



## **HOME BUYER ADVANTAGE**

### **PROGRAM BULLETIN #3**

#### **Via Email**

**Date:** August 16, 2010

**To:** Participating Lenders/Brokers

**From:** Betty Temple, Vice President  
Single Family Program Operations

**Re:** **Temporary Financing**

This bulletin serves to notify participating HBA lenders/brokers that MDA has now approved the HBA Grant program to be used with loans that require temporary financing for construction completion or repairs being financed that aren't using the FHA 203(k) program.

You will find a Neighborhood Stabilization Program Temporary Financing/Rehabilitation Grant Recipient/Homebuyer Agreement attached as a separate document to this bulletin. This agreement must be executed by both the MHC approved Mortgage Lender responsible for the temporary financing and the home buyer when they apply for the temporary loan. The agreement must be accompanied by a list of the construction completion requirements or list of necessary repairs.

The lender/broker should reserve the loan with MHC at the time the Borrower applies for the temporary financing then submit the Reservation and Compliance package documents at least 30-days prior to the permanent loan closing. If the temporary financing is being done through an entity other than the lender who will be doing the permanent loan then that temporary financing lender must reserve the HBA loan with MHC. MHC will not require the temporary financing lender to submit documentation for approval to reserve loans with MHC but the reservation form must reflect who the permanent lender will be. Also attached as separate documents is a revised Reservation form and Checklist form. All other guidelines apply for the approval of the loan with MHC.