



FHA GOOD NEIGHBOR NEXT DOOR (GNND)

| PROGRAM SPECIFICATIONS | |
|-----------------------------------|---|
| Description | The Good Neighbor Next Door (GNND) sales incentive permits an Owner-Occupant Borrower who is a full-time law enforcement officer, teacher, firefighter, or emergency medical technician who meets HUD requirements to purchase a specifically designated HUD REO Property located in a HUD-designated revitalization area with FHA-insured financing at a 50 percent discount from the purchase price. When using FHA-insured financing, the Borrower may purchase the HUD REO Property with a minimum down payment of \$100. In addition, the Borrower may include in the mortgage amount customary and reasonable closing costs. GNND purchases may be processed as Section 203(b), Section 203(b) with Repair Escrow, or Section 203(k). |
| Channels | <ul style="list-style-type: none"> • Broker • Correspondent <ul style="list-style-type: none"> ○ Table Funded ○ Non-Delegated UW ○ Delegated UW |
| FICO | Minimum Qualifying Credit Scores: <ul style="list-style-type: none"> • Broker: 580 • Correspondent <ul style="list-style-type: none"> ○ Table Funded: 580 ○ Non-Delegated UW: 580 ○ Delegated UW: 580 Reminder: AFR does not permit Refers or Manual underwrites <620 |
| UW Method | <ul style="list-style-type: none"> • Desktop Underwriter (DU) • Loan Prospector (LP) |
| AUS Recommendation | <ul style="list-style-type: none"> • Approve/Eligible - DU • Refer/Eligible - DU • Accept/Accept - LP • Caution/Eligible – LP |
| Eligible Terms | <ul style="list-style-type: none"> • 10Yr., 15Yr., 20Yr., 25Yr., 30Yr. Fixed • 5/1 Hybrid ARM |
| Eligible Property Types | HUD Owned Single Family Homes <ul style="list-style-type: none"> • 1 Unit Primary Residence • Manufactured Housing • FHA HRAP Approved Condominiums • PUDs |
| Eligible Transaction Types | <ul style="list-style-type: none"> • Purchase |
| Maximum LTV/CLTV/HCLTV | <ul style="list-style-type: none"> • \$100 Down |
| Maximum DTI | <ul style="list-style-type: none"> • Approve/Eligible - Follow AUS • Refer/Eligible or Manual Underwrites - 31/43% |
| Owner-Occupancy Term | The Good Neighbor Next Door (GNND) participant must live in the Property as their sole residence for an owner-occupancy term of 36 months, beginning on one of the following dates: <ul style="list-style-type: none"> • 30 Days after closing if the home requires no more than \$10,000 in repairs before occupancy; • 90 Days after closing if the home requires more than \$10,000, but not more than \$20,000 in repairs; or • 180 Days after closing if the home requires more than \$20,000 in repairs prior to occupancy. |
| Geographic Restrictions | <ul style="list-style-type: none"> • Hawaii <ul style="list-style-type: none"> ○ AFR does not operate in the state of Hawaii and does not permit loans with a subject property in Hawaii for all programs in all channels with the exception of Correspondent Delegated UW transactions. |
| 4000.1 | http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/handbook_4000-1_4000.1_III.A.3.g |
| Forms | See FORMS Section in the Resource Center |
| Resources | http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/reo/goodn/gnndabot http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/nsc/gnndserv http://www.hudhomestore.com/Home/GNND.aspx |





OVERLAYS

- Follow all overlays outlined in the FHA 203(b) Program Matrix

