



HOPE PLUS LOAN PROGRAM KEY GUIDELINES

Revised: AUGUST 13, 2008

The **Hope Plus** second mortgage program offers down payment and closing cost assistance financing to home buyers and homeowners. It is designed to help our customers obtain home financing that will be both affordable and sustainable for the future.

The program is not limited to first time home buyers. It can also be used to assist repeat home buyers and customers that want to refinance out of an existing adjustable rate mortgage.

Hope Plus loans are less restrictive than other down payment assistance programs. We can help families earning up to **120%** of area median income.

Income chart:

Household size:	1	2	3	4
Income Limit:	\$48150	\$54975	\$61875	\$68775
Household size:	5	6		
Income Limit:	\$74250	\$79725		

UHI HOPE PLUS KEY PROGRAM CRITERIA:

- ALL LOANS MUST MEET FHA, VA, AND FNMA/FHLMC GUIDELINES OR THE LENDER'S PRE-APPROVED PROPRIETARY PROGRAM. (*FNMA EA2 AND 3 ARE EXCLUDED*)
- BORROWER MUST COMPLETE HOMEBUYER EDUCATION REQUIREMENTS ESTABLISHED BY UHI
- ALL FIRST MORTGAGE LOANS MUST INCLUDE ESCROWS FOR TAXES, HAZARD INSURANCE, MIP, OR PMI AND FLOOD INSURANCE, IF APPLICABLE
- PROPERTY MUST BE LOCATED IN SHELBY COUNTY & WEST TN (*Clarify the applicable counties or communities with UHI*)
- MAXIMUM SALE PRICE: **\$271,050**
- MAXIMUM LOAN AMOUNT: **\$5000.00**
- BORROWER MUST BE APPROVED FOR A FIRST MORTGAGE FROM A PARTICIPATING LENDER. (*A COMMITMENT LETTER FROM THE FIRST MORTGAGE LENDER MUST BE PROVIDED PRIOR TO UNDERWRITING OF THE SECOND MORTGAGE LOAN.*)
- HOPE PLUS SECOND MORTGAGE LOAN TERM: **10 YEARS**

- FIRST MORTGAGE LOAN TERM CANNOT EXCEED: **30 YEARS**
- LOAN WILL NOT BE SUBORDINATED AFTER CLOSING
- MAX CLTV **105%**

FEES:

- NO JUNK OR PADDED FEES
- UHI FEES ARE AS FOLLOWS:
 1. 1% ORIGATION FEE
 2. \$100 UNDERWRITING FEE
 3. \$100 ADMINISTRATION FEE

PROPERTY TYPE:

- SINGLE FAMILY RESIDENCE OR DUPLEX ONLY

RATIOS:

- MAX HOUSING EXPENSE RATIO: **33%**
(INCLUDING PROPOSED SECOND MORTGAGE PAYMENT)
- MAX DEBT TO INCOME RATIO: **43%**

INTEREST RATES:

- ALL FIRST MORTGAGE LOANS MUST HAVE **FIXED** RATES
- FIRST MORTGAGE LOAN INTEREST RATES CANNOT BE GREATER THAN 2% ABOVE THE CURRENT FHA RATE. *(at the time of application)*

INCOME:

- MUST BE CALCULATED ACCORDING TO FNMA STANDARDS & APPROVED BY UHI
- MUST INCLUDE SATISFACTORY DOCUMENTATION THAT SUPPORTS ALL QUALIFYING AND/OR HOUSEHOLD INCOME
- BORROWERS *(Household and/ or Qualifying)* INCOME MUST NOT EXCEED 120% OF MEDIAN INCOME
- INCOME MUST CONTINUE FOR AT LEAST 3 YEARS

CREDIT:

- SATISFACTORY RENTAL / MORTGAGE HISTORY
- UHI WILL ACCEPT MEDICAL COLLECTIONS TOTALING *(NO MORE THAN \$2500)*
- ALL DEBTS MUST BE INCLUDED IN DTI (UNLESS THEY ARE INSTALLMENT LOANS WITH REMAINING PAYMENTS OF **10** MONTHS OR LESS
- BANKRUPTCIES MUST HAVE BEEN **DISCHARGED** AT LEAST TWO YEARS PRIOR TO APPLICATION. BORROWER MUST ALSO HAVE RE-ESTABLISHED CREDIT THAT IS ACCEPTABLE TO UHI
- ACCEPTABLE ALTERNATIVE CREDIT ALLOWED (12/MO OF HISTORY)
- DEROG CREDIT EXPLANATION LETTER REQUIRED

EXCLUDED FROM THIS PROGRAM:

- BALLOON LOANS
- PREPAYMENT PENALTY LOANS
- NON-OWNER OCCUPIED PROPERTIES AND/OR OTHER INVESTMENT PROPERTIES

- FNMA EA II AND FNMA III LOANS
- GIFT LETTERS FROM AMERIDREAM, NEHEMIAH, AND OTHER SUCH SELLER FUNDED GIFT PROGRAMS
- LOANS ARE NOT ASSUMABLE
- CASH BACK IS NOT ALLOWED

SPECIAL NOTES:

- ALL LOANS MUST BE APPROVED BY THE UHI LENDING MANAGER AND EXECUTIVE DIRECTOR.
- THE LOAN MUST MEET ALL UHI GUIDELINES
- WE REQUIRE AT LEAST 72 HOURS TO REVIEW A LOAN PACKAGE ONCE ALL REQUIRED DOCUMENTS HAVE BEEN SUBMITTED
- ***UHI, AT ITS SOLE DISCRETION, RESERVES THE RIGHT TO DENY SUBORDINATE FINANCING IF WE DEEM THE TERMS OF THE FIRST MORTGAGE ARE NOT AFFORDABLE, SUSTAINABLE OR ETHICAL***

**APPROVED: AUGUST 13, 2008
(ALL PREVIOUS INSTRUCTIONS OBSOLETE)**