

Neighborhood Revitalization Purchase Program Term Sheet

PURPOSE	
<p>The Neighborhood Revitalization Program offers incentives to potential buyers who qualify for the SONYMA Achieving the Dream program and wish to purchase homes in need of repair in New York State. Subsidy available under the program can only be used for “necessary” renovations as determined by the Agency. Owner occupant buyers will bring economic stability and growth to neighborhoods and improve property values of the surrounding homes.</p>	

MAIN FEATURES OF PROGRAM	
Interest Rate:	SONYMA Achieving the Dream Rate
Loan Term:	30 years
Borrower Points:	None required
Rate Lock Period:	120 days
Maximum Lender Compensation and Allowable Fees:	2.5% of loan amount. Lenders will be paid an additional .5% for any loan originated with a SONYMA Down Payment Assistance Loan (DPAL). As with traditional SONYMA financing, Lenders may charge up to \$850 in ancillary fees or \$900 for those lenders using SONYMA Express.
Down Payment Assistance (SONYMA DPAL):	<ul style="list-style-type: none"> • Assistance can be the higher of \$3,000 or 3% of the home’s purchase price plus financed renovation costs up to a maximum of \$15,000. • May be used to toward down payment, all, or a portion of a one- time mortgage insurance premium, or other closing costs • Interest rate on first mortgage will be .375% higher, except when using the Homes for Veterans, Energy Star or Graduate to Homeownership programs. • “Soft” second mortgage. <ul style="list-style-type: none"> ▪ 10-year term ▪ Requires no monthly payment ▪ Must be in second lien position ▪ Bears no interest • Subject to possible recapture.
Neighborhood Revitalization Renovation (NRP) Subsidy:	<ul style="list-style-type: none"> • Structured the same as RemodelNY • Up to \$20,000 (with same terms as DPAL above) available for home repairs to be provided as work is completed after closing. The NRP subsidy is available for eligible repairs only if (i) the eligible repairs are considered “necessary” as determined by the Agency, and (ii) there is not sufficient equity in the “After-Improved Value”, to support the renovation funds required, or the borrower cannot qualify to borrow the full amount of the funds needed to complete the renovations. • SONYMA will administer the funds. • If additional funds are needed for property repair, borrowers can use outside grant programs and/or SONYMA’s RemodelNY Program to finance the remaining repairs.

Eligible Borrowers:	Owner occupants.			
Loan Purpose:	Purchase Rehabilitation Mortgage			
Maximum Household Income:	SONYMA Achieving the Dream Income Limits			
Eligible Property Types, Loan Limits, Max LTVs, Minimum Borrower Contribution:	Property Type	Loan Limit	Max LTV	Minimum Contribution
	1-2 Units & Condos	\$548,250	97%	1% of Purchase Price
		\$548,251 - \$600,000	95%	1% of Purchase Price
			90%	3% of Purchase Price
Cooperatives	Up to \$548,250 \$548,251 and above	95% 90%	3% of Purchase Price 3% of Purchase Price	
3-4 Units	Up to \$548,250 \$548,251 and above	90% 85%	3% of Purchase Price 5% of Purchase Price	
Maximum CLTV:	None			
Eligible Communities:	Must be in New York State			
Purchase Price Limits:	SONYMA Purchase Price limits			
Pre-Closing Homebuyer Education & Counseling Requirements:	Face-to-face counseling from a HomeSmartNY member counseling agency required for all loans. Up to \$500 may be reimbursed after closing for the homebuyer counseling fee.			
Credit Underwriting:	<p>Standard SONYMA underwriting guidelines apply, except as below: Exceptions granted for borrowers with prior foreclosure or short sale specifically related to financial crisis. Borrower must document:</p> <ul style="list-style-type: none"> • Reason for loss of home <ul style="list-style-type: none"> ▪ Job loss or job downsizing ▪ Substantial change in payment ▪ Relocation or other circumstance requiring sale of home that was underwater due to decreased property values. • 36 months re-established credit with no late payments and a 12-month housing reference • Mortgage paid as agreed until delinquency caused by financial crisis 			
Consultant Requirement:	The scope of work to be completed on the home must be completed by a HUD or SONYMA approved consultant.			

<p>Contractor Requirements:</p>	<ul style="list-style-type: none"> • If the subject property was constructed prior to 1978 and there is lead based paint remediation, more than 6 square feet of painted space being disturbed, or the windows are being replaced, the contractor must be Lead Based Paint Certified, per EPA regulations. • If there is mold remediation, or asbestos removal, the contractor must be certified to perform such work. • Contractors should be licensed to perform any work requiring licensing. • Contractors should provide their liability insurance policy (in an amount no less than the loan amount).
<p>Eligible Improvements:</p>	<ul style="list-style-type: none"> • Any outstanding health and safety items, building code violations or structural items must be addressed. • The renovations being funded with the NRP subsidy must be necessary. Other repairs may also be included in the overall scope of work, but the cost of those repairs is to be financed into the loan instead of funded by the subsidy. The subsidy can cover the contingency reserve, inspection, and permit fees for all repairs. Examples of eligible improvements are listed below. (This list is not all inclusive and the Agency reserves the right to determine, in its sole discretion, that renovations are not “necessary”.): <ul style="list-style-type: none"> ○ Structural improvements or repairs necessary to bring the home up to code (e.g., repair or replacement of structural damage, roof replacement, chimney repair, repair of termite damage and the treatment against termites or other insect infestation, etc.) ○ Elimination of health and safety hazards (including the resolution of defective paint surfaces or lead-based paint problems on homes built prior to 1978, mold remediation and asbestos abatement, etc.). ○ Reconditioning or replacement of major systems (Including plumbing, heating, air conditioning and electrical systems. Installation of new plumbing fixtures is acceptable. Connecting to public water and/or sewer system, or installation of Well and/or Septic System is also acceptable. The well or septic system must be installed or repaired prior to beginning any other repairs to the property.) ○ Necessary improvements to kitchens or bathrooms (Repairs must be needed and not of an exclusively cosmetic nature. e.g., work needed to accommodate new fixtures, cabinetry, countertops, flooring, energy star rated appliances, etc.). ○ Energy conservation improvements (e.g., energy saving thermostat, new double pane windows, steel insulated exterior doors, insulation, tankless or solar domestic hot water systems, caulking and weatherstripping, etc.). ○ Improvements for accessibility to the Handicapped (e.g., remodeling kitchens and baths for wheelchair access, lowering kitchen cabinets, installing wider doors and exterior ramps, etc.).

Post-Closing Early Delinquency Intervention Counseling	Required in the event of a delinquent (1 x 60) mortgage payment post-closing.
Special Circumstance for Purchase of a Vacant Property Renovated and being sold by a Municipality or Nonprofit	NRP funds may be used entirely for down payment assistance to purchase vacant properties that have been renovated and sold as-is by a nonprofit agency or municipality.

APPLICATION PROCESS

1. Homebuyers must be under contract to purchase a home in New York State
2. Homebuyers must apply through a SONYMA participating lender
3. If approved by SONYMA participating lender and MI Company, lender can work with SONYMA to procure DPAL and Renovation funds prior to closing
4. Homebuyers meeting requirements for SONYMA traditional bond programs should use traditional program disclosures at borrower application.

For more information, contact SONYMA's Customer Service Center by calling (800) 382-HOME (4663), emailing sherri.eckles@nyshcr.org, or by visiting the SONYMA website at www.sonyma.org