

# FNBH HOMEBUYER ASSISTANCE PROGRAM FACT SHEET

## OVERVIEW:

First National Bank of Jeanerette is offering a down payment assistance program for low-income and moderate-income borrowers purchasing a primary residence in Iberia, St. Mary, or Lafayette Parishes.

## DESCRIPTION:

The bank will offer a grant in the form of a forgivable deferred payment loan. The loan will be unsecured, and the amount will be **10%** of the purchase price or appraised value, whichever is lower, up to a maximum of **\$15,000**. The borrower must finance the home purchase with FNBH. The home loan will be granted at **90%** loan to value using the lesser of purchase price or appraised value.

## UNDERWRITING REQUIREMENTS:

- Borrowers must complete a Homeownership Counseling program with an approved provider.
- The property purchased must be in one of the following areas:
  - Iberia Parish
  - Lafayette Parish
  - St. Mary Parish
- Borrowers' annual income must be less than or equal to the following:
  - Iberia Parish: \$82,000
  - Lafayette Parish: \$82,000
  - St. Mary Parish: \$61,100
  - The income levels above are subject to change.
- The property purchased must be an owner-occupied single-family residence or mobile home with land.
- The borrowers' debt-to-income ratio including the mortgage loan with property taxes and insurance must not exceed **45%**.
- Borrowers must pay all applicable closing costs, including but not limited to:
  - Origination Fees
  - Appraisal Fees
  - Termite Inspection
  - Title Insurance and Attorney Fees

- Recordation Fees
- Insurance Monitoring Fee
- Flood Determination Fee
- Prepaid insurance and taxes plus initial escrow deposit, if applicable.
- Borrowers' must meet credit performance standards including:
  - No unpaid collections, tax liens, judgments, or charge off accounts (excluding medical collections).
  - No paid collections or charge off accounts (excluding medical collections) within the last 3 years.
  - Cannot have a discharge, filing, or dismissal of bankruptcy within the last 3 years.
  - No more than two accounts over 30 days past due reported within the last 12 months.
  - No accounts over 59 days past due in the last 24 months.
  - No accounts over 89 days past due within the last 36 months.
  - At least one of the borrowers must have 3 or more tradelines on the credit report. One required tradeline can be a rental history reference from a landlord.
- Home loan will be secured by a 1<sup>st</sup> lien on the property purchased and will be originated as a 5- or 7-year balloon loan.

#### DOWN PAYMENT GRANT LOAN DETAILS:

- Grant will be given in the form of a forgivable unsecured loan in the amount of 10% of the lesser of purchase price or appraised value, up to a maximum of \$15,000.
- No payments will be due, and no interest will accrue during the first 3 years of the loan.
- If the borrower meets all the terms and conditions detailed in the contract, the loan will be forgiven three years from the date of the contract.
- The terms and conditions include but are not limited to:
  - The borrower must live in the home for at least 3 years and may not sell the home or refinance the home loan with another bank within the first three years after signing the contract.
  - The borrower must pay the home loan on time each month and may not be more than 30 days late on more than two monthly payments during the first 3 years.
- If the terms and conditions are not met, the deferred payment down payment loan will be due on demand in the event the home is sold or refinanced with

another lender. If the terms are not met due to delinquency on the home loan, the borrower must start repaying the loan monthly at the three-year anniversary of the execution of the contract. The loan will begin accruing interest at a rate of 6.00% at that time.

**The funds allocated for this program are extremely limited. Once the funds have been exhausted, FNBJ will continue to originate loans under the program to qualified borrowers, but the down payment assistance grant will be eliminated. Instead, the loans will be originated at 90% LTV and the borrowers must pay closing costs plus the 10% down payment.**