

Pre-Realtor NWL Buyer Process

1. Apply (online at nwlincoln.org)
2. Attend homebuyer classes
3. NWL pre-approval + counseling
4. Mortgage lender pre-approval
5. Buy a home

Program Guidelines

- Maximum appraised home value after rehab: **\$247,000** (9/2024)
 - Buyer equity: \$1,000
 - Typical AMI: 60% - 100%
 - Owner-occupied/vacant properties only (tenant-occupied or investment properties are not eligible with NWL)
 - DPA amount: up to \$50,000*
 - Forgiveness: 1st \$35,000 forgiven over 10 years, decreasing by 1/10 annually on the anniversary of the 2nd mortgage. Any balance over \$35,000 is deferred*
- *In NRSA/LMI target areas and below 80% or below AMI

Realtor Information

- Familiarity with NRSA, LMI areas
- Use **NWL HOME Addendum** with any Purchase Agreement
- Coordinate inspection with Rehabilitation Manager ASAP (1st inspection after accepting PA to confirm property is eligible for program/avoid out-of-pocket client expenses)
- **45-day close REQUIRED** to allow for inspection(s) and bids
- If your company uses closing information sheets, include NWL as 2nd lender

1st Mortgage Details

- 95% LTV (uninsured) non-conforming conventional loan
- Loan serviced locally/no PMI
- Lenders: Security First, US Bank, West Gate Bank
- Maximum total DTI: 43%
- Credit score: 640/660
- Qualification: Income verification and DTI ratios considered
- Escrow, closing fee, title insurance can be split 50/50 with buyer/seller
- NWL clients may pay **up to \$600** of Broker's administrative commission

- Any title company may be used

Timing/Deadlines

- Purchase Agreement (incl. addendums: HOME Addendum, Sellers' Property Condition Disclosure, Lead Paint, Buyer's Agency Agreement Broker Compensation Addendum and Authorization to Obtain Inspections) must be presented to mortgage lender and NWL within 48 hours of acceptance
- 1st inspection scheduled must be with NWL's Rehab Manager to determine if property is eligible for program
- An MLS lock box may be used during the bidding phase for ease of contractor access (with permission of seller and listing agent)
- Buyer/agent to **gather 2 bids for rehab work** (from approved NWL list)
- Seller repairs must be done prior to closing, with adequate time for NWL to inspect for completeness
- The bids must be reviewed with Rehab Manager **and** final bid accepted and signed off on
- Closing should be scheduled for 3 p.m. or later to ensure flow of funds from the City of Lincoln

Loan Example

Home bought in NRSA or LMI target area by **client at or below 80% AMI**, assistance up to \$50,000 (1st \$35,000 is forgiven over 10 years, decreasing by 1/10th annually on the anniversary of the 2nd mortgage. Any balance over the \$35,000 is deferred)

- Purchase Price: \$180,000
- 5% Down Payment: \$9,000
- Closing Costs: \$8,000
- NWL Rehab Needed: \$25,000

NWL Loan Amount: **\$41,000**
\$42,000 less \$1,000 buyer cash

Other Ways to Help

1. Find **land**
2. Volunteer at NWL events or as an interpreter
3. Serve on a committee
4. Spread the word about the Prairie Roots Community Land Trust to clients and affordable builders

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