



INDUSTRIAL COMMISSION OF NORTH DAKOTA

John Hoeven
Governor

Wayne Stenehjem
Attorney General

Doug Goehring
Agriculture Commissioner

News Release

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For immediate release

BND and NDHFA team up to help rural financial institutions

BISMARCK - Bank of North Dakota (BND) and the North Dakota Housing Finance Agency (NDHFA) are jointly offering a \$10 million Rural Mortgage Loan Program, effective Jan. 1, 2010. The Rural Mortgage Loan Program will temporarily allow rural financial institutions who do not have FHA approval, to access a pool of \$10 million in order to increase their likelihood of working with local residential home loan borrowers.

"This is yet another tool we now have to help individuals and families in our rural communities realize the dream of homeownership," said Gov. John Hoeven. "The program will create new opportunities for potential homeowners and the main street lending institutions to work together for rural North Dakota."

"The program takes effect Jan. 1," said Agriculture Commissioner Doug Goehring. "Home locations that are not in Bismarck, Fargo, Grand Forks, Mandan or Minot are eligible."

"We want rural financial institutions that may not be FHA approved to take advantage of this program in order to loan money to potential home buyers who may feel they would need to seek services outside of their local community," said Attorney General Wayne Stenehjem.

Mike Anderson, NDHFA executive director added, "Financial institutions may choose to originate the loan or partner with another financial institution with residential lending experience in order to expedite the process."

The program guidelines include:

- Rate equal to BND's Fannie Mae Conventional or NDHFA's FirstHome™ rate
- Maximum loan amount: BND - \$275,000 or NDHFA's FirstHome - \$237,000
- Up to a 30-year term
- 80 percent maximum loan-to-value ratio, rural bank may take a second mortgage up to the maximum combined loan-to-value of 95 percent
- Home must be occupied as primary residence
- FirstHome loans are subject to NDHFA loan terms
- BND or NDHFA will review loan package prior to closing

"BND and the Housing Finance Agency worked with the North Dakota Bankers Association (NDBA) to bring financial institutions together as we sought input to structure a program that would truly benefit those willing to use it," said BND President Eric Hardmeyer.

The Industrial Commission of North Dakota, consisting of Governor John Hoeven, as chairman, Agriculture Commissioner Doug Goehring and Attorney General Wayne Stenehjem, oversees the Bank of North Dakota and the Housing Finance Agency.

More information is available at www.banknd.nd.gov/ruralpackage or www.ndhfa.org

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\$10 Million Rural Mortgage Loan Program



Bank of North Dakota and North Dakota Housing Finance Agency will provide a \$10 Million conventional residential mortgage loan pool to temporarily provide funding for rural residential lending. The \$10 Million Rural Mortgage Loan Program will allow for funds to be available to institutions that do not currently have FHA approval but are willing to become FHA approved. A North Dakota bank may originate the loan themselves or partner with another financial institution that is experienced in residential lending.

Program Highlights

- ▶ Effective Date: January 1, 2010
- ▶ Rate equal to BND Fannie Mae Conventional or NDHFA FirstHome Rate
- ▶ Maximum loan amount: BND - \$275,000 or NDHFA FirstHome - \$237,000
- ▶ Term: up to 30 Years
- ▶ Credit Underwriting & Documentation to Fannie Mae Standards-Approve Eligible
- ▶ Max LTV: 80% no PMI
- ▶ Rural Bank Can Take Second Up to 95% CLTV
- ▶ Home Must be Owner Occupied Primary Residence
- ▶ Location of Home Defined as Rural by USDA (Fargo, Grand Forks, Bismarck/Mandan, and Minot Excluded)
- ▶ BND - Purchase Transactions and No Cash Out Refinance of Balloon Payments Due within 60 Days
- ▶ NDHFA FirstHome - Purchase Transactions Only
- ▶ NDHFA FirstHome Loans are Subject to NDHFA Loan Terms
- ▶ BND or NDHFA will Review Loan Application Package Prior to Closing



For more information contact us at:

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