

2023

## DOWN PAYMENT ASSISTANCE

# Comprehensive Guide Outlining All Programs

**AUTHOR: ANDREW LEAVITT | NMLS: 918821**

6475 S. Rainbow Blvd. 102, Las Vegas, NV 89118 | PINNACLE LENDING GROUP, INC. | NMLS: 344850

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If we didn't make it easier, then we didn't do our job correctly.

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# HOME IS POSSIBLE (HIP) PROGRAM QUICK GUIDE

## HOME IS POSSIBLE (HIP)

- **Interest Rate:** Below-market 30-year fixed mortgage interest rate.
- **Qualifications:** Borrower purchasing in Nevada, minimum 640 FICO.
- **Assistance:** 0% Interest, 3-year forgivable second mortgage for down payment/closing costs.
- **Availability:** Statewide.

## HOME IS POSSIBLE FOR HEROES (HIP-H)

- **Interest Rate:** Below-market 30-year fixed mortgage interest rate.
- **Qualifications:** Honorably discharged veterans, active-duty personnel, National Guard, surviving spouse, minimum 640 FICO.
- **Loan Types:** VA & USDA-RD Loans Only.
- **Availability:** Statewide.

## HOME IS POSSIBLE FOR TEACHERS (HIP TEACHERS)

- **Interest Rate:** Below-market 30-year fixed mortgage interest rate.
- **Qualifications:** Nevada K-12 public teachers, government & conventional loans, minimum 640 FICO.
- **Assistance:** 0% Interest, 5-year forgivable second mortgage of \$7,500 for down payment/closing costs.
- **Program Duration:** Extended to Sept. 30, 2023.

## HOME FIRST DPA PROGRAM (HOME FIRST DPA)

- **Interest Rate:** Below-market 30-year fixed mortgage interest rate.
- **Qualifications:** First-time buyers, 6-month Nevada resident, minimum 640 FICO (680 for Manufactured Homes), max debt ratio 50% if 680+ FICO; 45% if <680.
- **Assistance:** 0% Interest, 3-year forgivable second mortgage of \$15,000 for down payment (not closing costs).
- **Availability:** Statewide until Dec. 31, 2024 or until funding is reserved.

## DOWN PAYMENT ASSISTANCE OPTIONS

- **HiP, HiP Teachers:** 0% interest, 3/5-year forgivable second mortgage for down payment/closing costs. Fees limited to recording fees and 1% of DPA.
- **Home First DPA:** 0% interest, 3-year forgivable second mortgage of \$15,000 for down payment (not closing costs).

## REQUIREMENTS

- **First-Time Buyer Requirement:** Not required for HiP, HiP Teachers, HiP Heroes. Required for Home First DPA Program.
- **Property Ownership:** Borrower may not own other property at closing.
- **Occupancy:** Buyers must occupy property within 60 days of closing.
- **Minimum FICO:** Credit score varies by program.
- **DTI Ratio:** Program max DTI ratio is 45%/50% for FHA, VA, USDA-RD, Fannie Mae, and Freddie Mac loans with a min 640/680 FICO.

# MODULE 1: INTRODUCTION TO HOME IS POSSIBLE (HIP) PROGRAM

## 1.1 UNDERSTANDING THE HIP PROGRAM

Welcome to the first section of this module, where we will delve into the Home is Possible (HiP) Program. This program is designed to assist potential homeowners in Nevada by providing them with below-market 30-year fixed mortgage interest rates.

The HiP Program is a statewide initiative that aims to make homeownership more accessible and affordable. It is particularly beneficial for borrowers with a minimum 640 FICO credit score. The program's primary goal is to reduce the financial burden associated with purchasing a home, particularly for first-time buyers or those with limited resources.

One of the key features of the HiP Program is its assistance package. Borrowers under this program can benefit from a 0% interest, 3-year forgivable second mortgage for down payment and closing costs. This means that the loan does not accrue interest and is completely forgiven if the borrower stays in the home for at least three years.

It's important to note that this program is available statewide, making it accessible to potential homeowners across Nevada. Whether you're looking to buy a home in a bustling city or a quiet rural area, the HiP Program can help make your dream of homeownership a reality.

In the next section, we will discuss in detail the eligibility criteria for the HiP Program. This will include the specific requirements that borrowers must meet to qualify for the program's benefits. We will also provide a comprehensive understanding of the assistance provided under the HiP Program.

