOAN UNDERWRITING AND BORROWER ELIGIBILITY REQUIREMENTS. CONTACT NIFA'S HOMEOWNERSHIP TEAM WITH ANY QUESTIONS.

FIRST-TIME BUYER REQUIREMENT	The borrower must be a first-time homebuyer (as defined by NIFA), unless the borrower is a qualified veteran or purchasing a property in a targeted area.
PURCHASE PRICE LIMIT REQUIREMENT	The purchase price of the property must not exceed NIFA's maximum purchase price limits.
OWNER-OCCUPANCY REQUIREMENT	The property must be occupied by the borrower as his or her principal residence within 60 days of closing.
INCOME LIMIT REQUIREMENT	All borrowers (including certain non-borrowing occupants) must have a combined household income that does not exceed NIFA's maximum income limits.
ELIGIBLE LOAN TYPES	FHA, RD, VA and Conventional loans.
UNDERWRITING GUIDELINES	Follow loan underwriting guidelines for both the NIFA First Mortgage Loan and the HBA Loan. The HBA Loan must be included in the total housing expense ratio. In all situations, the borrower is not allowed to receive any cash back at closing.
MINIMUM BORROWER INVESTMENT	All borrowers must have a minimum investment of $1,000. Gifts are permitted subject to loan underwriting guidelines.
FIRST MORTGAGE LOAN RATE	NIFA's rates are published on our website and are subject to change without notice.
HBA SECOND LOAN RATE & TERMS	The HBA Loan will bear interest at an annual rate of 1%. Monthly payments of principal and interest will begin on the same date set forth in the NIFA First Mortgage Loan Promissory Note. The term for the HBA Loan will be 120 months (10 years). The borrower may prepay the HBA Loan at any time, without penalty. The HBA Loan is not assumable and will not be subordinated by NIFA for any reason.
HBA SECOND LOAN AMOUNT	The maximum amount of the HBA Loan shall be 5% of the subject property purchase price, not to exceed $10,000. The borrower is not allowed to receive any cash back at closing. If an adjustment needs to be made in order to comply with the $1,000 minimum borrower investment and no cash back requirements, the HBA Loan amount (not the NIFA First Mortgage Loan amount) will be adjusted accordingly.
HBA PRINCIPAL LOAN REDUCTIONS	NIFA will permit a principal reduction to the HBA Loan in an amount not to exceed $500. Exceptions may be granted by NIFA on a case by case basis.
MONTHLY PAYMENT STATEMENT	Once the loan is purchased by the Master Servicer, the borrower will receive a separate mortgage statement for the NIFA First Mortgage Loan and HBA Loan.

(Revised 05/2020)

HOMEBUYER ASSISTANCE (HBA) PROGRAM FORMS

Form F — Notice to Borrower (dated 05/2020)

- Must be signed by all borrowers and non-purchasing spouse at loan application and a copy submitted with the pre-closing loan package. A copy must also be included in the closed file submitted to the Master Servicer for purchase.

Form G — Second Promissory Note (dated 10/2015)

- Must be signed by all borrowers and co-signer (if applicable) at closing and a copy submitted with the post-closing loan package.

Form H — Second Deed of Trust (dated 10/2015)

- Must be signed by all borrowers and non-purchasing spouse at closing and a copy submitted with the post-closing loan package.

Form J — Borrower Acknowledgement Letter (dated 10/2015)

- Must be signed by all borrowers at closing and a copy submitted with the post-closing loan package.

(Revised 05/2020)