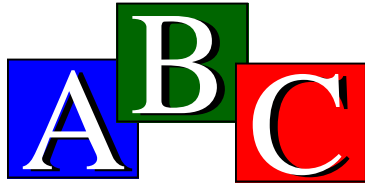


Homeownership is as Easy as A-B-C



Advance Buyer Credit-2 Loan

- **What is an ABC-2 loan?**
 - ▶ First-time homebuyers may be eligible to receive up to a \$8,000 Federal first-time homebuyer tax credit that is reimbursed after filing a federal tax return or amended tax return.
 - ▶ Long-time residents (non first-time homebuyers) may be eligible to receive up to a \$6,500 federal tax credit that is reimbursed after filing a federal tax return or amended tax return.
 - ▶ Long-time residents must purchase a property located within a federally designated target area.
 - ▶ A NIFA ABC-2 loan allows you to utilize this credit NOW, at the time of closing your home loan, to pay for down payment & closing costs.
- **How does an ABC-2 loan work?**
 - ▶ NIFA will provide a 1st mortgage loan at a fixed interest rate for a 30-year term.
 - ▶ The second mortgage loan will earn interest at a rate equal to the rate on the first mortgage loan plus 2%.
 - ▶ The ABC-2 second mortgage loan amount cannot exceed the lesser of 8.5% of the purchase price or \$6,800 for first-time homebuyers or \$5,525 for long-time residents.
 - ▶ The ABC-2 second mortgage term is 120 months (10 years).
- **What are the benefits of an ABC-2 loan?**
 - ▶ Popular home-financing loan programs, such as FHA, require a down payment and closing costs. An ABC-2 loan lets you take advantage of your expected federal first-time homebuyer credit to pay these costs.
 - ▶ If the outstanding balance of the second mortgage is paid in full within 180 days after loan closing and the borrower is not in default under the first or second mortgage loan, the borrower will receive a \$500 incentive check from within 60 days of repayment. It's as easy as A-B-C!
- **How do I qualify?**
 - ▶ Meet NIFA's definition of a first-time homebuyer or the federal government's definition of a long-term resident (non first-time homebuyer).
 - ▶ Fall within NIFA's maximum income & purchase price limits.
 - ▶ Put \$1,000 of your own funds or gift funds towards the purchase of your home.
 - ▶ Complete a homebuyer education class prior to closing.
 - ▶ Qualify for a FHA, RD or VA loan with a local NIFA participating lender. (Income & purchase price limits and a list of local lenders can be found on NIFA's website at www.nifa.org)