Stay tuned as we unravel the intricacies of the Home is Possible Program and how it can make your homeownership dreams come true.

## 1.2 ELIGIBILITY CRITERIA FOR HIP PROGRAM

Welcome to the second section of our first module, where we will discuss the eligibility criteria for the Home is Possible (HiP) Program. Understanding these criteria is vital in determining whether you qualify for the program and can benefit from its assistance package.

The HiP Program is designed to be inclusive and accessible, but there are certain requirements that potential borrowers must meet. Let's delve into these qualifications:

1. **Location:** The HiP Program is available to borrowers purchasing a home in Nevada. This is a statewide program, meaning it applies to all cities and counties within the state. Whether you're buying in Las Vegas, Reno, or a smaller town, you're eligible for the HiP Program.
2. **Credit Score:** A minimum FICO score of 640 is required to qualify for the HiP Program. This requirement ensures that borrowers have a history of responsible credit use. If your credit score is below this threshold, you may want to explore strategies to improve it before applying for the HiP Program.
3. **Second Mortgage:** The assistance provided by the HiP Program comes in the form of a 0% interest, 3-year forgivable second mortgage for down payment and closing costs. To qualify, borrowers must agree to these terms and understand that the second mortgage is forgiven if they stay in the home for at least three years.
4. **Property Ownership:** At the time of closing, the borrower may not own other property. This requirement ensures that the program benefits those who need it most, particularly first-time homebuyers or those who do not currently own a home.
5. **Occupancy:** The purchased property must be occupied by the buyer within 60 days of closing. This requirement ensures that the program benefits those who intend to use the property as their primary residence.

In the next section, we will provide a comprehensive understanding of the assistance provided under the HiP Program. We will delve into the specifics of the 0% interest, 3-year forgivable second mortgage, and how it can significantly reduce the financial burden of purchasing a home.

Stay tuned as we continue to explore the Home is Possible Program and how it can make homeownership more accessible and affordable for you.

### 1.3 ASSISTANCE UNDER HIP PROGRAM

Welcome to the third section of our first module, where we will delve deeper into the assistance provided under the Home is Possible (HiP) Program. This assistance is one of the key features that make the HiP Program such an attractive option for potential homeowners in Nevada.

The HiP Program offers a unique form of assistance to its borrowers, which comes in the form of a 0% interest, 3-year forgivable second mortgage for down payment and closing costs. This is a significant benefit that can greatly reduce the financial burden associated with purchasing a home. Let's break down what this assistance package entails:

1. **0% Interest:** The second mortgage provided under the HiP Program does not accrue interest. This means that borrowers are not required to pay any additional costs over the principal amount of the loan. This feature can save borrowers a significant amount of money over the life of the loan.
2. **3-Year Forgivable Second Mortgage:** The second mortgage provided under the HiP Program is forgivable over a period of three years. This means that if the borrower stays in the home for at least three years, the loan is completely forgiven. This feature can provide significant financial relief to homeowners, as they would not have to worry about repaying this loan after the three-year period.
3. **Down Payment and Closing Costs:** The second mortgage provided under the HiP Program can be used to cover the down payment and closing costs associated with purchasing a home. These costs can often be a significant barrier to homeownership, and this assistance can make it much more accessible.

It's important to note that this assistance is only available to borrowers who meet the eligibility criteria outlined in the previous section. This includes purchasing a home in Nevada, having a minimum FICO score of 640, not owning any other property at the time of closing, and occupying the purchased property within 60 days of closing.

In the next module, we will explore the Home is Possible for Heroes (HiP-H) Program, which offers similar benefits to honorably discharged veterans, active duty personnel, and National Guard members. Stay tuned as we continue to uncover the various programs and assistance options that can make homeownership a reality for you.

## MODULE 2: HOME IS POSSIBLE FOR HEROES (HIP-H) PROGRAM

### 2.1 OVERVIEW OF THE HIP-H PROGRAM

The Home is Possible for Heroes (HiP-H) Program is a special initiative designed to honor and support those who have served our country. The program is tailored to meet the unique needs of honorably discharged veterans, active duty personnel, National Guard members, and surviving spouses who are looking to purchase a home in Nevada.

The HiP-H Program offers a below-market 30-year fixed mortgage interest rate, making homeownership more affordable for our heroes. This is a statewide program, meaning it's available to qualifying individuals throughout Nevada.

