



MEMORANDUM

TO: NeighborWorks® Lender Partners
FROM: Maureen Rude, Operations Director
DATE: December 3, 2009
RE: Changes to NW Loan Programs

NeighborWorks® had a large volume of loans in 2009, and we would like to thank our lender partners for working with us. We have several changes we need to make in our loan programs. These changes will be incorporated into revised program guidelines posted at www.nwmt.org/informationforlenders.html shortly, but we wanted to give you advance notice.

- The loan packaging fee for NW loans will be increased to \$375, effective for loan packages received after January 1, 2010. In addition, due to the new RESPA rules and costs for postage, documents, wiring, etc. we are now instituting an “average cost” for these document and mailing charges for each loan of \$25 for locations outside of Great Falls. We will begin putting this on all disclosures beginning 1/1/10.
- We have received notice from HUD/FHA that we must limit our down payment and closing cost assistance to borrowers at or below 115% of Area Median Income (AMI) rather than the 125% we previously allowed. Therefore ALL FHA loans with NW assistance must be to borrowers below 115% of AMI. NW will allow up to 125% for borrowers using RD, VA, or conventional financing.
- The bond pool is completed and therefore will be removed from the matrix and guidelines. It is being replaced by an “EQ2” program funded by lender/bank investments, only those lenders participating in EQ2 will be offered the lower rates in that program. For information on the EQ2 program, please contact Sheila Rice at 406-761-5861.
- We are adjusting our interest rates effective January 1, 2010. These rates are being adjusted to more closely reflect the rates of our secondary market, while still providing the lowest rates to the lowest income borrowers. We will be using our secondary market to review and adjust rates going forward on a quarterly basis.

Please contact me directly should you have any questions at 406-458-8704 or mrude@nwmt.org.

