



OHFA Grants for Grads Program

Program Term Sheet

Description	Five-year 0% interest second mortgage with principal forgiven at 20% per year as long as borrower resides in Ohio.
Eligible Borrower	An Ohio resident, based on high school graduation, who has received an associate, baccalaureate, master's, doctoral or other postgraduate degree within 18 months of application to OHFA. A copy of the borrower's diploma will serve as documentation. Must be a first-time homebuyer or have had no ownership interest in a principal residence in the previous three years.
Eligible Uses	Down payment and closing costs related to the home purchase.
Eligible Property	One-family residence only. Property type and minimum acreage per OHFA First-Time Homebuyer Program. Residence may not be used as an investment property.
Loan Amount	Exactly 2.5% of home purchase price rounded to the nearest dollar.
Income Limit	140% of area median income.
Underwriting Guidelines	Follow FHA, VA, USDA, Fannie Mae or Freddie Mac underwriting guidelines for first mortgage.
Homebuyer Education	All borrowers must complete a homebuyer education course through a HUD certified counseling agency or complete OHFA's streamlined homebuyer education.
Loan Term	Five years, after which the entire principal balance is forgiven, unless the homebuyer moves out of the State of Ohio during those five years.
Interest Rate	First mortgage at OHFA First-Time Homebuyer unassisted rate.
Exclusions	May not be used in combination with other OHFA down payment assistance programs. May not be combined with Ohio Heroes.
Re-subordination	If borrower pays off or refinances the OHFA mortgage but remains an owner occupant, OHFA will re-subordinate.
Residency Requirement	Borrower must agree to reside in Ohio for at least five years, but if the borrower moves to another residence within the state, the lien is extinguished.
OHFA Fee	\$75 OHFA administrative fee charged at closing to cover homebuyer education.(Shown on either HUD 1)
Other Allowable Fees	2nd mortgage special processing fee, limited to \$75. (Shown on Second Mortgage HUD 1) 2nd mortgage loan document preparation fee. (Shown on Second Mortgage HUD 1) 2nd mortgage loan recording fee. (Shown on Second Mortgage HUD 1)
Closing Documents	2nd mortgage Note and Mortgage in the name of "Ohio Housing Finance Agency." Separate HUD 1 Settlement Statement. No Truth-In-Lending (TIL) required.
Second Loan Funding	Participating lender advances the loan proceeds at closing. US Bank reimburses the lender at loan purchase.
Effective Dates	Available for loans reserved on or after October 19, 2009.



This information is not intended to extend consumer credit as defined by section 226.2 of Regulation "Z". Interest rate, program terms and conditions are subject to change without notice. Not all products are available in all states and for all loan amounts. Other restrictions and limitations may apply. Granting of loan is subject to program. 2/2008