One of the key features of the HiP-H Program is its focus on VA (Veterans Affairs) and USDA-RD (United States Department of Agriculture - Rural Development) loans. These loan types are specifically designed to offer long-term financing to eligible American veterans and rural homeowners, respectively.

The HiP-H Program recognizes the sacrifices made by our service members and aims to provide them with a tangible benefit – the opportunity to own a home. This program is not just about providing financial assistance; it's about showing our gratitude and respect for those who have served our nation.

In the upcoming sections, we will delve deeper into the qualifications for the HiP-H Program and provide a detailed understanding of VA & USDA-RD Loans. Stay tuned to learn more about how the HiP-H Program can help our heroes realize their dream of homeownership.

## 2.2 QUALIFICATIONS FOR HIP-H PROGRAM

The Home is Possible for Heroes (HiP-H) Program is designed to honor our nation's heroes by providing them with a unique opportunity to own a home. However, not everyone is eligible for this program. There are certain qualifications that must be met to be considered for the HiP-H Program.

Firstly, the HiP-H Program is only available to honorably discharged veterans, active duty personnel, National Guard members, and surviving spouses. This is the program's way of ensuring that those who have served our country are the ones who benefit from it.

Secondly, the borrower must have a minimum FICO score of 640. The FICO score is a type of credit score that lenders use to assess an individual's credit risk. A score of 640 is considered fair, which means the borrower has a reasonably good credit history with a moderate risk of defaulting on the loan.

Thirdly, the HiP-H Program is only applicable for VA (Veterans Affairs) and USDA-RD (United States Department of Agriculture - Rural Development) loans. These loan types are designed to provide long-term financing to eligible American veterans and rural homeowners, respectively.

Finally, the program is available statewide, meaning that it's open to qualifying individuals throughout Nevada. Regardless of where you live in the state, as long as you meet the other qualifications, you can apply for the HiP-H Program.

In summary, to qualify for the HiP-H Program, you must be an honorably discharged veteran, active duty personnel, National Guard member, or surviving spouse with a minimum FICO score of 640, looking to secure a VA or USDA-RD loan for a home in Nevada.

In the next section, we will delve deeper into the specifics of VA and USDA-RD loans, helping you understand why these loan types are a key feature of the HiP-H Program. Stay tuned to learn more about these unique financing options.

# MODULE 3: HOME IS POSSIBLE FOR TEACHERS (HIP TEACHERS) PROGRAM

## 3.1 INTRODUCTION TO HIP TEACHERS PROGRAM

Welcome to Module 3, where we will focus on the Home Is Possible for Teachers (HiP Teachers) Program. This program is a unique initiative designed to support Nevada's K-12 public school teachers in their journey to homeownership. It recognizes the invaluable contribution teachers make to our communities and aims to make it easier for them to own a home in the state they serve.

The HiP Teachers Program offers a below-market 30-year fixed mortgage interest rate, making it more affordable for teachers to finance their homes. It is specifically tailored to meet the needs of teachers and is available for government and conventional loans, with a minimum FICO score of 640 required.

But the benefits don't stop there. The HiP Teachers Program also provides assistance in the form of a 0% interest, 5-year forgivable second mortgage of \$7,500. This assistance can be used for down payment and closing costs, reducing the upfront financial burden for teachers.

This program has been extended until September 30, 2023, providing more opportunities for teachers to take advantage of these benefits.

In the following sections of this module, we will delve deeper into the eligibility criteria for the HiP Teachers Program and the assistance it offers. We will also discuss how to apply for this program and what to expect during the application process.

By the end of this module, you will have a thorough understanding of the HiP Teachers Program and how it can help you, or a teacher you know, achieve homeownership in Nevada. So, let's get started on this exciting journey to making home possible for our teachers!

### 3.2 ELIGIBILITY CRITERIA FOR HIP TEACHERS PROGRAM

In this section, we will explore the eligibility criteria for the Home Is Possible for Teachers (HiP Teachers) Program. Understanding these criteria is crucial to determine whether you, or a teacher you know, can benefit from this program.

