



Purchase Plus Improvement Program (PPI) – SUMMARY

MaineHousing’s PPI Option allows financing of the purchase and repair of a home with one loan. (When combining with a mortgage Insurer, always adhere to the more restrictive guidelines to ensure eligibility.)

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| Income /Purchase Price Limits | MaineHousing First Home Program. The cost to purchase and the cost of improvements and contingencies cannot exceed First Home purchase price limits. | |
| Loan/Value (LTV) | Value based on purchase price plus improvements or 100% after rehab value, whichever is less. | |
| Interest Rate | First Home Rate; Add 100 basis points for Mobile Home Self-Insured | |
| Additional Fees | 6% of PPI portion of loan up to \$ 375 for admin. fee as allowed by the mortgage insurer | |
| Mortgage Insurer Programs | <ul style="list-style-type: none"> 🏠 Rural Development 🏠 FHA Streamline 203 (k) | <ul style="list-style-type: none"> 🏠 Mobile Home Self-Insured 🏠 Uninsured |
| Rehab Amounts | Minimum: \$500 Maximums: \$1,000 for materials if the borrower completes the work \$35,000 if a contractor completes the work | |
| Contingency | May be required. Any contingency plus repair cost cannot exceed \$35,000 | |
| Completion of Work by Borrower or Family | Lenders option. No compensation to borrower for labor. Relatives can be compensated for labor if their primary business. If a relative provides labor, cost is market based and must be borrowed and escrowed. If the relative does not complete the work, funds must be available to hire another contractor. | |
| Amount Given at Closing | <ul style="list-style-type: none"> 🏠 \$0 if borrower will complete the work. A borrower completing the work will be reimbursed for materials only, up to \$1,000, after final inspection confirms work is 100% complete. 🏠 Up to 1/3 of contract price if a contractor completes the work. Requires a 2-party check payable to borrower and contractor. 🏠 No more than allowed by mortgage insurer. | |
| Escrow Disbursements | <ul style="list-style-type: none"> 🏠 Will be limited to mortgage insurer guidelines. 🏠 2-Party Checks required payable to contractor and borrower. | |
| Performance Timeline | Rehab must begin within 30 days of closing; borrower must occupy home within 60 days of closing; rehab must be completed within 180 days of closing. | |
| At Completion | Re-inspection by appraiser or lender | |
| Documentation Required | <ul style="list-style-type: none"> 🏠 PPI Borrower Information; Certification and Escrow Agreement, HMP-19 🏠 PPI Borrower Completion Affidavit, HMP-20 🏠 Estimates; including verification of Energy Star Rating for appliances 🏠 Lien Waivers 🏠 Mortgage insurer documents 🏠 Copies of 2 party checks 🏠 Final Inspection | |

Eligible Improvements

- 🏠 Additions, repairs to improve the livability or safety as allowed by mortgage insurer including, but not limited to:
- 🏠 Accessibility improvements
- 🏠 Creating or improving a garage
- 🏠 Bringing an individual sewer disposal system up to code
- 🏠 Energy improvements (e.g. replacing heating systems)
- 🏠 Energy Star rated refrigerators, washers, dishwashers, etc

Ineligible Improvements

- 🏠 Decks, swimming pools and tennis courts
 - 🏠 Public improvements or home completion
 - 🏠 Improvements prohibited by MI insurer/guarantor
 - 🏠 Appliances not specifically listed as eligible, major rehabilitation and remodeling, other items
- MaineHousing determines do not improve basic livability or energy efficiency

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