

Healthy Neighborhoods First Mortgage Loans

Special Program for Purchasers of Homes from St. Ambrose Housing Aid Center in Belair-Edison, Patterson Park CDC in Patterson Park or Other Developers Approved by Healthy Neighborhoods

1. Eligible borrowers will be those who are purchasing a house on a target block in a Healthy Neighborhoods community. An eligible property may contain 1 to 4 properly zoned residential units; however, borrowers must be, or intend to be, owner occupants.
2. Eligible homes will be formerly vacant homes in Belair-Edison developed by St. Ambrose Housing Aid Center and in Patterson Park developed by the Patterson Park CDC or other formally vacant homes on a Healthy Neighborhoods target block approved by Healthy Neighborhoods.
3. Borrowers must be referred to the bank by a participating neighborhood organization that has pre-screened the borrower and explained the loan program. A non-refundable screening fee in the amount of \$100 may be charged by the neighborhood organization.
4. The maximum aggregate loan amount will be limited to the lesser of purchase price or appraised value of the property plus closing costs less a 3% investment by the borrower.
5. The loan will be used for purchase only.
6. New purchasers must invest at least 3% of the purchase price from their own funds.
7. Permanent loan interest rate will be 100 basis points below the 60-day Fannie Mae Rate as published in the Wall Street Journal, but in no event less than 4%, set at time of application at Bradford Bank. Rates are locked in for a period of 60 days. If the loan fails to close within the 60 day lock period, the lender will, at its discretion, re-lock the rate at 100 basis points below the current 60-day FNMA rate on the day of loan expiration.
8. There will be no private mortgage insurance premium required.
9. Maximum loan term is 30 years.
10. Developer must be pre-approved by Healthy Neighborhoods and will pay a 1 point fee to Healthy Neighborhoods.
11. Borrower will pay 1.5 points as a loan origination fee to Healthy Neighborhoods, plus all customary loan closing costs. These fees and customary loan closing costs may be included in the loan if the borrower has met the required cash contribution and loan amount does not exceed maximum program loan to value. Healthy Neighborhoods will be responsible for the costs of loan origination and certain other costs.
12. The loans will constitute a first mortgage on the property payable in fixed monthly payments.
13. Borrowers must meet Fannie Mae/Freddie Mac standard underwriting guidelines as to credit.

14. Borrower must show evidence provided by the developer that at least 30% of the ultimate purchase price of the property will have been expended on renovations including exterior improvements.