

**MLB**  **WHOLESALE**  
Making Lives Better

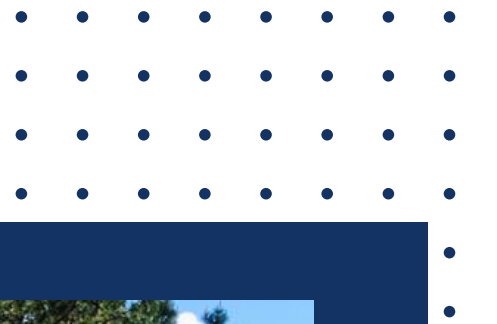
# MLB Green Advantage

[www.MLBWholesale.com](http://www.MLBWholesale.com)

 NMLS #1101220

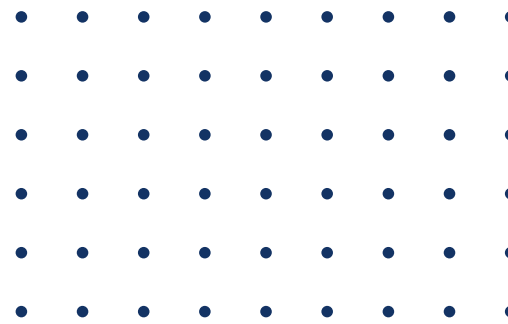


# Power the Home. Lower the Payment. Build the Future.



- **FHA only**
- **Support borrowers with limited savings**
- **Borrowers earn 3.5% of their home sales price (up to \$13,000)**
- **Brand new, fully owned solar system**
  - **No 2<sup>nd</sup> liens or UCC filings**
- **Installed after closing**
- **Broker or Non-Delegated Correspondent**





# Why This Program Matters

- ✓ Utility Rates increase around 3% annually nationwide
- ✓ Locks energy costs into a 30-year fixed mortgage
- ✓ Mortgage interest (including solar) may be tax-deductible



# What's NOT Required

- ✗ No market value solar appraisal
- ✗ No ROI or cost-effective analysis
- ✗ No complicated loan formulas
- ✗ No HUD Consultants
- ✗ No Contingency required



FHA PURCHASE	Without Green Advantage	With Green Advantage
Mortgage	\$2,000	\$2,200
Electric Bill	\$300	\$100
<b>Total</b>	<b>\$2,300</b>	<b>\$2,300</b>

