



## Homeownership

*The New Mexico Mortgage Finance Authority*

*Helping low- and moderate-income  
New Mexicans become  
homeowners*

### Highlights

MFA programs can be used with the FHA 203(k) streamline loan.

Borrowers can receive assistance with down payment & closing costs.

Homebuyers can choose up to \$35,000 worth of repairs and desired improvements.

The lender and contractor help the homebuyer coordinate the work plan and cost estimate.

If you have questions or would like more information, please call an MFA Homeownership Representative at 505.843.6881.

## Helpful Tips for REALTORS

### TOPIC:

**My client wants to purchase a home that will require some repairs and updating. Is there a mortgage program that can help?**

MFA programs can be used with the FHA 203(k) streamline loan. A buyer will have the dual benefit of receiving assistance with their down payment and closing costs as well as being able to borrow up to \$35,000 more to make needed repairs and desired improvements.

The list of eligible improvements covered with this loan is quite extensive and includes such items as the repair or replacement of roofs, HVAC, plumbing, electrical, and well and septic systems. Accessibility improvements for persons with disabilities are also included, as are windows and doors, flooring, siding and stucco and painting. Cost-saving improvements such as weatherization, insulation and the purchase and installation of energy-efficient appliances can be a wise investment as well.

Here's how it works: The homebuyer first determines the type of repairs or upgrades that they would like done. They then select a contractor to complete a work plan and cost estimate. The

homebuyer will work with both the mortgage lender and contractor to ensure that the work plan and cost estimate is reasonable and customary for the area. An appraisal is done to reflect an “as is” and an “as improved” value. The loan amount is based on the lesser of the sales price and rehabilitation cost or 110% of the “as improved” value.

Perhaps you have a listing or two that will benefit from a minor kitchen or bath remodel or even a new deck or patio. Knowing how the 203(k) works with MFA programs could help you sell that “diamond in the rough”!

***We appreciate and value **YOU**, our dedicated Realtor partners. **Thank you** for making sure that your buyers know about MFA programs!***



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