

Residential Loan Program

Whether the place you want to call home is urban or rural, the Residential Loan Program can help you buy your first house. This brochure doesn't include every program requirement, but it will give you an idea of what Oregon Housing and Community Services has to offer.

We have two interest rate options you can choose between:

RateAdvantage Home Loan

- Hard-to-beat below-market rates
- Maximize purchasing power
- Lower monthly payments
- Long-term interest savings
- No prepayment penalty

With a **RateAdvantage Home Loan**, you will get a low fixed rate to maximize your home purchasing power.

CashAdvantage Home Loan

- Still a very good rate
- 3 percent cash assistance
- Lower your cash-to-close
- Cash assistance is like a gift (no repayment)
- No prepayment penalty

With a **CashAdvantage Home Loan**, you will get a low, fixed-interest rate on your home loan along with cash assistance equal to 3 percent of the note amount. This option helps you come up with the cash you may need to close the loan.

Regardless of which pricing option you choose, the eligibility and program requirements are the same. For current rates, please visit our website at www.oregonbond.us. To qualify, eligible borrowers must meet all applicable program and lender requirements.

Call one of the lenders from the list on our website at www.oregonbond.us to help you get started.



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Call toll free 1-877-ST8-BOND (1-877-788-2663) or visit our website at www.oregonbond.us for more information.

How does the program work?

Oregon Housing and Community Services (OHCS) is the state's housing finance agency. We periodically issue mortgage revenue bonds to fund lower-than-market interest rate mortgage loans for Oregon homebuyers. Lower interest rates help eligible low to moderate income homebuyers maximize their purchasing power.

What's my first step?

Your first step toward homeownership is to contact one of our lenders (the list is on our website at www.oregonbond.us). Your lender will help you pre-qualify—then you can begin looking for that dream home!

When you have found your house and have signed an earnest money agreement, your lender will reserve loan funds for you.

Your lender will process your loan according to underwriting procedures established by the US Department of Housing and Urban Development, or Rural Development, and OHCS.

After the mortgage is approved and closed, OHCS purchases the mortgage to hold as a long-term investment.

Your eligibility requirements

A qualified homebuyer cannot have an annual gross household income that exceeds program limits effective April 19, 2009. Visit our website at www.oregonbond.us for a complete list of limits by region and household size.

To qualify, you must be a first-time homebuyer, which means you have not owned and occupied a primary residence at any time during the three-year period prior to the date you sign your mortgage and Note. (This requirement is waived if the property being purchased is located in a "Targeted Area" and you have transferred any residential property previously owned prior to closing the loan.)

Targeted Areas include all of Baker, Clatsop, Coos, Crook, Harney, Jefferson, Josephine, Klamath, Lake, Malheur, Union, Wallowa and Wheeler counties; cities (within the city limits) of Ashland, Milton-Freewater, Myrtle Creek, Port Orford, Silverton, Turner and Vernonia; and portions of Albany, Eugene, Medford and Portland.

Your lender or OHCS can tell you if the property you want is in a Targeted Area.

Only Oregon residents are eligible. There is no minimum time of residency prior to closing.

Property requirements

Houses that qualify for the Residential Loan Program can be new or previously owned, site-built homes, manufactured homes (permanently attached to acceptable foundations), condominiums, or units in a Planned Unit Development. They can be anywhere in Oregon.

The maximum purchase price varies by county and whether the property is in a community designated as a Target Area.

Current purchase price limits are posted on our website at www.oregonbond.us, or you can call us toll free at 1-877-ST8-BOND (1-877-788-2663).

Types of loans available

All loans under the Residential Loan Program must be insured under the Federal Housing Administration (FHA) or guaranteed by Rural Development.

The maximum loan amount will be based on the appraised value of the property or purchase price, whichever is less. Loans that close with a loan-to-value of 80 percent or less do not require mortgage insurance.

The funds may not be used to refinance an existing home loan.

The mortgage loan term for a site-built house is 15 to 30 years. It's the same for a manufactured home,

as long as it is permanently located on a lot owned by the borrower if the respective mortgage insurer insures the home to 30 years.

A manufactured home must also meet the appropriate insurer's requirements, which includes a manufacture date after June 14, 1976 and a living area of at least 400 square feet.

Standard downpayments and qualifying ratios are acceptable. The mortgage insurance premium and allowable closing costs may be added to the loan amount as long as the loan is insurable.

The loan origination fee and discount will vary with each loan, but in all cases the combined loan origination fee and discount points cannot exceed 1.75 percent of the amount of the note.



**Oregon Housing and
Community Services**

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**What We Do
Matters!**