

MLBWHOLESALE
Making Lives Better

MLB Green Advantage

www.MLBWholesale.com

NMLS #1101220

MLB Residential Lending, LLC, NMLS 1101220, is a Residential Mortgage Lender, located at 841 Mountain Ave, Suite 400, Springfield, NJ 07081. Phone 732-243-0140. MLB is licensed by NJ Department of Banking and Insurance, AL State Banking Department, AK Division of Banking & Securities, AR Combination Mortgage Banker-Broker-Servicer, AZ Department of Insurance and Financial Institutions, CA Department of Financial Protection and Innovation, CO Division of Real Estate, CT Department of Banking, DC Department of Insurance, Securities, and Banking, DE Office of the State Bank Commissioner, FL Office of Financial Regulation, GA Department of Banking and Finance, IA Division of Banking Finance Bureau, ID Mortgage Broker Lender License, IL Department of Financial & Professional Regulation, IN Department of Financial Institutions, KS Office of the State Bank Commissioner, KY Department of Financial Institutions, LA Office of Financial Institutions, MD Office of the Commissioner of Financial Regulation, ME Bureau of Consumer Credit Protection, MI Department of Insurance and Financial Services, MN Department of Commerce, MS Department of Banking and Consumer Finance, MO Division of Finance, MS Department of Banking and Consumer Finance, MT Division of Banking & Financial Institutions, NE Department of Banking and Finance, NV Division of Mortgage Lending, NH Banking Department, NC Commission of Banks Office, ND Department of Financial Institutions, NM Mortgage Loan Company License, NY Department of Financial Services, OH Division of Financial Institutions, OK Department of Consumer Credit, OR Department of Consumer and Business Services, PA Department of Banking and Securities, RI Department of Business Regulation, SC Board of Financial Institutions, SD Division on Banking, TN Department of Financial Institutions, TX Department of Savings and Mortgage Lending, UT Department of Financial Institutions, VT Department of Financial Regulation, VA Bureau of Financial Institutions, WA Department of Financial Institutions, WI Department of Financial Institutions, WV Division of Financial Institutions, WY Division of Banking. All Rates subject to change without notice. MLB, in no way, claims to represent or to conduct business on behalf of HUD or the Federal Government. EQUAL HOUSING LENDER



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

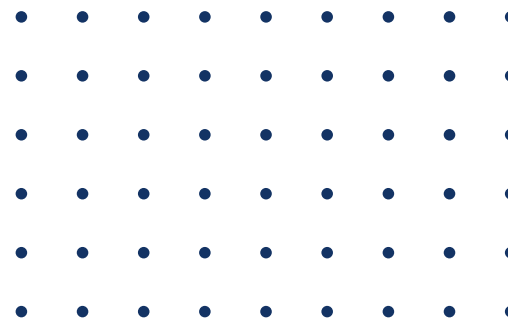
- **FHA only**
- **Support borrowers with limited savings**
- **Borrowers earn 3.5% of their home sales price (up to \$13,000)**
- **Brand new, fully owned solar system**
 - **No 2nd liens or UCC filings**
- **Installed after closing**
- **Broker or Non-Delegated Correspondent**





