

## MBOH Homeownership Program Update November 24, 2008

**Regular Program rate:** We raised the mortgage interest rate in the regular bond program to 6.5% as of 5:00 p.m. November 14<sup>th</sup>. Unfortunately, the cost of 30-year mortgage bonds has gone up since our last bond issue in August, forcing our cost of funds upward as well. Please remember that the regular program is now divided into two sub-sets called “Whole Loans” and “MBS Loans” as follows:

	WHOLE LOANS	MBS LOANS
Interest rate as of 11/14/08		
(subject to change)	6.50%	6.50%
FHA loans eligible?	Yes	No
VA loans eligible?	Yes	No
RD loans eligible?	Choice made by each lender	Choice made by each lender
Genworth loans eligible?	No	Yes
Deep Equity loans eligible?	No	Yes
Option for 1/8% rate reduction?	Yes	No
Home Buyer Ed required	No	Genworth & Deep Equity - Yes
Lender fees charged to buyer?	No	No
Originator sells loan to:	MBOH	US Bank Home Mortgage

**Fees that can be assessed to the buyer:** Hard costs for items to third parties (not to the originating lender) can be passed along to the buyer in MBOH programs. This includes the Tax Service fees and MBS funding fee charged by US Bank on MBS loans.

**Setaside Program interest rate:** The current mortgage rate in the setaside program is 5.5%, with MBOH paying 1.5% lender fees. All Setaside loans are Whole loans, and all must be insured or guaranteed FHA, VA, or RD.

**Lender Training available:** MBOH makes training available not only for loan officers and managers, but also all back-office staff, including processors, packagers and shippers. We use on-line training as a more efficient use of your staff time. If you and/or your staff have not yet attended training on the MBOH 2008 program, please do so by signing up and attending the three different trainings listed below. Lenders who routinely reserve and submit loans for purchase incorrectly may be excluded from continuing participation in MBOH programs.

**MBS Loan training:** U S Bank Home Mortgage is again sponsoring lender training on Tuesday, December 2<sup>nd</sup>, from 9:30 – 11:00 AM, using WebEx. WebEx provides ample slots for all lenders to attend. Login and calling instructions: Call-in phone number-1-800-963-6690 and call-in ID is # 75528645. The website is: <https://intercall.webex.com/intercall/j.php?ED=110775667> If you have trouble with this site, you can go to: <http://www.meetingcenter.net/> and enter in meeting ID # 590495248.

**“MBOH-101”** is scheduled Wednesday December 10<sup>th</sup> from 9:00 – 11:00 AM, and **“Purchase-101”** is scheduled Thursday December 11, from 2:00 – 4:00 PM.

Pre-registration is required for each, MBOH-101 and Purchase-101. Registration, information and the PowerPoint is available

[http://housing.mt.gov/Hous\\_Conf\\_Training.asp](http://housing.mt.gov/Hous_Conf_Training.asp)

These trainings are provided via GoToMeeting, which is limited to 25 slots per session. Lenders report benefitting from GoToMeeting by logging on in their training or conference room, to allow full staff participation.

**“Tips of the Month”:**

**~Genworth announces reimbursement of recapture tax:** For any Genworth-insured MBS loan approved for insurance of or after October 13, 2008, Genworth will guarantee MBOH borrowers that, should they be subject to recapture tax upon the sale of their home, Genworth will reimburse the family for that cost.

**~Regular bond loans backed by Rural Development Guarantees:** MBOH guidelines concerning home buyer education remain in place. If the borrower has not completed an MBOH-approved home buyer education class they must provide \$1,500 of their own funds towards down payment and/or closing costs. If the borrower has completed an approved class, the amount is reduced to \$500.

**MCC Program:** The MCC Program is available. This program may be a good option for some of your home buyers. Remember, this is a *federal income tax* credit, not a loan, and can be combined with any loan other than a loan being sold under the MBOH Bond and MBS programs. Information is available [http://housing.mt.gov/Hous\\_BOH\\_MCC.asp](http://housing.mt.gov/Hous_BOH_MCC.asp)

**Homeownership Program Fact Sheet has been updated!** Need help sorting out details of our different programs? The new fact sheet is dated September 10, 2008, and is available online <http://housing.mt.gov/includes/boh/singlefamily/programcomparison.pdf> Please discard any earlier versions. Many program documents have also been updated, and are available on our “Documents” page [http://housing.mt.gov/Hous\\_BOH\\_SF\\_Apps.asp](http://housing.mt.gov/Hous_BOH_SF_Apps.asp)

**Next Board meeting:** The next Board meeting is Monday, January 12, 2009 in Helena. The agenda is <http://app.mt.gov/cal/html/event?eventCollectionCode=statewide>. Minutes of prior meetings are posted to [http://housing.mt.gov/Hous\\_Meetings\\_Minutes.asp](http://housing.mt.gov/Hous_Meetings_Minutes.asp). The Board always welcomes and appreciates input on developing and refining our programs.

**MBOH Program Updates:** Anyone can “opt-in” to this email list - - the sign-up is [http://housing.mt.gov/Hous\\_Newsletter\\_Subscription.asp](http://housing.mt.gov/Hous_Newsletter_Subscription.asp) Input your email address, respond to the inquiry message, and you’re good to go!