The HiP Teachers Program has specific qualifications designed to cater to the unique needs of Nevada's K-12 public school teachers. Let's take a look at these qualifications in detail:

- **Occupation:** The applicant must be a K-12 public school teacher in Nevada. This program is designed to support those who are shaping the future of Nevada through education. Whether you're a seasoned educator or a new teacher, the HiP Teachers Program is here to support your homeownership dreams.
- **Loan Types:** The HiP Teachers Program accepts government and conventional loans. This flexibility allows teachers to choose the loan type that best suits their financial situation and needs.
- **Credit Score:** A minimum FICO score of 640 is required to qualify for the HiP Teachers Program. This requirement ensures that applicants have a responsible credit history.
- **Program Duration:** The HiP Teachers Program is available until September 30, 2023. If you're considering applying, make sure to do so before this deadline.
- **Residency:** The property purchased must be in Nevada. This program aims to support teachers in owning a home in the state where they work and contribute.
- **Occupancy:** The purchased property must be owner-occupied. This means that the teacher must live in the home they purchase using the HiP Teachers Program.

It's important to remember that meeting these eligibility criteria is just the first step in the application process. Once you've determined that you qualify, the next step is to apply for the program and secure your funding.

In the next section, we will discuss the assistance provided by the HiP Teachers Program, which includes a 0% interest, 5-year forgivable second mortgage of \$7,500 for down payment and closing costs.

By understanding the eligibility criteria and the assistance provided, you can make an informed decision about whether the HiP Teachers Program is the right fit for you or a teacher you know. So, let's move forward and learn more about the assistance under the HiP Teachers Program.

### 3.3 ASSISTANCE UNDER HIP TEACHERS PROGRAM

In this section, we will delve into the financial assistance provided under the Home Is Possible for Teachers (HiP Teachers) Program. This assistance is one of the key features of the program, designed to make homeownership more affordable for Nevada's K-12 public school teachers.

The HiP Teachers Program provides a 0% interest, 5-year forgivable second mortgage of \$7,500. This assistance is specifically designed to help teachers with the down payment and closing costs associated with purchasing a home. Let's break down what this means:

- **0% Interest:** This means that the second mortgage provided under the HiP Teachers Program does not accrue any interest. This is a significant benefit, as it reduces the overall cost of the loan.
- **5-Year Forgivable Second Mortgage:** A second mortgage is a loan that is taken out on a property that already has a mortgage. In this case, the second mortgage is "forgivable" after 5 years. This means that if the teacher continues to live in the home for 5 years after the purchase, the second mortgage is completely forgiven, and they do not have to repay the \$7,500.
- **\$7,500 for Down Payment and Closing Costs:** The second mortgage provided under the HiP Teachers Program can be used to cover the down payment and closing costs of the home purchase. This reduces the upfront costs that teachers need to pay out of pocket when buying a home.

This assistance is a significant advantage of the HiP Teachers Program, as it reduces the financial burden of homeownership. It allows teachers to focus on their important work of educating Nevada's children, without the stress of a large mortgage hanging over their heads.

It's important to note that this assistance is subject to certain terms and conditions. For example, the second mortgage is only forgivable if the teacher continues to live in the home for 5 years. If the home is sold or refinanced before this period, the teacher may have to repay a portion of the second mortgage.

In the next module, we will move on to discuss the Home First DPA Program, another initiative designed to make homeownership more accessible for Nevada residents. But before we do, take a moment to reflect on the assistance provided under the HiP Teachers Program and how it can benefit you or a teacher you know.

By understanding the assistance provided under the HiP Teachers Program, you can make an informed decision about whether this program is the right fit for your homeownership goals. So, let's continue our journey to making home possible for our teachers!

## MODULE 4: HOME FIRST DPA PROGRAM

### 4.1 OVERVIEW OF HOME FIRST DPA PROGRAM

Welcome to Module 4, where we will be focusing on the Home First Down Payment Assistance (DPA) Program. This program is a unique initiative that aims to provide financial assistance to first-time homebuyers in Nevada.

The Home First DPA Program offers a below-market 30-year fixed mortgage interest rate, making homeownership more affordable for those who qualify. This program is designed to help first-time buyers who have been residents of Nevada for at least six months.

The Home First DPA Program provides assistance in the form of a 0% interest, 3-year forgivable second mortgage of \$15,000 for down payment. However, it's important to note that this assistance does not cover closing costs.

To qualify for this program, borrowers must have a minimum FICO score of 640, or 680 for those purchasing Manufactured Homes. The program also has a maximum debt-to-income ratio requirement of 50% for those with a FICO score of 680 or above, and 45% for those with a score below 680.

The Home First DPA Program is available statewide until December 31, 2024, or until the funding is reserved.

In the following sections, we will delve deeper into the qualifications for the Home First DPA Program and provide a detailed understanding of the assistance provided under this program. Stay tuned to learn more about how the Home First DPA Program can help you achieve your dream of homeownership.

