



# State of New York Mortgage Agency

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**PRISCILLA ALMODOVAR**  
*President and CEO*

By E-mail and Mail

December 18, 2007

**RE: Expansion of Homes for Veterans Program; Additional Funds Available for Closing Cost Assistance Loans and Borrower Points  
Seller's Guide Bulletin #7-2007**

Dear Participating Lender:

The State of New York Mortgage Agency ("SONYMA") is very pleased to announce expansion of its Homes for Veterans Program by increasing funding and including more lenders, and the continuation of its Closing Cost Assistance Loan ("CCAL") product. CCAL makes homeownership more affordable and enables more New York households to purchase a home.

### **Expansion of Homes for Veterans Program**

This past April, SONYMA, in conjunction with the New York State Division of Veterans' Affairs, announced its Homes for Veterans Program. The program takes advantage of a 2006 Federal law that permits SONYMA to waive the first-time homebuyer requirement for eligible military veterans. Initially, SONYMA allocated \$10 million for this program which was only available through one lender. Due to the success of the program, SONYMA has decided to make another \$10 million available. Further, we will open up the program to the top 20 producing SONYMA lenders in 2007.

The Homes for Veterans Program features the following:

- Veterans, and their spouses or co-borrowers, need not be a first-time homebuyer.
- Interest rates that are 0.50% lower than our standard interest rates (for loans with closing cost assistance).
- Closing cost assistance up to the greater of \$5,000 or 5% of the requested loan amount.
- No points or origination fees.
- Minimum borrower cash contribution of only 1% (the remaining 2% can come from a gift or other acceptable source).

Any veteran who served in the active military, naval, or air service and who was discharged or released under conditions other than dishonorable is eligible. This definition also includes any veteran who was discharged or released as stated above, but is currently serving in the National Guard. Applicants will be required to submit DD Form 214, Certificate of Release of Discharge from Active Duty. Please note that if a National Guardsman's DD214 reflects "Active Duty for Training", they are not considered to

be a veteran. If the veteran is not a first-time homebuyer, he or she will also be required to sign the Military Veteran's Eligibility Affidavit (SONYMA Form 243). Other than stated in this letter, all other SONYMA requirements and guidelines will apply.

Lenders who will be invited to participate in the Homes for Veterans Program will be notified by separate letter. Please be advised that only lenders can originate loans under the Program. **NO THIRD-PARTY ORIGINATIONS WILL BE ALLOWED.**

**Additional Funds for Closing Cost Assistance Loans and Borrower Points**

SONYMA has allocated another \$10 million for its CCAL product and the funding of borrower points. Since the inception of these incentives, SONYMA has allocated a total of \$110 million for this purpose. The additional monies will be made available on a first-come, first served basis and will continue to be funded on a loan level basis at the higher of: (a) \$5,000 or (b) 5% of the mortgage loan amount. The funds can be used in conjunction with any currently available SONYMA loan program. We expect the \$10 million to leverage approximately \$227 million in SONYMA mortgage funds.

Please note that SONYMA will continue to charge a higher interest rate (by 0.50%) for borrowers opting for CCAL. Further, borrowers will continue to pay 1 point for obtaining a SONYMA loan. Lenders are required to collect 1% at loan reservation (lock-in) and will retain the fee if the loan closes. SONYMA will pay lenders the remaining 0.75% at loan purchase. Be reminded that we will allow the borrower's one point to be funded by the CCAL.

If you should have any questions, please feel free to contact Anthony Mancusi, Operations Manager at extension 616 or [amancusi@nyhomes.org](mailto:amancusi@nyhomes.org) or Susan Pline, Vice President, at extension 391 or [susanp@nyhomes.org](mailto:susanp@nyhomes.org).

Sincerely,



George M. Leocata  
Senior Vice President  
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