



# SELF-HELP'S SECONDARY MARKET PROGRAM

PORTFOLIO & FLOW PROGRAMS

## PORTFOLIO PROGRAM

## FLOW PROGRAM

### IDEAL FOR:

- Lenders holding non-conforming loans on their balance sheet
- Lenders interested in increasing available lending dollars for low- and moderate-income borrowers

### IDEAL FOR:

- Lenders desiring a customized, affordable loan program
- Lenders looking for a secondary market outlet for newly originated loans

## SAMPLE UNDERWRITING GUIDELINES:

- Purchase Money, 15- or 30-year Fixed Mortgages
- Owner Occupied, Single Family Residences
- Up to 100% LTV, 105% CLTV
- Credit Scores: Minimum 580 (97% LTV); 620 (100% LTV)
- Mortgage insurance not required.
- Borrower income must be at or below 80% of area median income (AMI) or 115% AMI in low- and moderate-income or minority census tracts. Fannie Mae's Property GeoCoder can identify if a borrower qualifies based on income.
- Lender can use Desktop Underwriter, with a ratio cap of 50%.

## OTHER REQUIREMENTS:

- Lenders must be Fannie Mae approved Seller/Serviceers.
- Retail originations are preferred.
- The lender retains servicing, earning the standard servicing fee of 25 bps. Subservicing is an available option.

## PROCESS:

- Lender selects transaction type: MBS or Cash.
- Self-Help and lender enter into Loan Purchase and Servicing Agreements.
- Lender commits and delivers loans through Fannie Mae's eCommit and Mornet Systems.
- Lender provides monthly loan activity reports.
- Lender is subject to annual and targeted quality control reviews.

## PORTFOLIO PROGRAM

## FLOW PROGRAM

### PRICING:

The offer price includes the following:

- Indicative Guaranty Fee of 14 bps
- Servicing Fee of 25 bps
- Self-Help Annual Recourse Fee (dependent on portfolio characteristics and lender recourse agreement)

### PRICING:

Borrower note rate should include the following:

- Indicative Guaranty Fee of 14 bps
- Servicing Fee of 25 bps
- Self-Help Annual Recourse Fee
  - 65 bps - Reps and Warrants apply.
  - 55 bps - Reps and Warrants apply. Lender holds recourse for each loan until the borrower establishes 9-12 months of clean payment history.



# SELF-HELP'S SECONDARY MARKET PROGRAM

BACKGROUND

Self-Help is a national leader among community development financial institutions (CDFI). Since 1980, Self-Help has provided more than \$4 billion in financing to over 45,000 small businesses, non-profit organizations and homebuyers. Self-Help has offices across North Carolina and in Washington, D.C.

Self-Help's Secondary Market Program provides an alternative source of liquidity for mortgage lenders' low-income products. Self-Help buys newly originated and seasoned loans, as portfolio and flow transactions. Loans generally have high original LTVs and carry no private mortgage insurance.

The program began in 1998 when Self-Help joined forces with the Ford Foundation and Fannie Mae to generate affordable mortgages for low-wealth homebuyers. Under this partnership, the Ford Foundation provided Self-Help with a \$50 million grant to expand its Secondary Market Program

nationwide. Fannie Mae made the commitment to purchase and/or securitize the loans Self-Help acquires. This commitment includes loans that do not meet traditional underwriting standards.

Self-Help works with all types of lending institutions including credit unions, thrifts, mortgage banks, depository institutions and housing partnerships. Some participating lenders include: Bank of America, CCO Mortgage, RBC Centura Bank, Sky Financial Group and Wachovia Bank. Self-Help has purchased loans in 47 states and the District of Columbia.



[www.self-help.org](http://www.self-help.org)



#### CONTACT INFORMATION:

301 W. Main Street • Durham, North Carolina 27701 • 919-956-4400  
[www.self-help.org](http://www.self-help.org) • [secondarymarket@self-help.org](mailto:secondarymarket@self-help.org)