Lender Pannel

Lenders and Closing Leasehold Homes

April 29, 3:15 – 4:45

Introductions

Financing Shared Equity Housing


SECONDARY
MORTGAGE MARKET

Fannie Mae and Freddie Mac Approved

Fannie Mae and Freddie Mac

- Increases lender participation
- Guidance on Valuation
- Guidance on LTV

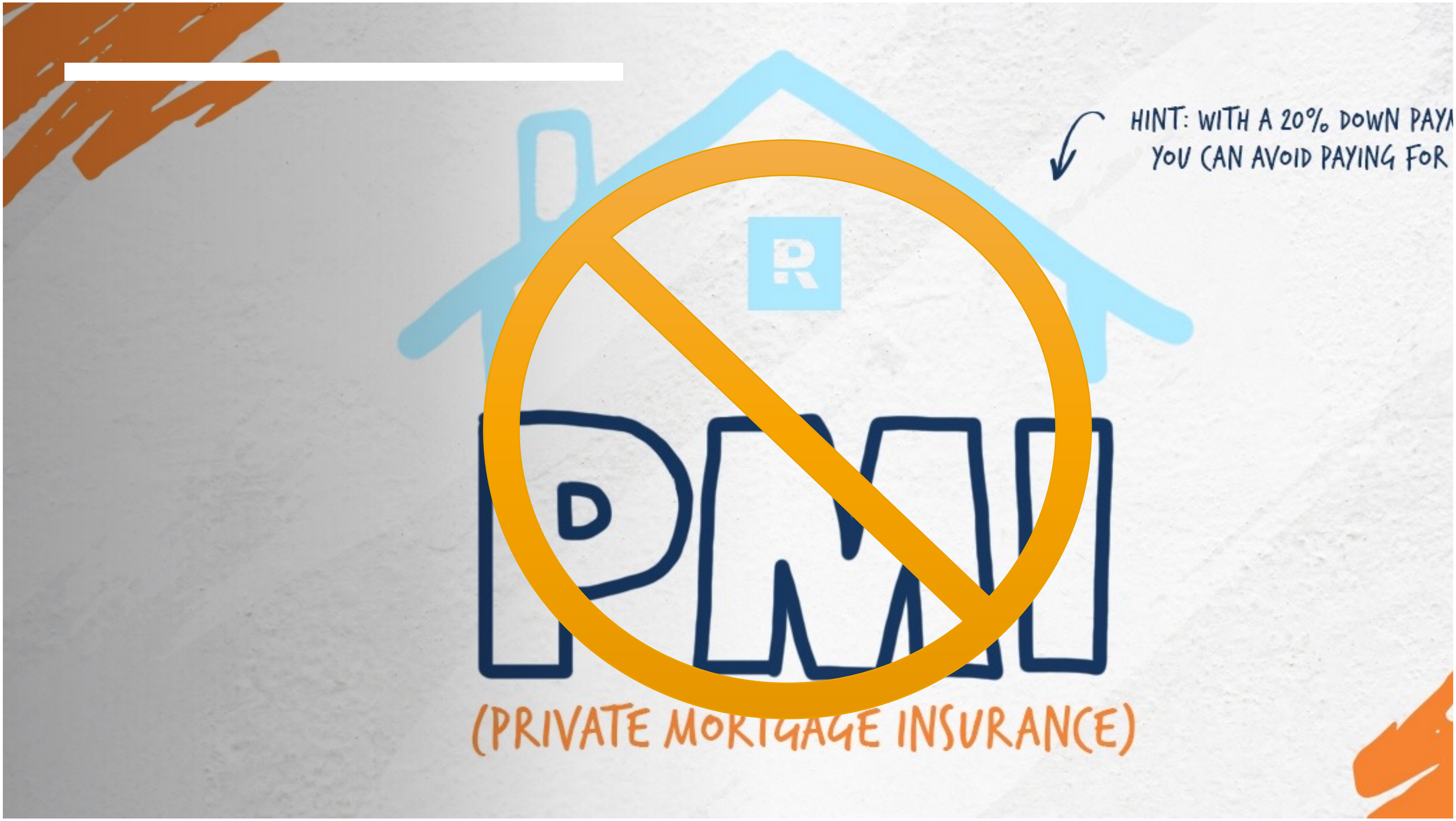
Fannie Mae and Freddie Mac

- Organizational Requirements
- Approved Model Documents
  - GSN Model Ground Lease
  - GSN Model Deed Restriction
- Term = Min mort. term + 5 years
- Restrictions eliminated in foreclosure
- FNMA Rider required

Fannie Mae and Freddie Mac - LTV

- Foreclosure = Market Sale
- Use appraised value for LTV (Not lesser of PSA or value)
- Value Guidance
  - FNMA = B4-1.4-06
  - Freddie = 4502.8


HINT: WITH A 20% DOWN PAY
YOU CAN AVOID PAYING FOR
PMI
(PRIVATE MORTGAGE INSURANCE)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FNMA Seller's Guide (B4-1.4-06)

Freddie Seller's Guide (4502.8)

- The appraisal is conducted under "the hypothetical condition" that there are no restrictions
- The appraiser must discuss CLT Leasehold sales in the report, but may not use them as comparable sales

MORTGAGE PERFORMANCE