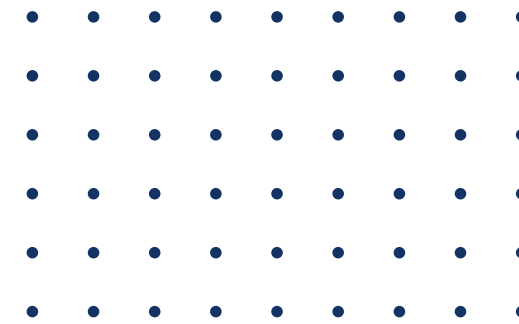
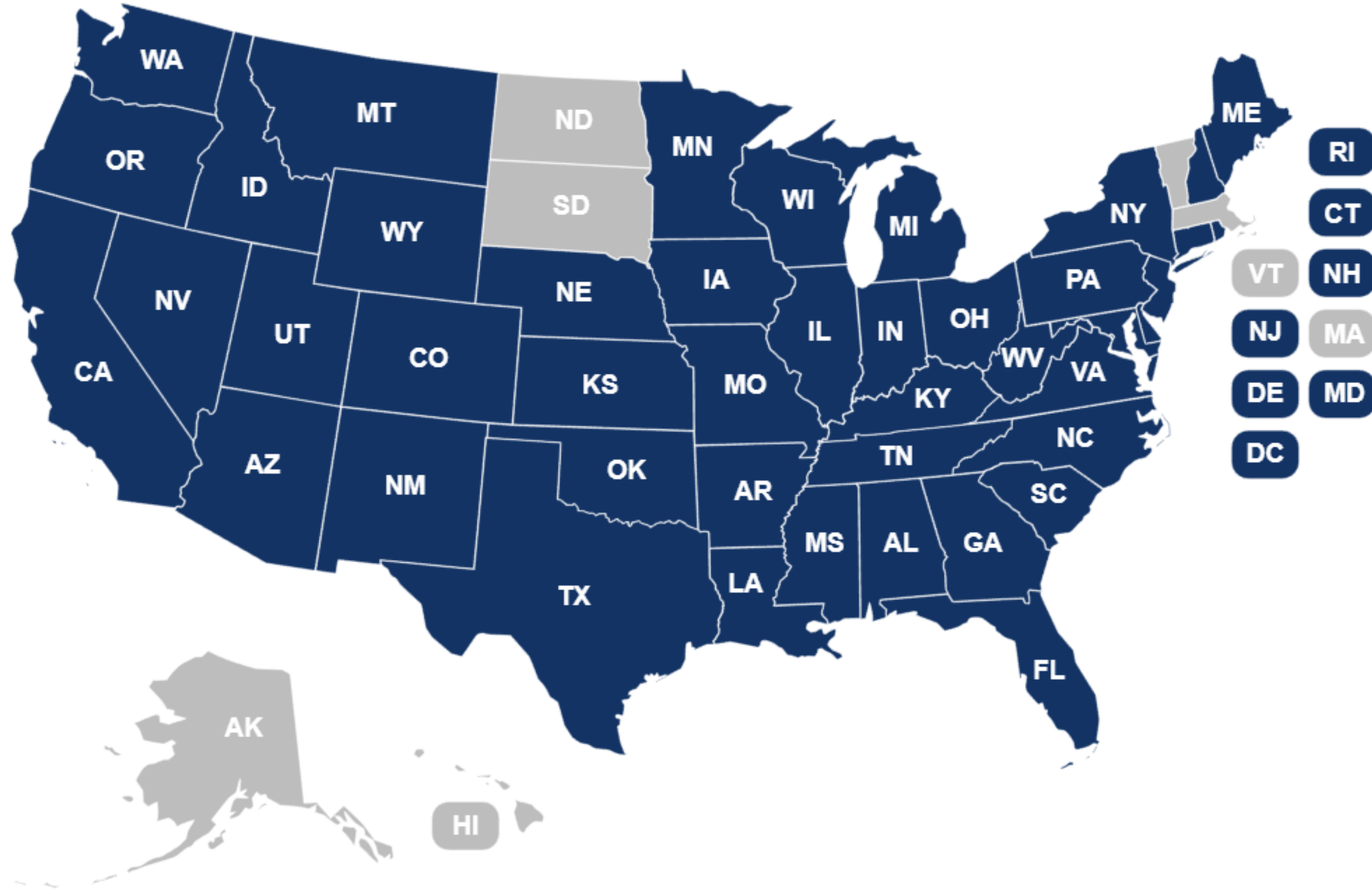
FHA purchase or refinance borrowers keep almost the **same monthly costs** while still unlocking a 3.5% benefit of up to \$13,000

*\*For illustration purposes only*



# Not Eligible:

- North Dakota
- South Dakota
- Alaska
- Hawaii
- Massachusetts
- Vermont





# BASIC LOAN REQUIREMENTS

## To Qualify for the MLB Green Advantage:

- Minimum Credit Score: **620**
- **FHA Only**
- Solar Cost  $\leq$  20% of property value
- **System must be new (cannot pay off existing)**
- **Borrower must qualify on the total loan amount**





# PROGRAM SPECIFICATIONS

## Eligible Loan Terms

- 15, 20, 25, and 30 year fixed

## Transaction Types

- Purchase
- Rate/Term Refinance

## Maximum LTV:

- Up to 120% (includes solar cost)

## DTI:

- Per AUS findings

## AUS requirement:

- Approve/Ineligible

## Seller Concessions:

- Maximum 2.5%

## Eligible Property Types:

- Primary Residence (1-4 units)\*
- Manufactured Homes
  - Singlewide or Multi-Width
- Townhomes\*\*
- Planned Unit Developments (PUDs)

