

# Live Where You Work Home Buyer Program

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1. **PROGRAM DESCRIPTION:** The program offers homebuyers who will live and work in a Live Where You Work participating municipality a low-interest 30 or 40 - year fixed-rate first mortgage from the New Jersey Housing and Mortgage Finance Agency together with Live Where You Work downpayment assistance and/or closing costs in an amount equal to 5% of the first mortgage loan. Municipalities must be approved by the Agency to participate in the program. In consideration of the anticipated commuting costs savings, the underwriting guidelines for borrowers' housing and overall debt ratios (the portion of a borrower's gross income permitted to be paid toward monthly mortgage payment and other debts) will be expanded by 3% over the usual Agency underwriting limits giving borrowers significantly more buying power. Property location requirements apply (See "Eligible Properties" below).
2. **DOWNPAYMENT/CLOSING COST ASSISTANCE:** Live Where You Work borrowers are eligible to receive Live Where You Work Downpayment and/or Closing Cost assistance in an amount equal to 5% of the Agency's first mortgage amount. To qualify for the Live Where You Work Assistance, the Borrower must purchase in Smart Growth areas as determined by the Agency's "Site Evaluator" (visit [www.nj-hmfa.com](http://www.nj-hmfa.com) to access the Evaluator Tool). **Borrowers with sufficient personal assets to close a loan at less than 80% LTV are ineligible.**
3. **LWYW FIRST AND SECOND MORTGAGE LOANS (TWO INCOME CATEGORIES):**
  - a. **For borrowers with household incomes under 80% of the county maximum income limit for the county of purchase** (refer to the Income Limit and Purchase Price sheets attached) the first mortgage rate is the prevailing Agency Homebuyer program rate at the time of loan registration.\* Such borrowers will sign a LWYW second note and mortgage that will be secured by a 7-year (84 month) non-amortizing mortgage bearing the same interest rate as the first mortgage. However, at the end of the 48<sup>th</sup> month and each 12 months thereafter 25% of the principal on the note will be deemed satisfied and the remaining balance will be re-amortized until at the end of the 84<sup>th</sup> month the mortgage obligation will be fully discharged.



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- b. **For borrowers with household incomes at or above 80% of the county maximum income limit for the county of purchase** the First Mortgage rate is the prevailing Agency Homebuyer program rate at the time of loan registration plus 5/8% of a percent. \*Such borrowers will sign a LWYW second mortgage and note secured by a 4-year (48 month). There is no interest rate on the second mortgage. However, at the end of the 12<sup>th</sup> month and each 12 months thereafter 25% of the principal on the note will be deemed satisfied and the remaining balance will be re-amortized until at the end of the 48<sup>th</sup> month the mortgage obligation will be fully discharged.

The 40-year mortgage note rate is 1/8% higher than the 30-year rate

4. **FEES:** As of June 8, 2010 there is no reservation fee required.
5. **ELIGIBLE PROPERTIES:** Properties must be located in a participating Live Where You Work municipality. Eligible properties include one-family units, including condominiums, (new and existing), and existing 2- to 4-family unit properties that are more than 5 years old. Properties must be located in State designated Smart Growth locations. Some Live Where You Work municipalities include Urban Target Areas (UTA). In Urban Target Areas eligible properties can also include new two-unit residential dwellings.

Urban Target Areas (UTA) are based upon census data. Therefore, in order to find out if an address is located in a UTA, you will need to identify the census tract within which the address is located. To determine if the proposed property is within an Urban Target Area (UTA), visit the [Site Evaluator](#) and follow the [instructions for how to find census information](#). Only properties located in approved Live Where You Work municipalities are eligible for the LWYW program benefits.

6. **BORROWER ELIGIBILITY:** Individuals only. Corporations and partnerships are not permitted to act as borrowers. At least one of the borrowers must verify that their place of employment is located in the participating municipality. Borrowers purchasing properties located in "Statewide Areas" must be first-time homebuyers. Borrowers purchasing properties located in Urban Target Areas do not have to be first-time homebuyers, however, at the time of loan closing, no other residential properties may be owned. To determine if the proposed house is located in a Statewide Area or an Urban Target Area please see the attached Income Limit/Purchase Price Sheet. All borrowers must have a minimum credit score of 620. The middle score from the three credit repositories – Equifax, Experian & TransUnion must be used. If a borrower has only two credit scores, the lower of the two will be used. A borrower does not qualify if they do not have a credit score or only have one credit score.



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7. **OCCUPANCY:** Property must be occupied as the borrower's primary residence within 60 days of closing. Borrower must maintain occupancy for the life of the Agency's first mortgage loan.
8. **INCOME GUIDELINES:** Borrower's household income may not exceed the income limit set for the county in which the property is located. Maximum permitted income is determined by family size, as well as area of purchase, as listed on the attached Income Limit/Purchase Price Sheet.
9. **CHARGES TO THE BORROWER:** Borrowers will be charged an application fee when the application is taken. This fee will cover the cost of the credit report(s), appraisal, flood certification or other customary third-party expenses and administrative costs incurred during processing.
10. **PURCHASE PRICE LIMITS:** Maximum purchase price limits exist for both Statewide and Urban Targeted Areas (Please see attached Income Limit/Purchase Price sheet).
11. **MORTGAGE INSURANCE:** the following coverage is required on all conventional loans when the loan-to-value exceeds 80% and is determined by the size of the downpayment.

