# 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.

**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
- Rural Development
- FHA Streamline 203 (k)
- 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
- $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
- 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
- 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 that do not improve basic livability or energy efficiency

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