



Special Purchase Program Loan: Summary of Key Terms

Main Benefits:

- ✓ 1% below the 60-day Fannie Mae rate (but in no event less than 4%)
- ✓ Low down payment (just 3% of purchase price)
- ✓ No private mortgage insurance required
- ✓ Potential to pair with a Matching Grant (income limitations apply)

Other Key Terms:

- Home must be in a “Healthy Neighborhood” (see list on last page)
- Developer must be pre-approved by Healthy Neighborhoods
- Borrower must intend to be an owner occupant
- Maximum loan amount of \$375,000
- Minimum credit score of 620
- Loan is a “first mortgage”



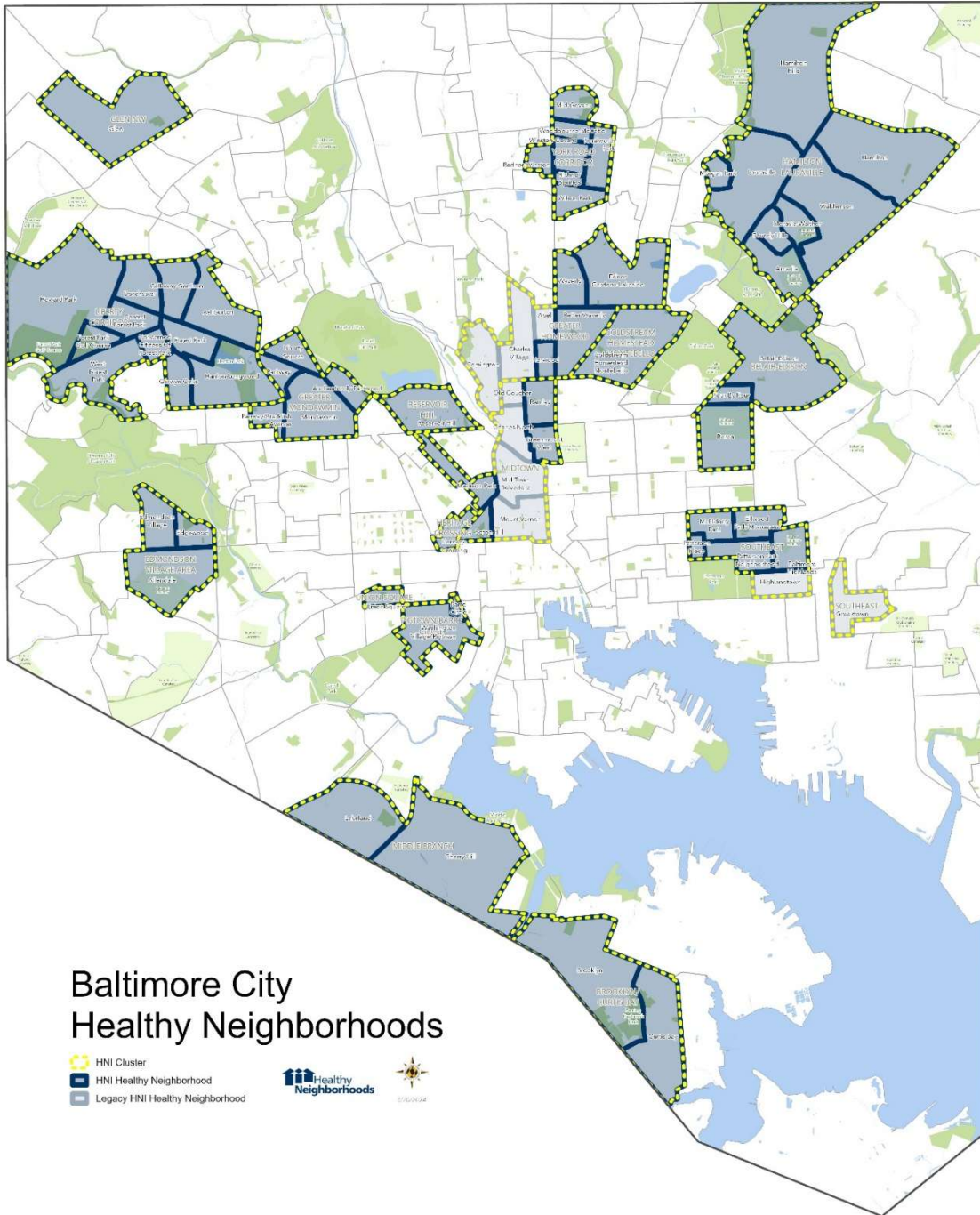
Special Purchase Program Loan: Detailed Term Sheet