*\*One utility meter per residence*

*\*\*Must be fee simple with no HOA*

*restrictions*



# GREEN ADVANTAGE PROGRAM COMPATIBILITY

## ✓ Eligible with:

- FHA 203(b) Purchase or Rate/Term Refinance



## ⊘ Not Eligible With:

- Non-FHA loan programs
- FHA 203(k) or Repair Escrow
- Any other Down Payment Assistance program
- High Balance
- TBD



# BORROWER ASSISTANCE

## Extra Assistance for Borrowers with Limited Savings

- Borrowers earn 3.5% of the sales price (up to \$13,000)
- **Funds go into a personal savings club** (included as assets on URLA)
- The funds are considered **earned income**, not a grant or gift.
- **Can be used for:**
  - Down Payment
  - Closing Costs
  - Realtor Fees
  - Debt Payoff
  - Reserves
  - And More!
  - **Funds managed by HOPER**
  - **Can be accessed at or after closing**



# HOMEBUYER EDUCATION & PARTICIPATION

## Borrowers are required to complete:

- 4-6 hour pre-closing homeownership course (\$149)
- Post Closing online financial mentorship course (\$99)
- Participation in follow-up surveys (Two surveys per year, for five years)

## Borrowers receive:

- Tax Benefits & Financial Planning guidance  
(Customized tax packet to maximize deductions and meet with a financial advisor)





# LOAN AMOUNT CALCULATION

Purchase base loan amount = **96.5%**

Rate/Term base loan amount = **97.75%**

Appraisal must **NOT** include the solar value (Only Home Value)

Add the lesser of:

- **Solar System** or
- **20% of property value**

Upfront MIP calculated on **the total loan amount**

Borrower/s qualify based on **the full loan amount with solar**

Rebates are excluded from the loan amount

Tax Credits **ARE** allowed





# LOAN AMOUNT CALCULATION EXAMPLE

**Purchase Price: \$325,000**

**Base FHA Loan Amount (96.5%): \$313,625**

**Solar System Cost: \$35,000**

**Total Loan before MIP: \$348,625**


**Upfront MIP (1.75%): \$6,101.94**

**Final Loan Amount: \$354,726.94**



# Getting Started

1. Loan Officer issues a pre-approval for an FHA purchase or refinance
2. LO completes the [Eligibility Letter Request form](#)
3. HOPER provides the eligibility letter
4. LO adds the cost of solar to the loan amount, and the borrower's earned income as an asset on the URLA
5. LO forwards the eligibility letter to the borrower and copies the HOPER team.
6. LO registers the FHA loan with MLB



## HOPE 4

HOMEOWNERSHIP  
ELIGIBILITY LETTER

DATE

RESEARCH PARTICIPANT ID

PARTICIPANT(S)

PROGRAM DETAILS	
Lender	<input style="width: 95%;" type="text"/>
Estimated Research Compensation	<input style="width: 95%;" type="text"/>

\*The final amount of participation compensation will depend on your final home purchase price.

INITIAL SOLAR ASSESSMENT	
THESE ARE ESTIMATES ONLY. A FINAL ASSESSMENT WILL BE COMPLETED PRIOR TO CLOSING.	
Estimated Total System Cost	<input style="width: 95%;" type="text"/>
Less Est. Tax Recovery	<input style="width: 95%;" type="text"/>
Less Program Earnings	\$0
Equals	\$0

**6 EASY STEPS TO GET STARTED**

- 1 Register and complete your home buyer education (\$149 one-time enrollment fee)
- 2 Register for your financial education course (\$99 one-time enrollment fee)
- 3 Sign your solar installation agreement and close on your mortgage!
- 4 Provide your utility account information
- 5 Solar installer will schedule and complete a site survey and collect permits
- 6 Solar installed, start saving money from the sun!

