

## HOMEstead PROGRAM SECOND MORTGAGE ASSISTANCE Needs Assessment Form

Date: \_\_\_\_\_ Series: \_\_\_\_\_

Borrower: \_\_\_\_\_ SS#: \_\_\_\_\_

Co-Borrower: \_\_\_\_\_ SS#: \_\_\_\_\_

**\*\*Round All Amounts Off To The Nearest Dollar\*\***

Purchase Price \$ \_\_\_\_\_ Mortgage Amount \$ \_\_\_\_\_

| ASSETS            |      |               |             | ELIGIBLE DOWN PAYMENT AND CLOSING COST FOR ASSISTANCE |          |               |             |
|-------------------|------|---------------|-------------|---|----------|---------------|-------------|
|                   |      | <u>Lender</u> | <u>PHFA</u> |   |          | <u>Lender</u> | <u>PHFA</u> |
| Cash Deposit Paid | (*1) | \$ _____      | \$ _____    |   |          |               |             |
| Checking/Savings  | (*2) | \$ _____      | \$ _____    |   |          |               |             |
| Gifts             |      | \$ _____      | \$ _____    |   |          |               |             |
| CD's              | (*3) | \$ _____      | \$ _____    |   |          |               |             |
|                   |      |               |             | Total Closing Costs                                   |          |               |             |
|                   |      |               |             | From *GFE of Closing Costs                            |          |               |             |
|                   |      |               |             | (*) (exclude FHA                                      |          |               |             |
|                   |      |               |             | Upfront MIP, VA                                       |          |               |             |
|                   |      |               |             | Funding & RHS   |          |               |             |
|                   |      |               |             | Guarantee fee (B)                                     | \$ _____ | \$ _____      |             |
| Money Market      |      | \$ _____      | \$ _____    |   |          |               |             |
| Stocks/Bonds      |      | \$ _____      | \$ _____    |   |          |               |             |
| Profit Sharing    | (*4) | \$ _____      | \$ _____    |   |          |               |             |
|                   |      |               |             | Deduct Closing Costs                                  |          |               |             |
|                   |      |               |             | Paid by Seller or                                     |          |               |             |
|                   |      |               |             | other Entity (C)                                      |          |               |             |
| Other             | (*5) | \$ _____      | \$ _____    |   |          |               |             |
|                   |      |               |             | Total Cash  |          |               |             |
|                   |      |               |             | Requirement   |          |               |             |
| Deduct required   | (*6) | \$ _____      | \$ _____    |   |          |               |             |
| Downpayment       |      | \$ _____      | \$ _____    |   |          |               |             |
|                   |      |               |             | (*) (D)   |          |               |             |
|                   |      |               |             | \$ _____  | \$ _____ |               |             |
|                   |      |               |             |   |          |               |             |
| TOTAL ASSETS      | (A)  | \$ _____      | \$ _____    |   |          |               |             |

\*Refer to numbered or lettered instructions on back of form.

“PHFA” is for PHFA use only.

**Please Note: No Closing Cost Assistance will be granted on less than maximum financed loans. Any additional dollars the borrower has must go towards closing costs before additional down payment.**

### CALCULATION OF TOTAL AMOUNT OF ASSISTANCE NEEDED

|  |  | <u>Lender</u>           | <u>PHFA</u>          |
|--|--|-------------------------|----------------------|
| 1) - Total Assets (From Line "A" Above)                        |  | 1. \$ _____             | \$ _____             |
| 2) - <u>Less</u> Asset Allowance                               |  | 2. \$ <u>(5,000.00)</u> | \$ <u>(5,000.00)</u> |
| 3) - Total Assets Available                                    |  | 3. \$ _____             | \$ _____             |
| 4) - Total Eligible Costs for Assistance-(From Line “D” above) |  | 4. \$ _____             | \$ _____             |
| 5) - Additional Amount for Affordability/Downpayment           |  | 5. \$ _____             | \$ _____             |
| 6) - Subtotal  |  | 6. \$ _____             | \$ _____             |
| 7) - Less Total Assets Available (Line 3)                      |  | 7. \$ _____             | \$ _____             |
| 8) - Total Amount of Assistance Needed                         |  | 8. \$ _____             | \$ _____             |

(May not exceed \$10,000 or be less than \$1,000)

PLEASE NOTE: (If line 8 is less than \$1,000, NO ASSISTANCE SHALL BE GRANTED.)

