

North Clackamas Revitalization Area
Homebuyer Assistance Program
Quick Reference for Lenders

Type of Loan:	Second Mortgage.
Secured:	Yes, subordinate to the first mortgage.
Rate:	0%
Term:	Due upon sale, transfer of title, refinance of first mortgage, or change of occupancy. Loans may be forgiven if the borrower occupies the dwelling as a primary residence for a minimum of 10 continuous years from the receipt of a down payment assistance loan.
Assistance:	Up to \$15,000 (dependent upon borrower assets) for down payment and <u>reasonable</u> closing costs. Closing costs are paid first and then remainder to down payment. Reasonable primary loan fees mean combined loan origination fee and discount points that do not exceed 1.75% of the amount of the note.
Additional Assistance:	Can be combined with many down payment assistance programs and products.
First Time Home Buyer Requirement:	Yes. Must not have owned or held an interest in a real estate within the last three years prior to closing. An exception is made for single parents and displaced homemakers, persons with disabilities, retired persons, and members of law enforcement and the military.
Buyer's Down Payment:	The borrower must contribute a minimum of \$1,000 or 1% of the sales price, which ever is less, from their own funds.
Eligible Mortgage Lenders:	All Oregon Bond qualified lenders may serve as first mortgage lenders.
First Mortgage Programs Allowed:	NCRA loans may be combined with a primary loan that has at least a 30-year term and a fixed interest rate. The primary loan must be mortgage insurable unless the loan-to-value (LTV) rate is less than 80%. The types of loans that are compatible with NCRA loans include: <ul style="list-style-type: none"> ▪ FHA insured ▪ Conventional insured, up to 97% LTV ▪ Conventional uninsured, LTV less than 80% ▪ Any loan with a fixed interest rate at or below the current Oregon Bond Loan rate. <p><i>Note: Currently Leasehold or Land Trust is not an allowable property ownership type that can be used with the Oregon Bond 1st mortgage loans. Other loans types may be used in combination with NCRA loans and Land Trust homes.</i></p>
Ineligible loan types:	No contract sales, no refinances, no ARM's and no prepayment penalties.
Ratios:	Maximum 41% back end. Higher back end ratios require approval from the CCDA's Loan Review committee supported by sufficient compensating

	factors as provided by 1st mortgage lenders.
Income:	Total household income must not exceed 120% of the HUD median income, adjusted for family size for the Portland Metro area.
Assets:	Liquid assets after closing may not exceed \$25,000.
Education:	Buyer must complete an approved pre-purchase homebuyer training class. A list of class sites is posted on the OHCS website at www.oregonbond.us
Eligible Geographic Areas:	North Clackamas Revitalization Area
Credit:	<ul style="list-style-type: none"> ▪ Bankruptcy. Chapter 7 and Chapter 13 must have been discharged at least two years prior to closing. ▪ Foreclosure. No foreclosure on real property within the 5-year period prior to closing.
Eligible Properties: (Single Family Housing Unit)	<p>A single family housing unit includes a single unit in a one- to three-family residence, a condominium unit, a cooperative unit, or a combination of manufactured housing and lot. The house must:</p> <ul style="list-style-type: none"> ▪ Be located in the North Clackamas Revitalization Area. ▪ Have a maximum purchase price that does not exceed \$304,950. ▪ Meet the property standards contained in 24 CFR 92.251, unless an exception is approved by the Development Agency. ▪ Be free of chipped or peeling paint if the home was built before 1978. ▪ Be occupied by the seller (owner), the first-time homebuyer or be vacant. ▪ Be current on property taxes. ▪ Have clear title – the borrower must provide a preliminary title report that is satisfactory to the County. ▪ Be large enough to accommodate the size of the household. <p>A manufactured housing unit must be:</p> <ul style="list-style-type: none"> ▪ Constructed after June 15, 1976 in accordance with Federal standards; ▪ On a permanent foundation with permanent utility hook-ups; ▪ Located on land that is held or being purchased by the homebuyer; and ▪ Taxed as real property, i.e. de-titled, unless otherwise approved by the Development Agency.
Ineligible Properties:	<p>No tenant-occupied properties (unless the buyer is the tenant).</p> <p>Non-conforming uses in a commercial or industrial zone.</p>
Appraisals:	A complete residential appraisal by an Oregon-licensed appraiser is required on all loans regardless of the primary loan product used.
Assumable:	No
Inspections conducted by Clackamas County:	<ol style="list-style-type: none"> 1. Environmental Review. 2. Property Standards inspection. 3. Visual Assessment. If the home was built before 1978, a visual assessment is required. If deteriorated paint is found (such as peeling, chipping, chalking or cracking interior or exterior paint) the

	<p>property is not eligible for purchase unless the deficiencies are corrected.</p> <p>If the house passes the Property Standards inspection and the Visual Assessment, the purchase process continues. If the house fails the Property Standards inspection or Visual Assessment, there are two options:</p> <ol style="list-style-type: none"> 1. Seller corrects the defects and the house is re-inspected (and passes) prior to closing; or 2. The first-time homebuyer shops for a different house.
Other Inspections:	Pest and Dry Rot inspection and any first mortgage requirements
Primary Mortgage Amount:	Maximum purchase price cannot exceed 95 percent of the median purchase price for the area. As of November 2006, the maximum amount for a single-family residence is \$304,950.
Combined LTV:	Maximum HUD allowable or 1st lender program, whichever is less (usually no more than 103-103.5%) of the sales price of the home.
Impounds:	First lender requirements
Pre-paid's:	NCRA loan proceeds cannot be used to pay mortgage insurance premiums.
Mortgage Insurance:	Not required (see "pre-paids").
Title Insurance:	Not required for the NCRA loan; however, Title Insurance is required for the first mortgage. The preliminary title report must be satisfactory to the County.
Property Insurance:	Required by NCRA trust deed.
Seller contributions:	Not required
Prepayment penalties:	None
Late charges:	Not applicable.
NCRA Loan Fees:	<p>None. The Lender's Good Faith Estimate and the final settlement costs must not include fees for the NCRA loan.</p> <p><i>NOTE: The Clackamas County Recorder's Office does not charge fees for recording NCRA loan documents.</i></p>
Maintenance and Repair:	The owner must keep the property in good, safe condition, suitable for residential use.
Occupancy:	<p>Before sale: The home must be occupied by the seller, the buyer or vacant at the time it is offered for sale. The sale may not displace any renters.</p> <p>After purchase: Borrower must occupy as primary residence for life of loan.</p>
Contact:	<p>Gloria Lewton, Home Program Manager 503-655-8359</p> <p>Lori Stomps, Loan Processor 503-655-8591</p>