

## Down Payment and Closing Cost Assistance Programs as of October 25, 2021

*Both products are available for purchase transactions only.*

### Second Mortgage

Fixed rate of 5% over 10 years making the monthly payment low so borrowers can easily qualify for the loan amount they need.

- A 680 credit score is required, unless the borrower is using the First Loan that only requires a credit score of 640. The credit score requirement is waived for Heroes eligible borrowers.
- Maximum amount of second mortgage is 5% based on lesser of sales price or appraised value.
- Not to exceed the maximum LTV/CLTV approved by mortgage insurance guidelines.
- Finally Home! Homebuyer Education is required. Only one certificate is required per loan.
- Borrowers must contribute at least .5% of the purchase price of their OWN funds into the transaction.

### Forgivable Loan

There is a tiered forgiveness of 10% each year. Any unforgiven balance will be due when the property is sold or refinanced.

- The loan is fully forgiven at the end of year 10.
- Maximum amount of forgivable loan is 5% based on lesser of the sales price or appraised value.
- For each 0.5% of forgivable loan used, 0.125% will be added to the interest rate of the first mortgage.
  - .125 for .50%
  - .25 for 1%
  - .375 for 1.5%
  - .50 for 2%
  - .625 for 2.5%
  - .75 for 3%
  - .875 for 3.5%
  - 1.00 for 4.0%
  - 1.125 for 4.5%
  - 1.25 for 5.0%

#### Additional Information:

- A lien will be placed on the title for the amount of the loan. The terms of forgiveness are described on the note.
- Documents are available on the home page of Lender Connection.
- The Forgivable Loan may only be combined with the Second Mortgage if using the First Loan, the Freddie Mac HFA Advantage 50% / 80% AMI programs or Idaho Heroes loans. Maximum 7.00% combined DPCC.
- Finally Home! Homebuyer Education is required. Only one certificate is required per loan.
- Borrowers must contribute at least .5% of the purchase price of their OWN funds into the transaction.