

## 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			
		Lender	PHFA			Lender	PHFA
Cash Deposit Paid	(*1)	\$ _____	\$ _____				
Checking/Savings	(*2)	\$ _____	\$ _____	Total Closing Costs			
Gifts		\$ _____	\$ _____	From *Loan Estimate			
CD's	(*3)	\$ _____	\$ _____	(*) (exclude FHA			
				Upfront MIP, VA			
				Funding & RHS			
				Guarantee fee (B)	\$ _____	\$ _____	
Money Market		\$ _____	\$ _____	Deduct Closing Costs			
Stocks/Bonds		\$ _____	\$ _____	Paid by Seller or	\$ _____	\$ _____	
Profit Sharing	(*4)	\$ _____	\$ _____	other Entity (C)			
Other	(*5)	\$ _____	\$ _____	Total Cash			
SUBTOTAL		\$ _____	\$ _____	Requirement			
Deduct required				(*) (D)	\$ _____	\$ _____	
Downpayment	(*6)	\$ (_____)	\$ (_____)				
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

		Lender	PHFA
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 Closing Disclosure 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 Conventional and FHA loans, show the amount equal to the required investment (borrowers need to contribute the lesser of \$1000 or 1% of the loan amount).*
    - *For VA and RD 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 "Loan estimate". 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.