100% to 97.01 LTV	40% coverage regardless of loan term. <b>(Applies to one family units only.)</b>
97% to 95.01% LTV	35% Coverage for a 30 year term
95% to 90.01% LTV	30% coverage regardless of loan term
90% to 85.01% LTV	25% coverage regardless of loan term
85% to 80.01% LTV	12% coverage regardless of term
Loans processed under the FHA, VA and/or RECD guidelines must have the appropriate insurance or guarantee.	

12. **APPLICATIONS and PARTICIPATING MUNICIPALITIES:** Applications for Live Where You Work loans can be made through any of the Agency's participating Homebuyer Program lenders. The current list of lenders and Live Where You Work Participating Municipalities is available on [www.livewhereyouwork.nj.gov](http://www.livewhereyouwork.nj.gov) or by calling 1 (800) NJ-HOUSE.



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1-800-NJ HOUSE  
[www.nj-hmfa.com](http://www.nj-hmfa.com)

## INCOME LIMIT/PURCHASE PRICE SHEET

These limits are set by the federal Government and are subject to change without notice.

A “Statewide Area” is defined as everywhere in the State of New Jersey that is not defined as an “Urban Target Area.” To determine if the street where your proposed house is located is in an Urban Target Area, refer to the Urban Area Street Directory at [www.state.nj.us/dca/hmfa](http://www.state.nj.us/dca/hmfa). Choose “Homebuyers” and then “Target Area” and finally scroll to your city.

<b>MAXIMUM INCOME LIMITS - STATEWIDE AREA</b>				
<b>COUNTIES</b>	<b>SMALL FAMILY Limit 1-2 Household</b>	<b>80% of Median Income SMALL FAMILY</b>	<b>LARGE FAMILY Limit 3+ Household</b>	<b>80% of Median Income LARGE FAMILY</b>
Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Hudson, Salem & Warren	\$89,400	\$71,520	\$102,810	\$82,248
Monmouth & Ocean	\$91,700	\$73,360	\$105,455	\$84,364
Mercer	\$95,700	\$76,560	\$110,055	\$88,044
Essex, Morris, Sussex & Union	\$90,700	\$72,560	\$104,305	\$83,444
Bergen & Passaic	\$94,600	\$75,680	\$108,790	\$87,032
Hunterdon, Middlesex & Somerset	\$105,000	\$84,000	\$120,750	\$96,600



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<b>MAXIMUM PURCHASE PRICE LIMITS – STATEWIDE AREAS</b>						
	<b>NEW</b>	<b>EXISTING</b>	<b>EXISTING</b>	<b>EXISTING</b>	<b>EXISTING</b>	
<b>COUNTIES</b>	<b>1 - FAMILY</b>	<b>1 - FAMILY</b>	<b>2 - FAMILY</b>	<b>3 - FAMILY</b>	<b>4 - FAMILY</b>	<b>Effective</b>
Atlantic	\$408,357	\$408,357	\$459,959	\$558,828	\$644,802	3/31/08
Bergen	\$429,619	\$429,619	\$550,005	\$664,828	\$826,218	1/1/06
Burlington	\$346,600	\$346,600	\$390,382	\$474,296	\$547,265	3/31/08
Camden	\$346,600	\$346,600	\$390,382	\$474,296	\$547,265	3/31/08
Cape May	\$429,619	\$429,619	\$503,040	\$611,171	\$705,197	1/1/06
Cumberland	\$364,500	\$364,500	\$410,542	\$498,789	\$575,526	1/1/06
Essex	\$429,619	\$429,619	\$550,005	\$664,828	\$826,218	1/1/06
Gloucester	\$320,625	\$320,625	\$361,125	\$438,750	\$506,250	1/1/06
Hudson	\$429,619	\$429,619	\$550,005	\$664,828	\$826,218	1/1/06
Hunterdon	\$429,619	\$429,619	\$550,005	\$664,828	\$826,218	1/1/06
Mercer	\$395,595	\$395,595	\$445,563	\$541,340	\$624,623	1/1/06
Middlesex	\$429,619	\$429,619	\$550,005	\$664,828	\$826,218	1/1/06
Monmouth	\$429,619	\$429,619	\$550,005	\$664,828	\$826,218	1/1/06
Morris	\$429,619	\$429,619	\$550,005	\$664,828	\$826,218	1/1/06
Ocean	\$429,619	\$429,619	\$550,005	\$664,828	\$826,218	1/1/06
Passaic	\$429,619	\$429,619	\$550,005	\$664,828	\$826,218	1/1/06
Salem	\$346,600	\$346,600	\$390,382	\$474,296	\$547,265	3/31/08
Somerset	\$429,619	\$429,619	\$550,005	\$664,828	\$826,218	1/1/06
Sussex	\$429,619	\$429,619	\$550,005	\$664,828	\$826,218	1/1/06
Union	\$429,619	\$429,619	\$550,005	\$664,828	\$826,218	1/1/06
Warren	\$361,972	\$361,972	\$413,329	\$502,176	\$579,434	3/31/08



