



your resource for Affordable Housing



REQUIRED STANDARDS FOR NEW MORTGAGE LOANS

Prior to the sale of a unit, the Monitoring Agent or DHCD will review and approve the terms of the buyer's mortgage financing. Mortgage loans must meet the following minimum standards:

1. **Be a fully amortizing fixed rate mortgage with a down payment of at least 3%, at least half of which must come from the buyer's own funds.**
2. **Be made by an institutional lender.**
3. **Have a fixed interest rate through the full term of the mortgage that is a current fair market interest rate.**
4. **No more than 2 points**
5. **Monthly housing (inclusive of principal, interest, property taxes, hazard insurance, private mortgage insurance and condominium or homeowner association fees) may not exceed 38% of the buyers monthly income for the mortgage.**
6. **Non-household members shall not be permitted as co-signers of the mortgage.**
7. **VA and FHA Loans are NOT accepted.**

It is recommended applicants consider the One Mortgage Program through MHP. For a list of some recommended lenders offering this program, please visit this page of our web site.

www.mcobousingservices.com/financing.htm

(Updated MCO April 2020)



Potential applicants will not be discriminated against on the basis of race, color, religious creed, marital status, military status, disability, national origin, sex, age, ancestry, sexual preference, source of income, presence of children, or any other basis prohibited by local, state or federal law.