#### 4.2 QUALIFICATIONS FOR HOME FIRST DPA PROGRAM

In this section, we will delve deeper into the qualifications necessary for the Home First DPA Program. This program is specifically designed to assist first-time homebuyers, aiming to make homeownership more accessible and affordable. However, to ensure that the assistance is provided to those who need it most, there are certain qualifications that must be met.

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##### FIRST-TIME HOMEBUYER

The Home First DPA Program is exclusively for first-time homebuyers. This means that you should not have owned a home in the past three years. This requirement is in place to ensure that the program benefits those who are new to the homebuying process and need financial assistance to get started.

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##### NEVADA RESIDENCY

To qualify for the Home First DPA Program, you must have been a resident of Nevada for at least six months. This requirement is designed to benefit those who have made Nevada their home and are committed to contributing to the local community.

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##### CREDIT SCORE

The Home First DPA Program requires a minimum FICO score of 640 for traditional homes. However, for those purchasing Manufactured Homes, a higher credit score of 680 is required. This requirement is in place to ensure that beneficiaries of the program have a history of responsible credit use and are likely to manage their mortgage payments effectively.

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##### DEBT-TO-INCOME RATIO

The program also has a maximum debt-to-income (DTI) ratio requirement. For those with a FICO score of 680 or above, the maximum DTI ratio is 50%. For those with a score below 680, the maximum DTI ratio is 45%. This requirement

ensures that the beneficiaries of the program have a healthy balance between their income and debt, which increases the likelihood of successful homeownership.

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#### PROPERTY OWNERSHIP

At the time of closing, the borrower may not own other property. This requirement ensures that the program benefits those who do not already own property.

In the next section, we will provide a detailed understanding of the assistance provided under the Home First DPA Program. This will help you understand how the program can support you in your journey to homeownership.

#### 4.3 UNDERSTANDING THE ASSISTANCE UNDER HOME FIRST DPA PROGRAM

In this section, we will delve into the details of the financial assistance provided under the Home First Down Payment Assistance (DPA) Program. This program is designed to make homeownership more attainable for first-time homebuyers in Nevada by offering a unique financial aid package.

The Home First DPA Program provides assistance in the form of a second mortgage. This is not a traditional mortgage, but rather a 0% interest, 3-year forgivable second mortgage. This means that the loan does not accrue interest over time and, if the homeowner meets certain conditions, the loan is completely forgiven after three years.

The amount provided under this second mortgage is \$15,000. This sum is specifically meant to be used towards the down payment on a home. It's important to note that this assistance does not cover closing costs, which are the fees and expenses you pay to finalize your mortgage, and must be paid separately.

Let's break down how this assistance works:

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#### 0% INTEREST

The second mortgage provided under the Home First DPA Program does not accrue interest. This is a significant benefit, as it reduces the overall cost of the loan and makes homeownership more affordable.

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## FORGIVABLE LOAN

The second mortgage is forgivable, which means that it does not need to be repaid if the homeowner meets certain conditions. In the case of the Home First DPA Program, the loan is forgiven after three years. This means that if you live in the home as your primary residence for three years, the second mortgage is completely forgiven.

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## \$15,000 FOR DOWN PAYMENT

The Home First DPA Program provides \$15,000 to be used specifically for the down payment on a home. A down payment is the part of the purchase price that you pay upfront, and it typically ranges from 3.5% to 20% of the purchase price. By providing \$15,000 towards this cost, the Home First DPA Program reduces the upfront cost of buying a home and makes homeownership more accessible.

In conclusion, the Home First DPA Program offers substantial financial assistance to first-time homebuyers in Nevada. By understanding the details of this assistance, you can make an informed decision about whether this program is right for you. In the next module, we will explore the different down payment assistance options available under various programs. Stay tuned to learn more about the opportunities available to help you achieve your dream of homeownership.

# MODULE 5: DOWN PAYMENT ASSISTANCE OPTIONS

## 5.1 HIP SECOND MORTGAGE ASSISTANCE

The Home is Possible (HiP) program offers a unique and beneficial feature to assist borrowers in purchasing their dream home - the Second Mortgage Assistance. This assistance is designed to help borrowers cover the down payment and/or closing costs associated with their mortgage.