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<b>MAXIMUM INCOME LIMITS – URBAN TARGET AREA</b>				
<b>COUNTIES</b>	<b>SMALL FAMILY Limit 1-2 Household</b>	<b>80% of Median Income SMALL FAMILY</b>	<b>LARGE FAMILY Limit 3+ Household</b>	<b>80% of Median Income LARGE FAMILY</b>
Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Hudson & Salem	\$107,280	\$85,824	\$125,160	\$100,128
Monmouth & Ocean	\$110,040	\$88,032	\$128,380	\$102,704
Mercer	\$114,840	\$91,872	\$133,980	\$107,184
Essex and Union	\$108,840	\$87,072	\$126,980	\$101,584
Passaic	\$113,520	\$90,816	\$132,440	\$105,952
Middlesex	\$126,000	\$100,800	\$147,000	\$117,600

<b>MAXIMUM PURCHASE PRICE LIMITS – URBAN TARGET AREA</b>							
<b>COUNTIES</b>	<b>NEW 1 – FAMILY</b>	<b>NEW 2 – FAMILY</b>	<b>EXISTING 1 – FAMILY</b>	<b>EXISTING 2 – FAMILY</b>	<b>EXISTING 3 – FAMILY</b>	<b>EXISTING 4 – FAMILY</b>	<b>EFFECTIVE</b>
Atlantic	\$499,125	\$562,172	\$499,125	\$562,172	\$683,013	\$788,092	03/31/08
Burlington	\$423,623	\$477,133	\$423,623	\$477,123	\$579,695	\$668,879	03/31/08
Camden	\$423,623	\$477,133	\$423,623	\$477,123	\$579,695	\$668,879	03/31/08
Cape May	\$525,090	\$614,827	\$525,090	\$614,827	\$746,986	\$861,907	01/01/06
Cumberland	\$445,500	\$501,773	\$445,500	\$501,773	\$609,631	\$703,421	01/01/06
Essex	\$525,090	\$672,228	\$525,090	\$672,228	\$812,568	\$1,009,823	01/01/06
Gloucester	\$391,875	\$441,375	\$391,875	\$441,375	\$536,250	\$618,750	01/01/06
Hudson	\$525,090	\$672,228	\$525,090	\$672,228	\$812,568	\$1,009,823	01/01/06
Mercer	\$483,505	\$544,578	\$483,505	\$544,578	\$661,638	\$763,428	01/01/06
Middlesex	\$525,090	\$672,228	\$525,090	\$672,228	\$812,568	\$1,009,823	01/01/06
Monmouth	\$525,090	\$672,228	\$525,090	\$672,228	\$812,568	\$1,009,823	01/01/06
Ocean	\$525,090	\$672,228	\$525,090	\$672,228	\$812,568	\$1,009,823	01/01/06
Passaic	\$525,090	\$672,228	\$525,090	\$672,228	\$812,568	\$1,009,823	01/01/06
Salem	\$423,623	\$477,133	\$423,623	\$477,123	\$579,695	\$668,879	03/31/08
Union	\$525,090	\$672,228	\$525,090	\$672,228	\$812,568	\$1,009,823	01/01/06

\*Federal Housing Administration (FHA) & Veteran Administration (VA) maximum mortgage amounts prevail if more restrictive.



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The following cities are entirely within Urban Target Areas

**Cape May:** West Wildwood Borough, Wildwood City, Woodbine

**Cumberland:** Commercial Twp

Parts of the following cities have Urban Target Area eligibility \*

**Atlantic:** Atlantic City

**Burlington:** Burlington City, North Hanover, Pemberton

**Camden:** Camden, Gloucester City, Gloucester Twp., Lindenwold

**Cumberland:** Bridgeton, Vineland

**Essex:** E. Orange, Orange, Irvington, Newark

**Gloucester:** Glassboro

**Hudson:** Guttenberg, Hoboken, Jersey City, North Bergen, Union City, West New York

**Mercer:** Trenton

**Middlesex:** New Brunswick, Perth Amboy

**Monmouth:** Asbury Park, Long Branch, Neptune Twp.

**Ocean:** Berkeley Twp., Dover Twp., Lakewood, Manchester Twp.

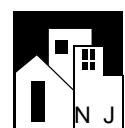
**Passaic:** Clifton, Passaic, Paterson

**Salem:** Penns Grove, Salem

**Union:** Elizabeth, Plainfield

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