



Collier County Lender Memorandum of Understanding

The Collier County Public Services Department of Housing, Human & Veteran Services (HHVS) provides funds to assist first-time homebuyers in purchasing a home through the Collier County Purchase Assistance Program. Any financial institution providing a home loan to a buyer that will be using State and/or Federal funds through Collier County must understand and agree to comply with the guidelines set forth below.

A. REQUIRED DOCUMENTS:

- Lenders agree to supply County the following documents prior to closing for review and processing. Signed 1003 loan application; Good Faith Estimate; Truth-in-Lending; Appraisal; Sales Contract; Home Inspection completed by certified home inspector; borrowers credit reports; closing agent information.

B. LOANS AND LOAN POSITION:

- Collier County will take second position, and only take third position, if Florida Housing Finance Corporation funds are used.
- First mortgage must be a fixed rate: Conventional, Portfolio, FHA, VA, USDA No ARM's, prepayment penalty, negative amortization, balloon loan, owner financing or other non-affordable loan terms allowed.
- Interest rate may not exceed 1% of the Fannie Mae 60 day rate at lock-in date. Evidence of date and rate must be provided to HHVS prior to closing.
- Cash to borrower or consolidation of debt is **not allowed** at closing.

C. **RATIOS:** Ratios may not exceed a Front-End Ratio maximum of 32% - Back-End Ratio maximum of 45%; any exceptions must be approved by the HHVS Director.

D. CREDIT GUIDELINES:

- Non occupant co-borrowers/signers **are not** allowed.
- Applicants **must not** have had any of the following during the **previous three years:**
Foreclosure, Deed-in-lieu, Bankruptcies, delinquent tax liabilities or delinquent Collier County property taxes.

E. LENDER FEES:

- Lender fees **may not exceed \$1,500;** this includes origination fees charged for processing fees, underwriting, administration and document preparation.
- Broker fees and loan discount fees are **not** allowed