The HiP Second Mortgage Assistance is a 0% interest, 3-year forgivable second mortgage. This means that if you stay in your home for three years, the second mortgage is completely forgiven and you do not have to pay it back. It's like a gift from the program to help you secure your home.

The amount you can receive through this assistance depends on the type of loan you are getting and the cost of your new home. However, it's important to note that fees associated with this assistance are limited to recording fees and 1% of the Down Payment Assistance (DPA).

Let's break down how this works:

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#### 0% INTEREST

This is one of the biggest benefits of the HiP Second Mortgage Assistance. Unlike most loans, you will not be charged any interest on this second mortgage. This means the amount you owe will not increase over time.

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#### 3-YEAR FORGIVABLE MORTGAGE

The second mortgage provided by the HiP program is forgivable over three years. This means that if you continue to live in the home you purchased using the HiP program for three years, the second mortgage is completely forgiven. In other words, you won't have to pay it back.

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#### DOWN PAYMENT AND CLOSING COSTS

The funds from the HiP Second Mortgage Assistance can be used to cover the down payment and/or closing costs of your home purchase. This can significantly reduce the upfront costs you need to pay when buying a home.

In conclusion, the HiP Second Mortgage Assistance is a powerful tool for potential homeowners. It can significantly reduce the financial burden of purchasing a home and make homeownership a more achievable dream. In the next section, we will explore the similar assistance offered under the HiP Teachers program.

### 5.2 HIP TEACHERS SECOND MORTGAGE ASSISTANCE

The Home is Possible for Teachers (HiP Teachers) program is specifically designed to assist Nevada's K-12 public school teachers in achieving their homeownership dreams. One of the key features of this program is the Second Mortgage Assistance, which is similar to the HiP program but has some unique elements tailored to meet the needs of teachers.

The HiP Teachers Second Mortgage Assistance is a 0% interest, 5-year forgivable second mortgage of \$7,500. This means that if you, as a teacher, stay in your home for five years, the second mortgage is completely forgiven, and you do not have to pay it back. This assistance is a significant financial boost to help you secure your home.

Let's delve deeper into the specifics of this assistance:

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#### 0% INTEREST

Just like the HiP program, the HiP Teachers Second Mortgage Assistance also offers a 0% interest rate. This means that the amount you owe on this second mortgage will not increase over time due to interest, making it a more affordable option for teachers.

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#### 5-YEAR FORGIVABLE MORTGAGE

The second mortgage provided by the HiP Teachers program is forgivable over five years. This means that if you continue to live in the home you purchased using the HiP Teachers program for five years, the second mortgage is completely forgiven. You won't have to pay it back, making it essentially a gift to help you secure your home.

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#### \$7,500 FOR DOWN PAYMENT AND/OR CLOSING COSTS

The funds from the HiP Teachers Second Mortgage Assistance can be used to cover the down payment and/or closing costs of your home purchase. The assistance provides a flat amount of \$7,500, which can significantly reduce the upfront costs you need to pay when buying a home.

In conclusion, the HiP Teachers Second Mortgage Assistance is a significant financial benefit for Nevada's teachers. It can greatly reduce the financial burden of purchasing a home and make homeownership a more achievable dream for our educators. In the next section, we will explore the assistance offered under the Home First DPA program.

### 5.3 HOME FIRST DPA SECOND MORTGAGE ASSISTANCE

The Home First Down Payment Assistance (DPA) Program is a special initiative designed to support first-time homebuyers in Nevada. It provides a significant financial boost to help these individuals overcome the common hurdle of accumulating enough funds for a down payment. One of the key features of this

program is the Second Mortgage Assistance, which is specifically tailored to meet the needs of first-time buyers.

The Home First DPA Second Mortgage Assistance is a 0% interest, 3-year forgivable second mortgage of \$15,000. This means that if you stay in your home for three years, the second mortgage is completely forgiven, and you do not have to pay it back. This assistance is a significant financial aid to help you secure your home.

Let's further explore the specifics of this assistance:

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#### 0% INTEREST

Similar to the HiP and HiP Teachers programs, the Home First DPA Second Mortgage Assistance also offers a 0% interest rate. This means that the amount you owe on this second mortgage will not increase over time due to interest, making it a more affordable option for first-time homebuyers.

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#### 3-YEAR FORGIVABLE MORTGAGE

The second mortgage provided by the Home First DPA program is forgivable over three years. This means that if you continue to live in the home you purchased using the Home First DPA program for three years, the second mortgage is completely forgiven. You won't have to pay it back, making it essentially a gift to help you secure your home.

