

Housing Finance Authority of Miami Dade County

“Green Mortgage”

(Revised)

WHY GREEN?

A “Green Mortgage” is designed to reward homebuyers for choosing a more energy efficient home, for investing in a healthier home environment and for contributing to a greener community. The long-term benefits of green homes include lower overall utility consumption including water, and electrical, lower waste production, greater tie-back contributions to the local electric grid, production of a smaller carbon footprint in the community, lower incidence of chronic respiratory and dermatology flare ups and generational transfer of environmentally smarter choices in housing environments. Since the homeowner will incur lower utility bills, the long-term savings translate into a more affordable and more livable home.

WHY GREEN BUILDING STANDARDS?

The “Green Mortgage” is meant to support an increase in affordable “Green” homes constructed or rehabilitated using the strict standards of:

- Leadership in Energy and Environmental Design (LEED) Certification designated by the U.S. Green Building Council;
- Florida Green Building Coalition (FGBC) Certified Green Home designated by Florida Green Building Coalition; or
- National Green Building Certification designated by the National Association of Home Builders (NAHB).

LEED, FGBC, and NAHB certified homes have higher initial design and construction costs, however these costs can be effectively mitigated by the savings realized over time due to the lower monthly consumption of water, electricity and lower production of waste which is typical of a certified home. Certification is based on the degree to which the construction of the structure incorporated energy efficiency features and devices which conserve water, mitigates waste, utilizes electricity, and renders the air-environment clean. The degree at which certified homes provide a healthier living environment for the homeowner family has a positive impact on chronic respiratory, dermatology, and physical stress.

WHAT’S A GREEN MORTGAGE?

The benefits of a Green Mortgage may include a slightly lower interest rate, an option for longer repayment terms, and potential credit-score adjustments with proof of green training or environmental education, or Green-only down-payment assistance grants. These possible Green incentives may vary by lender, developer, or community program. Lenders, developers, housing counselors and buyers require information and education on the Green revolution in housing. Home buyer education classes, home buyer counseling sessions, and lender training must incorporate the benefits of green living, green housing and Green mortgages into their information and training.

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TERM SHEET

MORTGAGE GUIDELINES

Mortgage will be a 0% deferred second mortgage for the term of the First mortgage. There after the principal becomes fully amortized over 15 years in equal payments.

Loan amount cannot exceed 15% of the purchase price or appraised value.

Closing costs must be reasonable and customary, no junk fees will be permitted. The HFA will request a copy of the HUD1 prior to closing for review.

Title insurance will be required for this mortgage as evidenced by a Title Policy.

The combined loan to value ratio (“CLTV”) of all mortgages including closing costs assistance shall not exceed one hundred-five percent (105%) of the purchase price.

Household Income Maximum*

1-2 person households must not exceed \$84,360 and 3 or more person households must not exceed \$98,420.*

*Based on most current Miami-Dade HFA Bond Mortgage Financing Guidelines. If the first mortgage is one other than a bond mortgage, then the income cannot exceed 80% of the area median income adjusted for family size.

Borrower must use the home as their primary residence.

Borrower must occupy the property purchased within 60 days of closing.

Borrower need not be a first-time buyer. Borrower must permanently reside in the US.

Borrower must attend Homebuyer Counseling and present certificate at time of application.

Borrower must agree to provide HFA with access to all utility bills for 24 months after closing.

Borrower must occupy the residence for the term of the loan or until the loan is satisfied.

Mortgage is fully-repayable if the applicant sells, or refinances the first mortgage, rents, leases or transfers title, either voluntarily or involuntarily, the home.

First mortgage and Green financing must be in compliance with HFA Bond Mortgage Lending Guidelines and Fannie Mae, Freddie Mac, FHA, VA Mortgage Loans. HFA will not approve a "Green Mortgage" for loans where first mortgage either requires a balloon payment, has an adjustable rate, carries an unusually high interest rate, or includes prepaid finance charges.

Seller contribution must meet Fannie Mae, Freddie Mac, FHA, guidelines.

All Green loan files must be underwritten for credit worthiness using Fannie Mae, GNMA, FHA, and Freddie Mac underwriting standards.

PROPERTY GUIDELINES

Requires a LEED, FGBC, or NAHB Certification Checklist that is no less than 10 points above the minimum threshold for certification. The required Checklist must be signed and approved by a LEED, FGBC or NAHB Certifier.

Purchase price of home cannot exceed \$452,548*. If the first mortgage is one other than a bond mortgage, the purchase price limit is 90% of the area median purchase price.

Eligible properties include new or existing single-family units, townhomes, condos and manufactured homes that meet insurer/guarantor requirements.

Eligible geographic area includes all of Miami-Dade County.

www.miamidade.gov/hfa or 305-594-2518