



Neighborhood Housing Services of the Black Hills

## **“NND DPCC” Neighbor Next Door Down Payment and Closing Cost Assistance Program**

**(Revisions effective 10/01/2018)**

### **Eligibility:**

- Applicants Household Income must be at or below 150% of the area median income (AMI)
- This program is only available to Public Servants such as Law Enforcement, Firefighters, Nurses, EMT’s, Teachers and Military etc. who live in the community they serve.
- Verification of Liquid Assets – Liquid Assets cannot exceed a maximum of \$10,000
- Completion of NeighborWorks Homebuyers Education Program is required prior to closing
- Loans available in South Dakota (Service area)
- \$500 Minimum Borrower Investment in to the transaction
- No Cash Back at Closing
- **The First Mortgage CD must be approved by NeighborWorks 72 hours prior to closing**

### **Terms and Conditions:**

- Three Loan Amounts to choose from : \$2,500, \$5,000, \$7,500
- **Interest Rate & Term: 3% for 10 Year Term, Fully Amortized (No Balloon option)**
- Second Mortgage
- Security: Note & Mortgage or loan agreement with prior approval
- Combined Loan-to-Value (CLTV) not to exceed 115%
- Appraisal of home or Tax assessed Value may be used (provided by 1<sup>st</sup> Mortgage lender)
- Funds not used for closing costs may be applied toward the down payment or as a principal reduction on the first mortgage at closing to avoid cash back to the borrower
- Proof of Insurance Required listing the lender as additional insured and loss payee

### **Fees/Closing Costs:**

- Settlement Fee **\$199**
- 1% Loan Origination Fee
- Recording Fees (currently \$60)
- Credit Report Fee (to be paid at time of application)
- Fees and closing costs **(to be paid by the borrower at closing and Can Not be rolled into the loan)**

**Payment Amount:** Monthly payments are required during the term of the loan. ACH Automatic Payments are required for this loan program.

**NOTE:** Funds can’t be used toward the borrowers’ required 3.5% down payment on FHA loans.

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