



## FHA GOOD NEIGHBOR NEXT DOOR (GNND)

PROGRAM SPECIFICATIONS	
<b>Description</b>	The Good Neighbor Next Door (GNND) sales incentive permits an Owner-Occupant Borrower who is a full-time law enforcement officer, teacher, firefighter, or emergency medical technician who meets HUD requirements to purchase a specifically designated HUD REO Property located in a HUD-designated revitalization area with FHA-insured financing at a 50 percent discount from the purchase price. When using FHA-insured financing, the Borrower may purchase the HUD REO Property with a minimum down payment of \$100. In addition, the Borrower may include in the mortgage amount customary and reasonable closing costs. GNND purchases may be processed as Section 203(b), Section 203(b) with Repair Escrow, or Section 203(k).
<b>Channels</b>	<ul style="list-style-type: none"> <li>• Broker</li> <li>• Correspondent               <ul style="list-style-type: none"> <li>○ Non-Delegated UW</li> <li>○ Delegated UW</li> </ul> </li> </ul>
<b>FICO</b>	Minimum Qualifying Credit Scores: <ul style="list-style-type: none"> <li>• 580 for all qualifying borrowers</li> <li>• 1 credit score required for all qualifying borrowers,</li> <li>• User the middle score if 3 credit scores, or</li> <li>• The lowest of the two if 2 credit scores.</li> <li>• Lowest representative score from all borrowers will be used for qualification purposes.</li> </ul>
<b>UW Method</b>	<ul style="list-style-type: none"> <li>• Total Scorecard:               <ul style="list-style-type: none"> <li>○ Desktop Underwriter (DU)</li> <li>○ Loan Product Advisor (LPA)</li> </ul> </li> </ul>
<b>AUS Recommendation</b>	<ul style="list-style-type: none"> <li>• Approve/Eligible – DU</li> <li>• Refer/Eligible - DU</li> <li>• Risk Class Accept – LPA</li> <li>• Risk Class Refer – LPA</li> </ul>
<b>Eligible Terms</b>	<ul style="list-style-type: none"> <li>• 10Yr., 15Yr., 20Yr., 25Yr., 30Yr. Fixed</li> <li>• 5/1 Hybrid ARM - Suspended 7/14/2022 until further notice</li> </ul>
<b>Eligible Property Types</b>	HUD Owned Single Family Homes <ul style="list-style-type: none"> <li>• 1 Unit Primary Residence</li> <li>• Manufactured Housing</li> <li>• FHA HRAP Approved Condominiums</li> <li>• PUDs</li> </ul>
<b>Eligible Transaction Types</b>	<ul style="list-style-type: none"> <li>• Purchase</li> </ul>
<b>Maximum LTV/CLTV/HCLTV</b>	<ul style="list-style-type: none"> <li>• \$100 Down</li> </ul>
<b>Maximum DTI</b>	<ul style="list-style-type: none"> <li>• Approve/Eligible or Risk Class Accept - Follow AUS</li> <li>• Refer/Eligible or Manual Underwriting – Follow FHA Guidelines</li> </ul>
<b>Owner-Occupancy Term</b>	The Good Neighbor Next Door (GNND) participant must live in the Property as their sole residence for an owner-occupancy term of 36 months, beginning on one of the following dates: <ul style="list-style-type: none"> <li>• 30 Days after closing if the home requires no more than \$10,000 in repairs before occupancy;</li> <li>• 90 Days after closing if the home requires more than \$10,000, but not more than \$20,000 in repairs; or</li> <li>• 180 Days after closing if the home requires more than \$20,000 in repairs prior to occupancy.</li> </ul>
<b>Geographic Restrictions</b>	<ul style="list-style-type: none"> <li>• Hawaii               <ul style="list-style-type: none"> <li>○ AFR does not operate in the state of Hawaii and does not permit loans with a subject property in Hawaii for all programs in all channels with the exception of Correspondent Delegated UW transactions.</li> </ul> </li> <li>• AFR requires the use of AFR's Texas counsel on all Texas transactions with the exception of Correspondent Delegated loans. AFR utilizes this 3<sup>rd</sup> party for document preparation and require 48 hours for both title review and to generate a closing package.</li> </ul>
<b>4000.1</b>	<a href="http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/handbook_4000-1_4000.1_III.A.3.g">http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/handbook_4000-1_4000.1_III.A.3.g</a>
<b>Forms</b>	See FORMS Section in the Resource Center
<b>Resources</b>	<a href="http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/reo/goodn/gnndabot">http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/reo/goodn/gnndabot</a> <a href="http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/nsc/gnndserv">http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/nsc/gnndserv</a> <a href="http://www.hudhomestore.com/Home/GNND.aspx">http://www.hudhomestore.com/Home/GNND.aspx</a>
OVERLAYS	
<ul style="list-style-type: none"> <li>• Follow all overlays outlined in the FHA 203(b) Program Matrix:</li> </ul>	

