

# Program Update

**TO:** Participating Lenders  
**FROM:** NIFA Homeownership Team  
**DATE:** May 6, 2020  
**SUBJECT:** Update #20-17, Maximum Second Mortgage Loan Amount

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NIFA is making a change to the maximum second mortgage loan amount in connection with Homebuyer Assistance (“HBA”) Program loan reservations. Currently, the maximum second mortgage loan amount is 5% of the purchase price with no upper ceiling.

**Effective Date:** Applies to all HBA second mortgage loans that are reserved in Lender Online on and after Monday, May 11, 2020.

**Second Mortgage Loan Calculation:** The maximum second mortgage loan calculation is 5% of the purchase price not to exceed \$10,000. An example of the calculation:

Purchase Price	Maximum Second Loan Amount
\$150,000	\$7,500
\$175,000	\$8,750
\$200,000	\$10,000
\$225,000	\$10,000

Participating Lenders should continue to follow all other requirements and guidelines for HBA Program loans. We are in the process of updating all program information and marketing materials published in Lender Online and NIFA’s website.

Please do not hesitate to let us know if you have any questions. Thank you!