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EXHIBIT “A” – LENDER UNDERWRITING GUIDELINES (MIRAMAR) PURCHASE ASSISTANCE PROGRAM

INSTRUCTION FOR LENDERS (Please provide these guidelines to your lender)

Please review the First Time Homebuyer Program guidelines to ensure the borrower’s file will be underwritten according to these guidelines. This program is designed to provide an affordable housing mortgage loan to all who meet the program guidelines. The Loan must be fully (income and assets) documented.

Please provide the following documents for any borrower wishing to receive **SHIP/HOME** funds from the city of Miramar Purchase assistance program.

- Loan approval/commitment signed by lender and borrower
- FNMA 1003 residential loan application - typed, signed by lender and borrower
- FNMA 1008 transmittal – completed
- Photocopies of all VOE’s, VOD’s and financial statements
- Photocopy of signed Good Faith Estimate
- Real estate sales contract – signed by all parties
- Property Appraisal – photocopy
- Home Inspection report – photocopy
- Lead Based Paint Inspection (for homes built prior to 1978)
- Educational Home Buyer Workshop – photocopy of certificate
- Down Payment Assistance Worksheet, completed and signed by lender
- Tax Return (all pages) and forms W2/1099 covering the past 3 years. If self-employed, YTD P&L statement
- Most recent pay stubs covering three (3) months for all adults in the household’
- Six (6) most recent bank statements (all pages) for each bank account
- Awards letter for social security and pension
- Financial Institution must be registered to conduct business in the State of Florida and provide evidence of such
- Closing Agent name, contact person and phone number

If ALL the above required documents are not received simultaneously, the file will not be processed.

Note: Upon receipt of the above documents, we will contact the borrower to begin the certification process within **24-48 hours**. We require **3-4 weeks** processing time.

Additionally, we require **1-2 business days** to request a Wire Transfer from our Finance Department. **We strongly abide by these time frames.**

Lender shall provide a contact name, phone number and e-mail addresses. We will notify lender that loan package has been received and the staff processing the file.

Down payment assistance is available on first come, first qualified, first served basis. Down payment assistance is available to persons purchasing a home in the city of Miramar.

SHIP/HOME FUNDS FIRST TIME HOMEBUYER PROGRAM LENDER FINANCING GUIDELINES

Borrowers must obtain a commitment/pre-approval letter from an approved lending institution. The following are program requirements associated with the implementation of the City of Miramar SHIP / HOME FUND ASSISTANCE

BORROWER SELECTION CRITERIA:

- ❖ Borrowers will be selected on a first come, first qualified, first served basis within the income category. To ensure compliance with income set-asides, **priority is given to extremely low, very low-, low- and moderate-income households. Additionally, to borrowers with special needs or developmental disabilities.**
- ❖ Borrower must have not owned any residential property at time of application and prior to closing for the past three (3) years as evidenced by previous three (3) years tax returns.
- ❖ Borrower must receive a certificate of housing counseling upon completion of an eight (8) hour education and counseling workshop conducted by a HUD certified housing counselor. This certificate is required prior to loan closing.
- ❖ All SHIP/HOME proceeds must be used to pay closing costs; down payment; principal reduction and must not be used for debt consolidation, or cash-out to applicant.
- ❖ The maximum loan-to-value is **not to exceed 97%** (with no mortgage insurance (MI)). Value is determined by an appraisal acceptable by the first mortgage lender and prepared by a Florida licensed residential property appraiser. For combined first and second mortgages the maximum LTV shall be **105%** for extremely low, very low-, low- and moderate-income applicants.
- ❖ Applicant must make mortgage application with city of Miramar approved lender who shall meet any lender's qualifying criteria as established by the city.

SHIP/HOME FUNDS PROGRAM REQUIREMENTS:

1. The principal reduction mortgage amount is based upon the purchase price of the desired property, however; the down payment/closing cost and purchase assistance provided by the Town of Davie will not exceed a maximum deferred payment loan up to \$70,000 for extremely low, very low-, low- and moderate-income applicants.
2. The principal reduction mortgage will be in the form of a zero percent interest second position deferred payment loan. The full amount of the second mortgage will be forgiven if the homeowner meets all the SHIP requirements including occupying the dwelling being purchased for the period specified in the mortgage and promissory note as their primary residence.

3. The first mortgage lender financing must be a thirty-year fixed interest rate loan.
4. Mortgage Insurance is not allowed to be charged by the primary lender if the down payment and second mortgage assistance being provided by the borrower and the City's SHIP funds are equals to more than 20% of the appraised value of the property value.
5. Borrower's Debt-to-Income Ratio (**DTI**) should be **38% / 45%** Conventional/ **FHA 46 %** maximum. Exceptions can be made on a case-by-case basis.
6. Origination/Discount/Administrative Fees: **2.0%**
7. Appraisal and Credit Fee: Maximum not to exceed **\$600.00**. Due at time of application and will be credited at closing.
8. Closing Costs: Up to maximum **5%** purchase price, including origination fee. Does not include prepaid items such as insurance, taxes, and pre-paid interest. (Exceptions can be made on a case-by-case basis for loan amounts under \$100,000).
9. Purchase Price: **As of April 2022**, the Broward County maximum sales price for existing and new construction dwellings is **\$382,194.00**. Annually the Florida Housing Finance Corporation (FHFC) establishes the maximum sales price, which meets the US Housing and Urban Development's (HUD) price limits.
10. Terms: 30 year Fully Amortizing mortgage. (No prepayment penalty.) Balloon mortgages are not acceptable. No Sub-Prime loans permitted under SHIP/HOME program.
11. Co-Borrowers (non-occupying): Not permitted under SHIP.
12. Down Payment: In all cases, buyer must contribute a minimum of three percent **3%** of the purchase contract price, which **1%** must be their own funds toward the transaction. The remaining 2% may be a gift from other sources (i.e., lender incentive, nonprofit housing agency, relative, etc.). Buyer down payment with a VA first mortgage may differ.
13. Closing Cost: Can be a gift as well as SHIP funds. Gift must be sourced with backup documentation.
14. Assumable Loans: **Not allowed**
15. Maximum Assistance: A maximum deferred payment loan up to \$70,000 for extremely low, very-low-, low- and moderate-income applicants, is applied towards closing costs, down payment costs and/or principal write-down assistance for the purchase of eligible owner-occupied housing.
16. Refinance Subordination Restrictions: Rate/Term only, No cash out. Homes must have evidence of homestead exemption. All other instance of refinance triggers repayment.
17. **Lien Position**: Lender holds first lien; City of Miramar will hold second lien position.
18. Escrow: Required for taxes, homeowners' insurance, and flood insurance if property is in a flood zone.

PLEASE NOTE THAT THE "LENDER FINANCING GUIDELINES" MAY BE CHANGED AT ANY TIME AT THE DISCRETION OF THE CITY OF MIRAMAR.

Acknowledgment of Receipt by "Corporate" Lending Institution:

PRINT NAME/YOUR TITLE

DATE

SIGNATURE