

## LENDER INFORMATION

The lender must provide Neighborhood Housing Services Oklahoma (NHSOKLA) 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 [jessicad@nhsokla.org](mailto:jessicad@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 to our office.

- **Loan Estimate/or Fee Estimate NHSOKLA needs this upfront. The DPA amount will be calculated in part using the Loan estimate/Fee Estimate**
- Lender application
- Lender Approval letter
- Verification of Employment
- First two pages of appraisal
- 1008/MCAW/92900
- Evidence of Insurance
- Standard Flood Determination
- ***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 Norman\* Changes CANNOT BE MADE TO Closing Disclosure without permission from NHSOKLA.***

### Guidelines for Lenders

1. Down Payment Assistance applications and/or purchase contract must be provided to NHSOKLA at least 30 days prior to closing. The 30 day time frame will begin with whichever documents are provided to NHSOKLA last.
2. Assistance amount available under the City of Norman HOME Program shall not exceed \$14,999. Property must be located in the target areas determined by the City of Norman (refer to Boundary Area Map).
3. Each DPA transaction will be underwritten to 90% LTV with no LTV >95%. Front-end ratio (PITI compared to gross monthly income) must not exceed 33.99% and the back-end ratio (total debt including PITI and other revolving debt compared to gross monthly income must be less than 42.99% without compensating factors.
4. All clients receiving **DPA** must secure a pt mortgage with a "fixed" interest rate (No Adjustable Rate Mortgages, Interest Only Payment Mortgages, Negative Amortizing Mortgages, Prepayment Penalties, Mandatory Arbitration, 1st Mortgages with a term greater than 30 years are allowed or any other similar mortgage), and property taxes and hazard insurance must be escrowed (no non-escrowed loans).
5. A detailed budget including all debt, proposed principal, interest, taxes and insurance (PITI) and household expenses must show the home purchase is sustainable.
6. Two months of PITI is required as reserve.

7. Minimum required investment is 1% of sales price. Any additional funds paid by buyer cannot be refunded at loan closing.
8. Sales price cannot exceed 95% median purchase price limits (\$209,000 existing \$273,000 new construction).
9. Homebuyer must complete HUD Certified Homebuyer Education workshop prior to closing.
10. Homes must pass a Housing Quality Standards inspection prior to close. Required repairs must be completed within 45 days of initial inspection. If not completed within 45 days, the DPA reservation will be cancelled. Once repairs are complete, funds will be reserved, subject to funds availability.
11. **The Affordability Period shall be five (5) years and sixty (60 days) after closing date.**
12. Co-Borrowers/Co-Mortgagors must be disclosed and approved at DPA application. If co-borrower/Co-mortgagor is utilized, primary homebuyer must still qualify at ratios of 33.99%/42.99% based upon their income only. Co-borrowers/Co-Mortgagors cannot be on the Warranty Deed. May only sign on mortgage and note.

**Exhibit 1- CITY DOWN PAYMENT ASSISTANCE (DPA) PROGRAM GUIDELINES**  
(continued)

**1.3 - Eligible Closing Costs**

Items payable in connection with loan

Loan Origination Fee-no more than: 1% of principal (+\$200 on loans; \$100,000) Points  
to buy down interest rate  
Appraisal Report  
Credit Report  
Flood Certification Fee- Must show property is not in 100 yr. flood zone

Items Required By Lender to be Paid in Advance

Interest from \_\_\_ to\_\_\_ Days  
Mortgage Insurance Premium  
Hazard Insurance Premium

Reserves Deposited With Lender

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

Title Charges

½ Settlement/Closing Fee  
Abstract or Title Search- must be a seller's expense - no assistance applied  
Title Examination  
Document Preparation Fee  
Notary Fee  
Title Insurance

Government Recording and Transfer Charges

Recording Fees Deed/Mortgage Releases  
City/County Tax/Stamp Deed/Mortgage  
State Tax/stamp  
Mortgage Certificate/Documentary stamp

Additional Settlement Charges

Property Survey - Pin Surveys fees are capped  
Pest Inspection  
Home Inspection  
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.**