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
Total	\$2,300	\$2,300

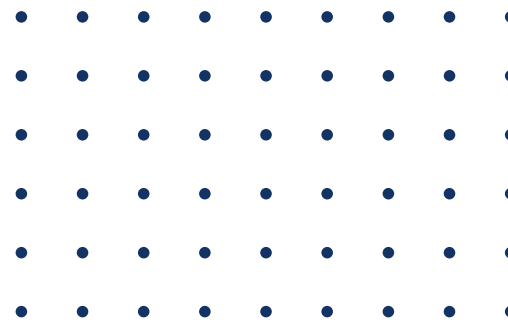
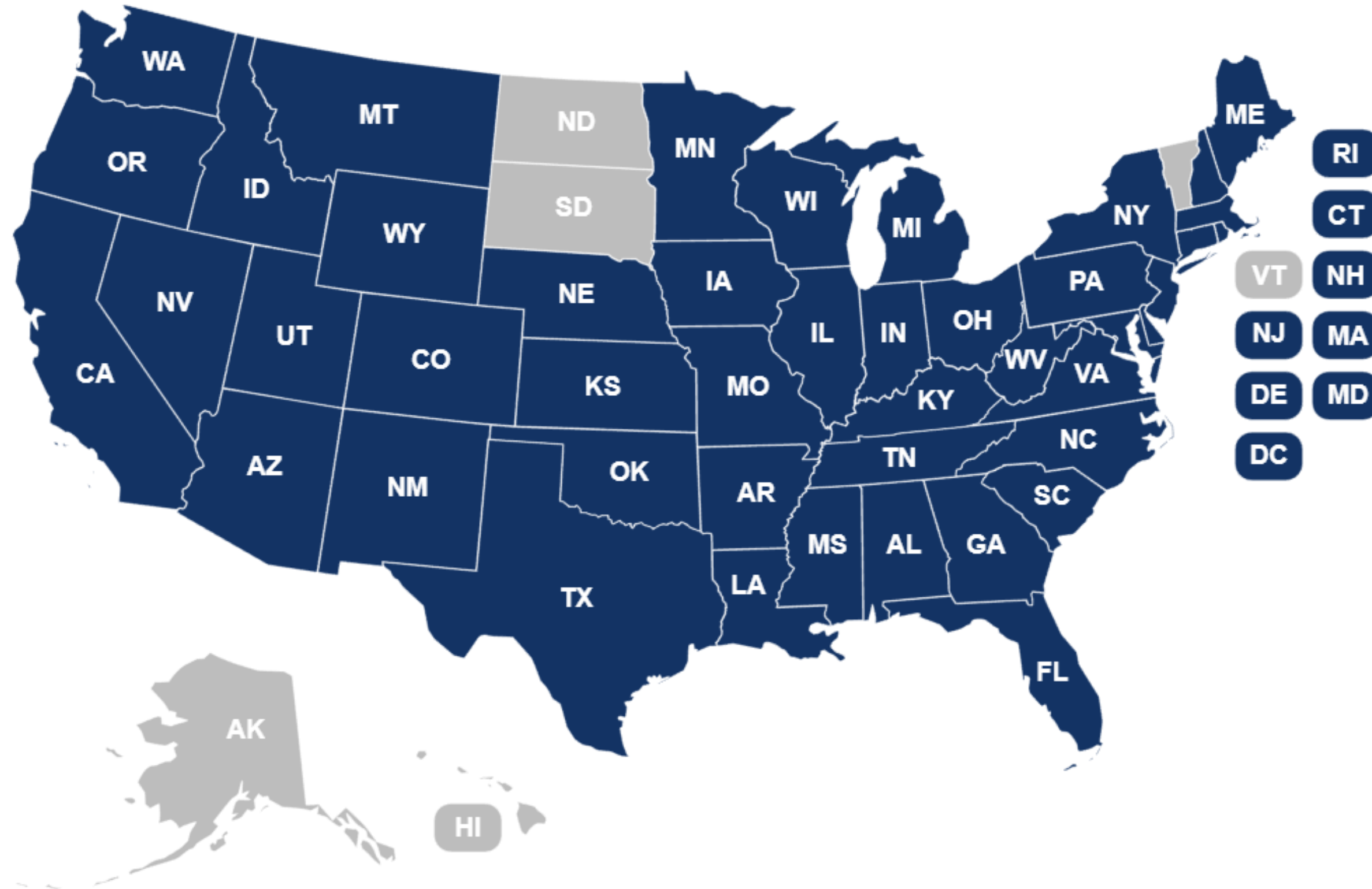
FHA purchase or refinance borrowers keep almost the **same monthly costs** while still unlocking a 3.5% benefit of up to \$13,000

**For illustration purposes only*



Not Eligible:

- North Dakota
- South Dakota
- Alaska
- Hawaii
- 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 [MLB Green Advantage Request form](#)
3. HOPER provides an 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	
Estimated Research Compensation	

*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	
Less Est. Tax Recovery	
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

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

Purchase only: The Sales Contract is required to mention the new solar system

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 2nd lien on my property?

A: No, there are no 2nd 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.



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Equal Housing Opportunity Lender.

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Not all programs are available in all areas, and the rates and costs stated do not apply to all loans made. MLB's underwriting guidelines and program restrictions apply.

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