

******NJHMFA Live Where You Work (LWYW) Guideline Changes**** 8-2-2012**

Effective August 2, 2012 The New Jersey Housing and Mortgage Finance Agency's (NJHMFA) Live Where You Work (LWYW) program will change as follows:

The municipal location based criteria has been eliminated. The program will now be offered on a statewide basis with the only restriction being that the property is located in a Smart Growth area.

The downpayment and closing cost assistance will be set at a maximum of 4% of the first mortgage loan amount and all terms will follow the current Smart Start program.

The interest rate will be consistent with the Smart Start Program and the options are as follows:

- 1) 4% Smart Start loan will increase the first mortgage rate .75%.
- 2) 3% Smart Start loan will increase the first mortgage rate .50%.
- 3) 2% Smart Start loan will increase the first mortgage rate .375%.

The greater and less than 80% of area median income criteria has been eliminated along with the applicable rate add-on.

The Smart Start downpayment and closing cost assistance loan term for the LWYW program has been changed to 5 years and will be discharged in 25% increments starting after the 24th month and annually thereafter until fully discharged at the end of 60 months. Lenders will use the 5 year Smart Start Mortgage and Note for these loans.

Underwriting ratios will remain the same and have not been changed.

A new LWYW Fact Sheet is attached to this bulletin.

These changes will only affect loans for home buyers working and purchasing a home in a municipality where there is no existing Memorandum of Understanding (MOU) between the municipality and the NJHMFA. In the event a home buyer is purchasing a home in the municipality in which they work and there is an existing MOU, the old guidelines that were in place at the time of the MOU will be applied until the MOU expires. Below is a list of municipalities that have existing MOU's and their expiration dates:

- 1) Bridgeton – 3/14
- 2) Camden – 3/13
- 3) Collingswood – 4/13
- 4) Franklin Township – 11/13
- 5) Freehold Borough – 11/12
- 6) Glassboro – 10/12
- 7) Haddon Township – 4/14
- 8) Hamilton Township (Atlantic County) – 7/15
- 9) Lakewood – 3/13
- 10) Manchester Township – 2/13
- 11) Middletown – 9/13
- 12) Old Bridge – 9/12
- 13) Red Bank – 7/13
- 14) Robbinsville – 11/14
- 15) Voorhees – 12/13
- 16) Woodbury – 3/13

This memorandum contains advisory, consultative and deliberative material and is intended only for the person(s) named as recipient(s).