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#### \$15,000 FOR DOWN PAYMENT

The funds from the Home First DPA Second Mortgage Assistance can be used to cover the down payment of your home purchase. The assistance provides a substantial amount of \$15,000, which can significantly reduce the upfront costs you need to pay when buying a home. However, it's important to note that these funds cannot be used for closing costs.

In conclusion, the Home First DPA Second Mortgage Assistance is a significant financial benefit for first-time homebuyers in Nevada. It can greatly reduce the financial burden of purchasing a home and make homeownership a more achievable dream for those who are just starting out on their homeownership journey. In the next section, we will explore the general requirements for all these programs.

# MODULE 6: UNDERSTANDING THE REQUIREMENTS

## 6.1 ELIGIBLE BORROWERS FOR HIP, HIP TEACHERS, HIP HEROES, AND HOME FIRST DPA PROGRAMS

In this section, we will delve into the specifics of who can qualify as eligible borrowers for the Home is Possible (HiP), Home is Possible for Teachers (HiP Teachers), Home is Possible for Heroes (HiP-H), and Home First Down Payment Assistance (DPA) programs. These programs are designed to help different groups of people, so their eligibility criteria vary accordingly.

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### HOME IS POSSIBLE (HIP) PROGRAM

The HiP program is available to any borrower who is purchasing a home in Nevada. The minimum FICO score requirement is 640. This program is available statewide and does not require the borrower to be a first-time homebuyer.

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### HOME IS POSSIBLE FOR HEROES (HIP-H) PROGRAM

The HiP-H program is specifically tailored for honorably discharged veterans, active duty personnel, National Guard members, and surviving spouses. The minimum FICO score requirement is also 640. This program is available statewide and does not require the borrower to be a first-time homebuyer. The loan types available for this program are VA & USDA-RD Loans only.

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### HOME IS POSSIBLE FOR TEACHERS (HIP TEACHERS) PROGRAM

The HiP Teachers program is designed for Nevada K-12 public teachers. The minimum FICO score requirement is 640. This program is available statewide and does not require the borrower to be a first-time homebuyer. The loan types available for this program are government & conventional loans.

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### HOME FIRST DPA PROGRAM

The Home First DPA program is designed for first-time buyers who have been Nevada residents for at least 6 months. The minimum FICO score requirement is 640 (680 for Manufactured Homes). The maximum debt ratio is 50% if the FICO

score is 680+; 45% if the FICO score is less than 680. This program is available statewide until Dec. 31, 2024, or until funding is reserved.

In all these programs, the borrower may not own other property at closing, and they must occupy the property within 60 days of closing. The maximum Debt-to-Income (DTI) ratio is 45%/50% for FHA, VA, USDA-RD, Fannie Mae, and Freddie Mac loans with a minimum 640/680 FICO.

In the next section, we will look at the first-time buyer requirement for the Home First DPA Program.

## 6.2 FIRST-TIME BUYER REQUIREMENT FOR HOME FIRST DPA PROGRAM

In this section, we will explore the first-time buyer requirement that is specific to the Home First Down Payment Assistance (DPA) Program. This requirement is one of the key eligibility criteria that sets this program apart from the other programs we have discussed so far.

The Home First DPA Program is designed specifically to assist first-time homebuyers. A first-time homebuyer, as defined by this program, is an individual who has not owned a home in the past three years. This criterion is put in place to ensure that the program benefits those who are new to the home buying process and may need extra financial assistance to make their first purchase.

It's important to note that this requirement is not applicable to the other programs under the Home is Possible initiative. The HiP, HiP Teachers, and HiP Heroes programs do not have a first-time buyer requirement, making them accessible to both first-time and repeat buyers.

The first-time buyer requirement for the Home First DPA Program is also tied to the residency requirement. To be eligible for this program, not only must you be a first-time buyer, but you must also have been a resident of Nevada for at least six months prior to application.

In the next section, we will delve into the Fraud Report & Real Property Search Requirements for all the programs under the Home is Possible initiative.

Remember, understanding the specific requirements of each program is crucial to determining which program is the best fit for your home buying needs.

## 6.4 UNDERSTANDING THE MINIMUM CREDIT SCORE REQUIREMENT

In this section, we will explore the Minimum Credit Score Requirement that is applicable to all the programs under the Home is Possible initiative. This requirement is a key factor in determining a borrower's eligibility for these programs.

