

DTI and Underwriting Standards

- No debt-to-income (DTI) or Loan-to-Value (LTV) overlays from NDHFA. Follow lender or mortgage insurer/guarantor requirements.
- No minimum credit score overlays.
- Fannie Mae and Freddie Mac loans must receive an Approve/Eligible (DU) or Accept (LP).
 - Approve/Ineligible is acceptable only if the ineligible risk class is a result in the LTV/CLTV exceeding Fannie Mae guidelines from use of Start/DCA funds.
 - ⊖ If Approved/Accept risk class cannot be achieved on conventional loans, loan file must be manually underwritten and submitted to NDHFA for approval.
- FHA, VA, and USDA-RD may be manually underwritten in accordance with respective guidelines as applicable.

Loan Type, Pricing and Lender Compensation

- FirstHome includes government insured/guaranteed loans and conventional loans servicing released to NDHFA.
- HomeAccess program available under Standard, DCA and Start options.
- North Dakota Roots includes government insured/guaranteed loans and conventional loans servicing released to NDHFA. Refinances available without DCA/Start.
- Zero point and origination fee option available for all loan types.
- Lender Compensation: 150 bps charged to borrower or paid by NDHFA (zero point option) with 75 bps fee paid for servicing released to NDHFA.

Reservation Terms and Expirations

Reservation Period	Existing Property	60 days
Contact NDHFA for extension options	New Construction	300 days
File Delivery and Purchase Conditions	15 days following loan closing	
Final Documents	90 days following loan closing	

Reservation follows the borrower, not the property. Contact NDHFA for changes. Extension and late delivery charges see Section 3 of Selling Guide.

PMI Coverage and Guidelines

LTV	Coverage
97% to 95.01%	35%
95% to 90.01%	30%
90% to 85.01%	25%
85% to 80.01%	12%
80.00 and below	No PMI required

Allowable PMI types

- Monthly PMI
- Single pay PMI (may be financed)
- Split premium PMI (may be financed)
- Lender paid PMI

NDHFA Requirements and Overlays for All Programs

- \$500 minimum borrower contribution required (own funds or gift) on all transactions. Roots refinance excluded.
- Property must be owner-occupied as primary residence.
- Non-occupying co-borrowers and/or cosigners are not allowed.
- Only borrower(s) and non-obligating spouse may sign the mortgage and take title.
- Rural properties are subject to restrictions regarding acreage, roads, buildings and easements. See Section 5 of Selling Guide.
- Escrow account with 2-month cushion required.
- Maximum hazard and flood insurance deductibles. See Section 7 of Selling Guide.
- Homeowner's Insurance policy required for purchase on manufactured homes.
- Condominium Association Master Policy and HOA binder required for purchase on condos.

Income Calculation

Refer to Section 4 of NDHFA Selling Guide

- FirstHome loans: Borrower(s) and spouse (including non-obligating) gross annual income. Include all sources of income, even that which is not being used for credit underwriting.

