

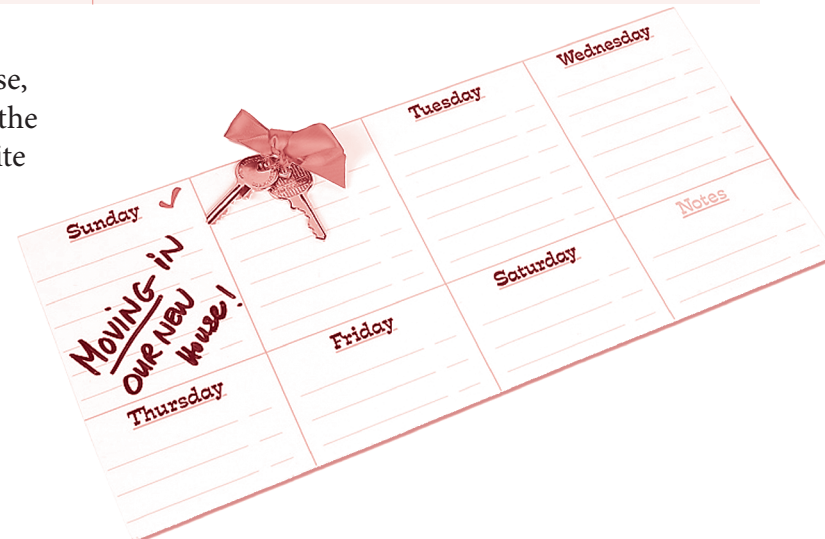
# Oregon State Bond

Whether the place you want to call home is urban or rural, the Residential Loan Program can help you buy your first house. This brochure doesn't include all program requirements, but it will give you an idea of what Oregon Housing and Community Services (OHCS) has to offer.

We have two interest rate options you can choose between:

RateAdvantage Home Loan	CashAdvantage Home Loan
<ul style="list-style-type: none"> <li>• Hard-to-beat below-market rates</li> <li>• Maximize purchasing power</li> <li>• Lower monthly payments</li> <li>• Long-term interest savings</li> <li>• No prepayment penalty</li> </ul>	<ul style="list-style-type: none"> <li>• Still a very good rate</li> <li>• 4% cash assistance</li> <li>• Lower your cash-to-close</li> <li>• Cash assistance is like a grant</li> <li>• No prepayment penalty</li> </ul>
<p>With a <b>RateAdvantage Home Loan</b>, you will get a low fixed rate to maximize your home purchasing power.</p>	<p>With a <b>CashAdvantage Home Loan</b>, you will get a low, fixed-interest rate on your home loan along with cash assistance equal to 4% of the Note amount. This option helps you come up with the cash you may need to close the loan.</p>

Regardless of which pricing option you choose, the eligibility and program requirements are the same. For current rates, please visit our website at [www.oregonbond.us](http://www.oregonbond.us) or call 503-986-2015. To qualify, eligible borrowers must meet all applicable program and lender requirements. Call one of the "Friendly Lenders" from the list on our website at [www.oregonbond.us](http://www.oregonbond.us) to help you get started.



**Residential Loan Program**

Call 503-986-2015 (toll free 1-877-ST8-BOND) or visit our website at [www.oregonbond.us](http://www.oregonbond.us) for more information, including current interest rates!

## How does the Program work?

Oregon Housing and Community Services (OHCS) is the state's housing finance agency. We periodically issue mortgage revenue bonds to fund lower-than-market interest rate mortgage loans for below-median income Oregon homebuyers. Lower interest rates help eligible first-time homebuyers increase their purchasing power.

## What's my first step?

Your first step towards homeownership is to contact one of our Friendly Lenders (the list is on our website at [www.oregonbond.us](http://www.oregonbond.us)). Your lender will help you pre-qualify—then you can begin looking for that dream home!

When you have found your house and have signed an earnest money agreement, your lender will call us to reserve loan funds for you.

Your lender will process your loan according to underwriting procedures established by the US Department of Housing and Urban Development, Rural Development, or another qualified mortgage insurer and OHCS.

After the mortgage is approved and closed, OHCS purchases the mortgage to hold as a long-term investment.

## Your eligibility requirements

A qualified homebuyer cannot have an annual gross household income exceeding the following income limits. Statewide: \$58,900; Benton County: \$68,100; Deschutes County: \$65,274; Jackson County: \$63,480; Clackamas, Columbia, Multnomah, Washington, or Yamhill counties: \$72,892 (*effective 04/07/06*). To qualify, you must also be a first-time homebuyer, which means you have not owned and occupied a primary residence at any time during the three-year period prior to the date you sign your mortgage and Note. (This requirement is waived if the property being purchased is located in a “Targeted Area” and you have transferred any residential property previously owned prior to closing the loan.)

**Targeted Areas** include all of Baker, Clatsop, Coos, Crook, Harney, Jefferson, Josephine, Klamath, Lake, Malheur, Union, Wallowa and Wheeler counties; cities (within the city limits) of Ashland, Milton-Freewater, Myrtle Creek, Port Orford, Silverton, Turner and Vernonia; and portions of Albany, Eugene, Medford and Portland. Your Friendly Lender or OHCS can tell you for sure if the property you want is in a Targeted Area.

Only Oregon residents, or potential residents, are eligible. You must agree to occupy the home you are purchasing as your primary residence.

Note: If you’ve been discharged from bankruptcy within the past two years, you are not eligible for the program.

## Property requirements

Houses that qualify for a Residential Program Loan can be newly built or previously owned, site-built homes, manufactured homes (permanently affixed to acceptable foundations), condominiums, or units in a Planned Unit Development. They can be situated anywhere in Oregon.

In most areas of the state, the maximum homes can cost to qualify is \$237,031, but the purchase price limit can vary by county or by location, if the house is located in a Targeted Area.

**Current purchase price limits are posted on our website at [www.oregonbond.us](http://www.oregonbond.us), or you can call us toll free at 1-877-ST8-BOND.**

## Types of loans available

All Residential Program Loans must be insured under the Federal Housing Administration (FHA), guaranteed by Rural Development, or a conventional loan insured by a qualified mortgage insurer approved by OHCS.

The maximum loan amount will be based on the appraised value of the property or purchase price, whichever is less. Conventional loans that close with a loan-to-value of 80 percent or less do not require mortgage insurance. The funds may not be used to refinance an existing home loan.

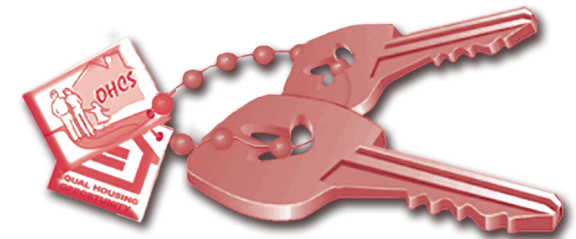
The mortgage loan term for a site-built house is 15 to 30 years. It’s the same for a manufactured home, as long as it is permanently located on a

lot owned by the borrower if the respective mortgage insurer insures the home to 30 years.

A manufactured home must also meet the appropriate insurers’ requirements, which includes a manufacture date after June 14, 1976 and a living area of at least 400 square feet.

Standard downpayments and qualifying ratios are acceptable. As applicable, the mortgage insurance premium and allowable closing costs may be added to the loan amount as long as the loan is insurable.

The loan origination fee and discount will vary with each loan, but in all cases the combined loan origination fee and discount points can’t exceed 1.75 percent of the amount of the Note.



## Oregon Housing and Community Services

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