

Lender Information

The lender must provide Neighborhood Housing Services Oklahoma with copies of the following documents in order to process applications for Down Payment and Closing Cost Assistance. Please send copies of the following to NHSOKLA as soon as possible via e-mail lindar@nhsokla.org or fax **405-231-5137**. If faxed documents are not clear we will ask you to use a courier service or have homebuyer deliver documents.

- Lender application
- Lender approval letter
- Verification of Employment
- First two pages of appraisal
- Loan Estimate-NHSOKLA needs this upfront. DPA amount will be calculated in part, using the Loan Estimate.**
- Flood Certification
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- 1008/MCAW/92900
- Evidence of Insurance
- Approved Closing Disclosure-must be provided a minimum of 48 hours prior to closing**
An Approved Closing Disclosure means all revisions are completed and the Closing Disclosure has been reviewed & approved by the City of Oklahoma City

Guidelines for Lenders

1. **Down Payment Assistance applications and/or purchase contract must be provided to NHSOKLA at least 45 days prior to closing. The 45 day time frame will begin with whichever documents are provided to NHSOKLA last**
2. Assistance amount available under the Oklahoma City's HOME Program will be \$1,000 to \$14,999. Property must be located in the target areas determined by the City of Oklahoma City (refer to Boundary Area Map). The amount of assistance will be calculated as follows: 10% of purchase price + UFMIP + eligible closing costs, less borrower required contribution, seller & lender credits, etc.
3. Two months PITI reserve is required.
4. Applicants are required to meet with NHSOKLA Housing Counselors. The applicant will be required to provide detailed budget. Applicant's monthly expenses cannot exceed applicants monthly net income earned.
5. Each DPA transaction will be underwritten to 90% LTV with no LTV >95%. Total monthly housing payments cannot exceed 30.99% of NHSOKLA's income calculation. Maximum monthly housing and total debt to income ratio cannot exceed 42.99%
6. Minimum required homebuyer investment is 1% of sales price. The amount will increase to 1.75% when the lender required 3.5% down payment on an FHA loan. Any additional funds paid by buyer cannot be refunded at loan closing.
7. Rehab/renovation loans are acceptable. The amount of Rehab/Renovation cannot exceed \$25,000 and cannot involve any structural changes. Applicant must occupy the residence during the Rehab/Renovation. Rehab/Renovation must be completed within 6 months of closing.
8. Neighborhood Housing Services Oklahoma will not be able to give Down Payment and Closing Costs Assistance for Adjustable Rate Mortgages (ARMS).

Loan closings must be held locally with cost to abstract title a seller's expense Co-Borrowers/Co-Mortgagors must be disclosed and approved at DPA application. Adding a Co-Borrower/Co-Mortgagor after initial application is not allowed. If co-borrower is utilized, primary homebuyer must still qualify at ratios of 30.99%/42.99% based upon their income only. Co-Borrowers/Co-Mortgagors cannot be on the Warranty Deed. May only sign on mortgage and note.

1. Sales price cannot exceed 95% median purchase price limits (\$173,000 existing \$251,000 new construction).
2. NHSOKLA must be notified immediately if any changes in homebuyer application (gift funds, additional down payment, etc.)

OKLAHOMA CITY DOWN PAYMENT ASSISTANCE PROGRAM GUIDELINES

Exhibit 1

1.3 - Eligible Closing Costs

Items payable in connection with loan

- 801 Loan Origination Fee-no more than :S 1% of principal (+\$200 on loans :S \$80,000)
- 803 Appraisal Report
- 804 Credit Report
- 809 Flood Certification Fee - Must show property is not in 100 yr flood zone

Items Required By Lender Lo be Paid in Advance

- 901 Interest from _ to___ Days

- 902 Mortgage Insurance Premium
- 903 Hazard Insurance Premium

Reserves Deposited With Lender

- 1001 Hazard Insurance
- 1002 Mortgage Insurance (buyer may bring additional funds to avoid mortgage insurance)
- 1003 County Property Taxes

Title Charges

- 1101 ½ Settlement/Closing Fee
- 1102 Abstract or Title Search- must be a seller's expense - no assistance a plied
- 1103 Title Examination
- 1104 Document Preparation Fee
- 1105 Notary Fee
- 1106 Title Insurance

Government Recording and Transfer Charges

- 1201 Recording Fees Deed/Mortgage Releases
- 1202 City/County Tax/Stamp Deed/Mortgage
- 1203 State Tax/stamp
- 1204 Mortgage Certificate/Documentary stamp

Additional Settlement Charges

- 1301 Property Survey- Pin Surveys fees are capped
- 1302 Pest Inspection
- 1303 Home Inspection
- 1304 Home Service Warranty (from buyers' contribution)

NOTE: Fees must be reasonable and customary for the area.

Other Borrower paid costs are not automatically approved but will be reviewed on a case-by-case basis.