**for home buyers purchasing formerly vacant homes
renovated through Healthy Neighborhoods approved developers**

1. Eligible borrowers will be those who are purchasing an eligible property from a Healthy Neighborhoods pre-approved developer and development project.
2. Borrowers must be, or intend to be, owner occupants.
3. Eligible homes will be formerly vacant homes rehabbed by a developer into 1-4 properly zoned residential units approved by Healthy Neighborhoods.
4. Borrowers may be referred to the lender by a participating neighborhood organization, or Healthy Neighborhoods, Inc. Borrower is responsible for the upfront cost of a credit report if one cannot be provided at no cost.
5. Borrowers will be underwritten and approved by M&T Bank. Borrowers must meet Fannie Mae standard underwriting guidelines. Housing expense, including principal, interest, taxes and insurance, should not exceed 30% of borrower's income. Total long term debt payments should not exceed 43% of borrower's income. A minimum credit score of 620 is required. There can be no derogatory credit items.
6. Maximum aggregate loan amount secured by the property (including any settlement expense loans) shall not exceed 97% of after-rehabilitation loan to value, as established by appraisal. Loans to borrowers will be limited to a maximum loan amount of \$375,000.
7. New purchasers must invest at least 3% of the purchase price from their own funds. Gifts may be counted toward meeting this requirement; however, government or philanthropic grants and settlement expense loans will not count toward meeting the investment requirement.
8. Permanent loan interest rate will be 100 basis points below the 60-day Fannie Mae Rate as published in the Wall Street Journal, but in no event less than 4%, set at time of application at M&T Bank. Rates are locked in for a period of 60 days. If the loan fails to close within the 60 day lock period, the lender will, at its discretion, re-lock the rate at 100 basis points below the current 60-day FNMA rate on the day of loan expiration.
9. There will be no private mortgage insurance premium required.
10. Maximum loan term is 30 years.

11. Developer must be pre-approved by Healthy Neighborhoods. Developer will pay a \$500 fee or provide an Appraisal or other assessment of after completion value acceptable to Healthy Neighborhoods upon application and will pay a 1 point fee to Healthy Neighborhoods prior to closing unless such fee is waived by Healthy Neighborhoods.
12. Borrower will pay 1.75 points as a loan origination fee to M&T Bank, a .5% pool insurance fee to the Maryland Housing Fund or other guarantor plus all customary loan closing costs. These fees and customary loan closing costs may be included in the loan if the borrower has met the required cash contribution and loan amount does not exceed maximum program loan to value.
13. The loans will constitute a first mortgage on the property payable in fixed monthly payments consisting of principal, interest and escrow.
14. Borrower must show evidence provided by the developer that at least 30% of the ultimate purchase price of the property will have been expended on renovations including exterior improvements.
15. An application disclosure must be signed by all borrowers prior to loan commitment.
16. The borrower agrees that any payment delinquency or default may be reported by the lender to the referring neighborhood organization, to Healthy Neighborhoods, Inc., and to any loan pool guarantor, insurer or Healthy Neighborhoods neighborhood partner.
17. Borrowers who own residential rental properties are not eligible for financing under this program unless provided with a written Exception by Healthy Neighborhoods Inc.
18. Healthy Neighborhoods, Inc. may charge a fee of \$300 per loan to manage the developer approval process and any construction draws and inspections.
19. Borrowers may be eligible for the Healthy Neighborhoods Matching Grant under existing Matching Grant terms and such Grants are eligible to be utilized with this loan.

The “Healthy Neighborhoods” Map



The “Healthy Neighborhoods”

Abell	Edmondson Village	Mid-Govans
Allendale	Ednor Gardens - Lakeside	Mid-Town Belvedere
Arcadia	Ellwood Park/Monument	Mondawmin
Auchentoroly-Parkwood (Parkview/Woodbrook)	Forest Park	Moravia-Walther
Ashburton	Four by Four	Morgan Park
Baltimore Highlands	Forest Park Golf Course	Mount Vernon
Barclay	Garwyn Oaks	Old Goucher
Barre Circle	Glen	Panway/Braddish Avenue
Belair-Edison	Greektown	Parkway (Burleith- Leighton)
Berea	Greenmount West	Patterson Park
Better Waverly	Hamilton (Glenham- Belhar)	Patterson Place
Beverly Hills	Hamilton Hills	Pigtown/Washington Village
Brooklyn	Hanlon-Longwood	Radnor Winston
Callaway-Garrison	Harwood	Remington
Central Forest Park	Heritage Crossing	Reservoir Hill
Charles North	Highlandtown	Richnor Springs
Charles Village	Hillsdale Heights	Seton Hill
Cherry Hill	Howard Park	Union Square
Coldstream Homestead	Kenilworth Park	Waltherson
Montebello	Lakeland	Waverly
Concerned Citizens of Forest Park	Lauraville	West Forest Park
Curtis Bay	Liberty Square	Wilson Park
Dorchester	Madison Park	Winston-Govans
Edgewood	McElderry Park	Woodbourne-McCabe

** Upon approval by the Healthy Neighborhoods, Inc. Board, additional neighborhoods may be added.*