

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	<ul style="list-style-type: none"> 🏠 Rural Development 🏠 FHA Streamline 203 (k) 	<ul style="list-style-type: none"> 🏠 Private Mortgage Insurance in eligible areas 🏠 Uninsured 🏠 Mobile Home Self-Insured
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 	
	<ul style="list-style-type: none"> 🏠 Lien Waivers 🏠 Mortgage insurer documents 	<ul style="list-style-type: none"> 🏠 Copies of 2 party checks 🏠 Final Inspection
Eligible Improvements	<ul style="list-style-type: none"> 🏠 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	<ul style="list-style-type: none"> 🏠 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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