#### Preliminary Lender Certification

I certify that the "Total Amount Of Assistance Needed" for the above referenced borrower(s) is \$ \_\_\_\_\_

\_\_\_\_\_  
Name of Originating Lender

\_\_\_\_\_  
Signature of Officer

#### For PHFA Use Only

B.A. È

\_\_\_\_\_ Approved \$ \_\_\_\_\_ or \_\_\_\_\_ Rejected because \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

The HUD 1 Settlement Sheet will be used to verify the actual amount of assistance disbursed at loan closing. Cash back to the borrower is limited to \$100 in excess of reimbursement for POC items. Any additional funds must be reimbursed to PHFA, and the HOMEstead loan must be reduced accordingly (or the first mortgage when there is no PHFA second). When submitting the loan for purchase, please include a check made payable to PHFA for any unused portion of assistance provided.

**Instructions for Completing the Needs Assessment Form  
HOMESTEAD SECOND MORTGAGE ASSISTANCE PROGRAM**

**ASSETS**

Enter all liquid assets (see *Seller's Guide* for definition) of the Borrower(s) according to categories listed on the form.

1. Refers to earnest deposit or hand money paid by the Borrower apart from funds shown on V.O.D.'s or gift letters in file.
  2. Defined as funds in checking and savings accounts.
  3. Must be included regardless of maturity dates.
  4. These accounts are included only if they can be withdrawn without a penalty.
  5. Include prepayment of the Participation Fee, Qualifying Fee, and any other closing costs.
  6. Assets necessary for the minimum downpayment must be deducted from the total assets to determine the balance of assets available for closing costs.
    - *For 95% Conventional loans, show the amount equal to 5% of the purchase price (borrowers with credit scores greater than or equal to 660, only need \$1000 of their own funds, the balance of the 5% can be a gift or come from the HOME funds).*
    - *For 97% loans, show the amount equal to 3% of the purchase price (borrowers with credit scores greater than or equal to 660, only need \$1000 of their own funds, the balance of the 3% can be a gift or from the HOME funds).*
    - *For FHA, VA and RHS Loans, -0- is to be listed on this line.*
- A. Total Assets are used to determine the total amount of assistance needed. (Assets exceeding \$5,000.00 must be used toward the purchase of the home). In all cases, we will require verification that the borrower(s) have sufficient funds to cover their minimum required investment.

**Eligible down Payment and Closing Cost Assistance**

B) Enter the total closing costs from the "Good Faith Estimate of Closing Costs". This estimate is NOT to include any monthly PITI reserves.

Eligible closing costs include the following:

|  |                  |                           |
|--|------------------|---------------------------|
| Origination Fee                          | Notary Fees      | Recording Fees            |
| Application Fee or Credit/Appraisal Fees | Transfer Tax     | Survey                    |
| Interest to First of the month           | Realtor Fees     | Tax Escrow                |
| First Year Mortgage Insurance Premium    | Insurance Escrow | Administrative Fee        |
| First Year Hazard Insurance Premium      | Title Insurance  | Mortgage Insurance Escrow |
| Pro-rata Tax Reimbursement               |                  |                           |

Any other costs other than those listed above must be approved by the Agency prior to inclusion.

\* **Please note: The VA Funding Fee, the RHS Guarantee Fee and the FHA Upfront MIP are NOT eligible closing cost because they can be financed in the Mortgage.**

- C) Deduct closing costs paid by seller or other entity.
- D) Subtract C (if applicable) from B for the "Total Cash Requirement".

**DETERMINATION**

The steps to determine estimated assistance are

- 1) - List Total Assets from Line A.
- 2) - Borrower's Asset Allowance is \$5,000.
- 3) - Total Assets Available - (Line 1 minus Line 2)
- 4) - Enter the total Cash Requirement amount from line "D" above.
- \*5) - Enter additional amount to make the loan affordable for the borrower.
- 6) - Subtotal.
- 7) - Deduct Assets Available (from Line 3).
- 8) - Enter total Amount of Assistance Needed. (May not exceed \$10,000 nor be less than \$1,000)

If assistance needed is less than \$1,000, no assistance will be granted.

**Preliminary Lender Certification**

Enter the amount of assistance needed (if the amount exceeds the maximum then enter the maximum amount) on the appropriate line. Please properly complete all other sections as designated.

\* This program is designed to make the home purchase more affordable for homebuyers. Borrowers may experience payment shock; Line 5 is to be used to determine an amount that will help make the first mortgage more affordable for the homebuyer. The amount on line 5 will depend on the factors in the balance of the file. This amount represents the difference between the affordable loan amount and the loan amount based on 97% of the sales price.