

# Home Buyer Mortgage Program

- INTEREST RATE:** Please call a participating lender for current rates or call 1-800-NJ HOUSE.
- MORTGAGE LOAN MATURITY:** 30 year term and 40 year terms available, conventional, fixed rate, maximum 100% Loan-to-Value (LTV). Loans may also be submitted using FHA, VA or RHS guidelines (30 year term only). *Loan-to-value percentage is the unpaid balance of the mortgage principal to the appraised value or sale price (whichever is lower) of the property.*
- FEES:** Borrowers must pay 1% of the loan amount at time of application. The lender will reimburse borrower at the time of closing on a zero point loan.
- ELIGIBLE PROPERTIES:** One-family units, including condominiums (new and existing), 2- to 4-family dwellings which have been in existence for 5 or more years. Targeted area only: any new or existing 2 unit dwelling. To determine if your proposed home is within an Urban Target Area (UTA), visit the Smart Growth Locator at [www.njlocator.gov](http://www.njlocator.gov) and follow the instructions and look up the UTA's by using the UTA list.
- ELIGIBLE BORROWERS:** Individuals only. Corporations are not permitted to act as borrowers. Borrowers purchasing properties located in the statewide areas must be first time home buyers. Borrowers purchasing properties located in the targeted areas do not have to be first time home buyers, however, at the time of loan closing no other residential properties may be owned.
- OCCUPANCY:** Property must be occupied as the borrower's primary residence within 60 days of closing. Borrower must maintain occupancy for the life of the loan.
- MORTGAGE INSURANCE:** the following coverage is required on all conventional loans and is determined by downpayment.

100% to 97.01 LTV	40% coverage regardless of loan term. <b>(Applies to one family units only.)</b>
97% to 95.01% LTV	35% Coverage for a 30 year term
95% to 90.01% LTV	30% coverage regardless of loan term
90% to 85.01% LTV	25% coverage regardless of loan term
85% to 80.01% LTV	12% coverage regardless of term
Loans processed under the FHA, VA and/or RECD guidelines must have the appropriate insurance or guarantee.	

- HOME BUYER EDUCATION:** All Community Home Buyers Program borrowers must participate in lender sponsored counseling sessions and be issued a certificate upon completion.



9. **DOWNPAYMENT REQUIREMENTS:** For conventional loans, insured with private mortgage insurance, downpayments as low as 0% are acceptable. If FHA insurance is used, the downpayment is based on mortgage amount and varies from 3-5%. VA and RECD do not require downpayments.

10. **CLOSING COSTS:** Borrower may fund closing costs with gifts or unsecured loans from non-profit organizations or public entities. Escrow payments must be paid from borrower's liquid assets.

11. **INCOME LIMITS:** Income limits for all mortgage programs are determined by the area of purchase as well as family size (listed on separate sheet).

12. **PURCHASE PRICE LIMITS:** Purchase price limits exist for both the statewide and target areas. Loans submitted using FHA, VA and/or RECD guidelines must adhere to FHA or HMFA guidelines (whichever is lower) regarding purchase price limits or mortgage loan limits.



**HMFA**  
New Jersey Housing  
and Mortgage  
Finance Agency