

## CHAP PROGRAM GUIDELINES

If you have been prequalified through our CHAP program, we will also process your application for our down payment/closing cost assistance loan. We can finance up to 2% of the down payment and the allowable buyer's cost associated with the loan. Choctaw Home Finance takes a second mortgage on the property at 5% interest rate for up to five years. You can purchase a home for as little as 1% out of pocket expense, pending loan guidelines and lender approval. If you reside within the Choctaw Nation service area and are working with another lender for the purchase of a home, you may still qualify for the down payment/closing cost assistance loan. A prequalification letter from the lender and a copy of the closing disclosure they provide detailing the terms and cost of the loan are required.

**Reserves:** A minimum of two months reserves PITI (principle, interest, taxes, insurance) is highly suggested.

**Ratios:** In general, ratios should not exceed 33/41.

**Loan Type:** Fixed rate, fixed payment, max term of 30 years.

**Transaction Type:** Purchase, refinance, construction.

**Property Type:** Single family, owner occupied, FHA approved double wide mobile home may be allowed; please call for specific details on mobile homes.

**Credit:** A conventional credit report is required on all loans. Borrower's credit should reflect a willingness to repay debt in a timely fashion. Chapter 7 Bankruptcies should be discharged for two years with re-established credit. Chapter 13 Bankruptcies require a one year satisfactory repayment history and permission from the trustee.

**Income:** Stable two years' income history must be verified.

**Homebuyer Education:** Borrowers must complete Prepurchase Homebuyer Education Class.

**Service Area:** Nationwide



## CHOCTAW NATION HOME FINANCE

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## LOAN APPLICATION SUPPORTING DOCUMENTS

- Landlord or mortgage lenders for the past two years
- Current pay stubs for the past 30 day period
- W2s for the past two-year period
- Past two years' signed/dated federal tax returns
- Bank account statements covering the past two-month period
- Copy of social security card and drivers license for all borrowers
- Copy of front and back of CDIB and tribal membership card
- Check/Money Order or call to pay via phone for credit report fee - \$35 (borrower), or \$70 (borrower/co-borrower)

# HOME FINANCE



# Choctaw Nation

## Housing Authority

# HOME FINANCE OVERVIEW

## PROGRAM OVERVIEW

The Housing Authority of the Choctaw Nation is committed to helping you find the right mortgage product for your needs. We understand that every borrower is different, and we offer a variety of products to meet your individual requirements. We make the process of securing a mortgage simple and straightforward by offering you the latest in financial tools that enable you to make sound financial choices.

To find out what type of financing you may qualify for, please submit a loan application for prequalification.

If you are interested in refinancing your current home in Texas or purchasing a mobile home, please call for program guidelines.

If you are interested in a home loan outside the state of Oklahoma, please give us a call to discuss our lending service requirements.

As always, we are available to help you with any questions you may have. Please call to discuss your particular home loan needs.



## FINANCING PROCEDURES

We strongly suggest completing a **Homebuyer Education Class** before completing a loan application or negotiating a contract for a home. You will learn valuable information about the importance of prequalifying for a loan before you begin the process of looking for a home and how this process can save you time and money.

After you have chosen the home you wish to purchase, you will make an offer to the seller. A contract will be signed by the seller and buyer, beginning the loan process. Please allow a minimum of 45 days for closing when signing the contract. The following are a few steps involved in the processing of your loan.

- Visit with your loan officer and provide supporting documents requested (please allow up to two weeks for processing).
- A credit report is ordered to verify credit history.
- Once the application has been processed and income, employment, and credit have been verified, you will be issued a loan pre-qualification.
- When a sales contract is provided, we will send loan disclosures requiring signatures.
- Once the appropriate fee is collected, an appraisal is ordered to verify the value of the home, and if satisfactory, title work and environmental reports are ordered.
- Once all closing documents are prepared and homeowners insurance is in place, a closing date will be scheduled with the buyers, sellers, and realtors.
- The buyer must bring a certified check to closing for the amount required. The amount will be verified three days prior to closing.
- The closing agent will prepare and require signatures on all closing documents (please allow a minimum of one hour for closing).

## QUALIFIER WORKSHOP

You can determine your total debt ratio by completing the following worksheet. This can help you determine the amount you qualify for a loan.

Gross Monthly Income

\$ \_\_\_\_\_ (A)

Multiply your total gross monthly income (A) by 38% (.38)=

\$ \_\_\_\_\_ (B)

This gives you the total allowable amount for all debt payments including your new house payment.

Total Monthly Debt Payments

\$ \_\_\_\_\_ (C)

(Include car payments, credit cards, etc.)

Subtract the amount in (C) from the amount in (B)=

\$ \_\_\_\_\_ (D)

This gives you the total allowable amount for a house payment.

Use the factors below to figure the maximum loan amount for the payment amount.

Interest Rate	30 Years	15 Years
4.0%	.00477	.00740
5.0%	.00547	.00791
6.0%	.00600	.00844

(D) Divided by (Factor)=Maximum Loan Amount.

REMINDER: Your monthly escrow amount for taxes and insurance will affect your total allowable house payment amount.

*\*Your lender can help you figure the total payment amount based on the current interest rates and terms.*