**Attainable Housing Advocates**

844.663.6300 [www.theahagroup.org](http://www.theahagroup.org)

Research participants earn 1099 income that is taxable to them. Qualifying participants may also receive an income tax credit. The amount(s) shown above reflect averages across the participant population, but the actual amount received will vary based on individual circumstances. The participant must include a solar system in the home purchase. HOPER recommends that program earnings be used for cash reserves after closing or to cover closing costs above and beyond the participant's minimum statutory investment. AHA is not a lender, program participants must consult with their lender regarding how earnings may be used in accordance with the lender's underwriting guidelines.



# FHA Connection Setup

- Solar/Wind = YES
- EEM = NO

Veteran Code 50

Non-Veteran Code 51

Loan Purpose:	Existing Occupied	Construction Code:	Existing Constructi
203k Type:	N/A	HUD Approved Secondary Residence:	No
Cash-out:	No	Construction to Permanent:	No
Refinance Type:	Not a Refinance	Building on Own Land:	No
Credit Qualifying Streamline:	N/A	Manufactured Housing:	<input type="radio"/> Yes <input checked="" type="radio"/> No ?
\$100 REO Down Payment Program:	<input type="radio"/> Yes <input type="radio"/> No	PUD:	<input type="radio"/> Yes <input checked="" type="radio"/> No
Solar/Wind:	<input checked="" type="radio"/> Yes <input type="radio"/> No	Solar/Wind Amount:	22025 .00
Weatherization:	<input type="radio"/> Yes <input checked="" type="radio"/> No	Weatherization Amount:	.00
Escrow Data		HUD REO Repair Amount:	.00
Escrow:	<input checked="" type="radio"/> Yes <input type="radio"/> No	Escrow Complete Date:	09 / 16
(203k/EEM/Repair/Solar/Wind/Weatherization)		Escrow Amount:	22025 .00

Selecting EEM in error reduces the allowable loan amount



# Loan Submission

Work Proposal & Contractor Agreement required at initial submission

The Total Loan Amount includes the Base Loan Amount **plus** the Solar cost

Upfront MIP is calculated using the **total loan amount**

When AUS is run, findings will return as **Approve/Ineligible** due to the increased LTV.

An Approve/Ineligible finding is **acceptable** for this program, only when the ineligibility is caused by the higher LTV related to the solar cost

All documents need to be uploaded to the MLB TPO Portal for underwriter review



# Escrow & Funding

MLB establishes the escrow for solar improvements (not the title or escrow company)

50% of funds are released to the solar contractor at closing via ACH

Installation is completed post-closing and must be finished within 120 days

## Inspection & Completion

A \$300 final inspection fee is escrowed and disclosed on the LE

Once installation is complete:

- The contractor notifies MLB
- MLB orders the final inspection through the AMC
- Upon acceptable inspection, the remaining 50% is released via ACH\*

*\*Any unused escrow funds are applied as a principal reduction*



# FREQUENTLY ASKED QUESTIONS



**Q: Can you go over FHA loan limits for Solar?**

A: Yes.

**Q: Can you refinance a home with MLB Green Advantage?**

A: Yes. FHA rate/term refinances are permitted.

**Q: Is TBD permitted?**

A: TBD is **not** permitted

**Q: Will there be a 2<sup>nd</sup> lien on my property?**

A: No, there are no 2<sup>nd</sup> liens or UCC filings

**Q: Is this a gift or a grant to the borrower?**

A: **No**, the funds are considered earned income, not a grant or gift. There is no repayment, no lien, and no refinance restrictions.

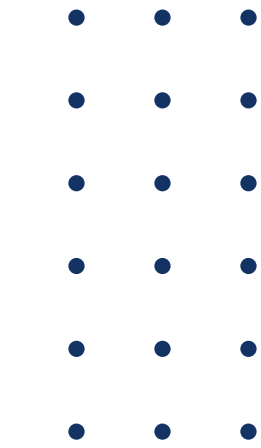
**Q: Does the appraisal include solar value?**

A: No, the appraisal must reflect **home value only**. The appraiser should comment on solar, but solar is excluded from the appraised value.



# MLBWHOLESALE

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🏠 NMLS #1101220

Equal Housing Opportunity Lender.

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