FirstHome™ Program

	Standard	DCA	Start	HomeAccess
Loan Type	Conventional, FHA, VA and USDA-RD	Conventional, FHA, VA and USDA-RD	Conventional, FHA, VA and USDA-RD	Conventional, FHA, VA and USDA-RD
Assistance Loan Term	Not Applicable	Second lien (no separate payment);96 payments made on first mortgage ¹	Second lien (no separate payment); 96 payments made on first mortgage ¹	Not Applicable
Assistance Amount	Not Applicable	3% of mortgage loan amount	3% of mortgage loan amount	3% of mortgage loan amount
Income Limits	See website for current limits	See website for current limits	See website for current limits	See website for current limits
Income Calculation	Gross annual income (Selling Guide Section 4)	Gross annual income (Selling Guide Section 4)	Gross annual income (Selling Guide Section 4)	Gross annual income (Selling Guide Section 4)
First-time Homebuyer	Required ²	Required ²	Required ²	Not required, ³ eligibility requirements must be met ⁴
Acquisition Cost Limits	See website for current limits	See website for current limits	See website for current limits	See website for current limits
Property Types	1-to-4-unit property ⁵ (1 unit owner occupied), Manufactured Housing, Condominiums	1-to-2-unit property ⁵ (1 unit owner occupied), Manufactured Housing, Condominiums	1-to-2-unit property ⁵ (1 unit owner occupied), Manufactured Housing, Condominiums	Applicable FirstHome parameters apply
Maximum Allowable Land	10 acres	10 acres	10 acres	10 acres
Homebuyer Education	Not required	Required	Not required	Applicable FirstHome parameters apply
Flood Plain	Eligible with flood insurance	Eligible with flood insurance	Eligible with flood insurance	Applicable FirstHome parameters apply
Remaining Economic Life	Minimum 33 1/3 years	Minimum 33 1/3 years	Minimum 33 1/3 years	Minimum 33 1/3 years
Required Bond Documents	Upfront: Compliance Worksheet, Personal Property Addendum, Appraisal Addendum A, Residency and Income Statement, Recapture Tax Disclosure	Upfront: Compliance Worksheet, Personal Property Addendum, Appraisal Addendum A, Residency and Income Statement, Recapture Tax Disclosure, DCA Disclosure	Upfront: Compliance Worksheet, Personal Property Addendum, Appraisal Addendum A, Residency and Income Statement, Recapture Tax Disclosure, Start Disclosure	Upfront: Applicable FirstHome parameters apply
	Closing: Signed FirstHome Mortgage Submission Voucher, Affidavit of Buyer, Affidavit of Seller, Tax-exempt Financing Rider, Estimate of Real Estate Taxes on New Construction or Homestead Credit, Wireless Communication Authorization	Closing: Signed FirstHomeMortgage Submission Voucher, Affidavit of Buyer, Affidavit of Seller, Tax-exempt Financing Rider, Declaration of Lien Interest, Estimate of Real Estate Taxes on New Construction or Homestead Credit, Wireless Communication Authorization	Closing: Signed FirstHomeMortgage Submission Voucher, Affidavit of Buyer, Affidavit of Seller, Tax-exempt Financing Rider, Declaration of Lien Interest, Estimate of Real Estate Taxes on New Construction or Homestead Credit, Wireless Communication Authorization	Closing: Applicable FirstHome parameters apply

Roots Program

	Standard/Refinance	Start
Loan Type	Conventional, FHA, VA and USDA-RD	Conventional, FHA, VA and USDA-RD
Assistance Loan Term	Not Applicable	Second lien (no separate payment); 96 payments made on first mortgage ¹
Loan Limits	Follow loan insurer/guarantor loan limits	Follow loan insurer/guarantor loan limits
Assistance Amount	Not Applicable	3% of mortgage amount
Income Limits	Not Applicable	Not Applicable
Income Calculation	Not Applicable	Not Applicable
First-time Homebuyer	Not Required ³	Not Required ³
Acquisition Cost Limits	Not Applicable	Not Applicable
Property Types	1-to-4-unit property ⁵ (1 unit owner occupied), Manufactured Housing, Condominiums	1-to-2-unit property ⁵ (1 unit owner occupied), Manufactured Housing, Condominiums
Maximum Allowable Land	40 acres	40 acres
Homebuyer Education	Not required	Not required
Flood Plain	Eligible with flood insurance	Eligible with flood insurance
Remaining Economic Life	Not Applicable	Not Applicable
Required Bond Documents	Upfront: None	Upfront: Start Disclosure
	Closing: Signed Roots Mortgage Submission Voucher, Wireless Communication Authorization	Closing: Signed Roots Mortgage Submission Voucher, Declaration of Lien Interest, Wireless Communication Authorization

NDHFA's Selling Guide can be found at www.ndhousing.nd.gov.

¹Assistance second lien paid in full after 96 payments made on first mortgage; pro-rated amount due on home sale or refinance.

² First-time homebuyer, no homeownership as **principal** residence in last three years.

³ Borrowers may only have one existing property financed with NDHFA.

⁴ Eligible households include those with an immediate family member that is: permanently disabled; age 65 or older; a single parent; or a veteran. Refer to Section 14 of Selling Guide for further details.

⁵ 2-4-unit properties must be at least five years old