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### WHAT IS A CREDIT SCORE?

Before we delve into the specifics of the requirement, let's first understand what a credit score is. A credit score is a numerical representation of a person's creditworthiness, which is calculated based on their credit history. It is used by lenders to assess the risk associated with lending money to a particular individual. A higher credit score indicates a lower risk for the lender.

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### MINIMUM CREDIT SCORE REQUIREMENT FOR HOME IS POSSIBLE PROGRAMS

The minimum credit score required for the Home is Possible (HiP), Home is Possible for Heroes (HiP-H), and Home is Possible for Teachers (HiP Teachers) programs is 640. This means that to be eligible for these programs, a borrower must have a credit score of 640 or higher.

For the Home First Down Payment Assistance (DPA) Program, the minimum credit score requirement is slightly different. A borrower must have a credit score of 640 or higher for most homes. However, for manufactured homes, the minimum credit score requirement is 680.

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### WHY IS A MINIMUM CREDIT SCORE REQUIRED?

The minimum credit score requirement is in place to ensure that the borrower has a history of responsible credit use. It indicates that the borrower is likely to repay the loan on time. This requirement protects both the borrower and the lender. For the borrower, it ensures that they are not taking on a loan that they may not be able to repay. For the lender, it reduces the risk of loan default.

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### WHAT IF YOUR CREDIT SCORE IS BELOW THE MINIMUM REQUIREMENT?

If your credit score is below the minimum requirement, it doesn't necessarily mean that homeownership is out of reach. There are steps you can take to improve your credit score, such as paying your bills on time, reducing your debt, and checking your credit report for errors.

Remember, understanding the minimum credit score requirement is crucial in determining your eligibility for the Home is Possible programs. In the next section, we will discuss the Debt-to-Income (DTI) ratio requirement for all Home is Possible programs.

#### 6.5 DTI REQUIREMENT FOR HIP, HIP TEACHERS, HIP HEROES, AND HOME FIRST DPA PROGRAMS

In this section, we will delve into the Debt-to-Income (DTI) ratio requirement that is applicable to all the programs under the Home is Possible initiative: Home is Possible (HiP), Home is Possible for Heroes (HiP-H), Home is Possible for Teachers (HiP Teachers), and Home First Down Payment Assistance (DPA) Program.

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#### UNDERSTANDING THE DEBT-TO-INCOME RATIO

Before we discuss the specific DTI requirements for these programs, let's first understand what a Debt-to-Income ratio is. The DTI ratio is a personal finance measure that compares an individual's debt payment to his or her overall income. It's one way lenders measure your ability to manage the payments you make every month to repay the money you have borrowed.

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#### DTI RATIO REQUIREMENT FOR HOME IS POSSIBLE PROGRAMS

The maximum DTI ratio for the HiP, HiP-H, and HiP Teachers programs is 45% for FHA, VA, USDA-RD, Fannie Mae, and Freddie Mac loans with a minimum 640 FICO score.

For the Home First DPA Program, the maximum DTI ratio is 50% if the borrower's FICO score is 680 or above. If the FICO score is less than 680, the maximum DTI ratio is 45%.

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#### WHY IS A DTI RATIO REQUIRED?

The DTI ratio requirement is in place to ensure that the borrower can afford the monthly mortgage payments along with their existing debt obligations. A lower DTI ratio indicates a healthier financial situation, suggesting that the borrower is less likely to have trouble making their mortgage payments.

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## HOW TO CALCULATE YOUR DTI RATIO?

To calculate your DTI ratio, you need to divide your total monthly debt payments by your gross monthly income. The result should be multiplied by 100 to get a percentage.

For example, if your total monthly debt payments are \$2,000 and your gross monthly income is \$5,000, your DTI ratio would be 40%.

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## WHAT IF YOUR DTI RATIO IS HIGHER THAN THE MAXIMUM REQUIREMENT?

If your DTI ratio is higher than the maximum requirement, it doesn't necessarily mean you can't qualify for these programs. You may consider paying down your existing debts to lower your DTI ratio. Alternatively, you could look for ways to increase your income.

Understanding the DTI ratio requirement is crucial in determining your eligibility for the Home is Possible programs. It's an important factor that lenders consider when assessing your loan application, so it's beneficial to maintain a low DTI ratio.

In the next module, we will delve into the application process for these programs. We will discuss how to prepare for the application, what documents you need, and what to expect during the application process. Stay tuned!