



Affordable Housing Corporation of Lake County

National Foreclosure Settlement (NFS) Program Important Information for First Mortgage Lenders Effective September 2016

Your customer is purchasing a home owned by the Affordable Housing Corporation of Lake County, a nonprofit organization established in 1995 that assists communities and families in buying homes, improving homes and saving homes from foreclosure in Lake County, Illinois. AHC purchased and rehabilitated this property using federal funding, which require that the following non-negotiable requirements are adhered to.

- 1) **Credit at Closing:** AHC will provide a \$3,000 credit. No other seller credits will be provided.
- 2) **Income Eligibility:** Buyer's gross annual household income may not exceed the below, and will be verified upon the acceptance of the Residential Real Estate Contract.

Household Size	1	2	3	4	5	6	7	8
120% MFI	\$64,680	\$73,920	\$83,160	\$92,280	\$99,720	\$107,160	\$114,480	\$121,920

Updated as of 6/6/2016

- 3) **Education & Counseling:** Buyers must attend an in-person HUD-certified homebuyer education class, and participate in individual counseling with AHC.
- 4) **Underwriting Guidelines:** AHC's guidelines include the below, and will supersede the first mortgage lender's guidelines should there be a conflict between the two.
 - No cash back is allowed at closing
 - Buyer must contribute a down payment of 1% or \$1,000, whichever is greater
 - Housing-to-income ratio must not exceed *35% **For the NFS program, a non-borrowing spouse's income is also considered.*
 - Debt-to-income ratio may not exceed *43% **For the NFS program, a non-borrowing spouse's income and debt is also considered.*
 - Credit score must be a minimum of 620 for all borrowers
- 5) **Immediately Upon Contract Signing & Important Timelines:** AHC must verify the household's income eligibility within 5 days of both parties signing the Residential Real Estate Contract. Submit the attached Letter of Transmittal and all required documents to AHC immediately. Please be aware that AHC expects first mortgage lenders to proceed with all due expediency; a maximum of one extension will be allowed.

AHC Contact Information

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