

**Open Mortgage FHA - DPA**

**Program Notes**

|                            |   |
|----------------------------|---|
| <b>Requirements</b>        | <ul style="list-style-type: none"> <li>• 580 Minimum FICO Score Per Borrower with AUS approval</li> <li>• <b>**Manual Underwrites Allowed 600 Minimum FICO Required**</b></li> <li>• No Max DTI with AUS approval</li> <li>• No First - Time Homebuyer Requirement</li> <li>• FHA - Non-Occupant Co-Borrowers Allowed</li> <li>• FHA 1st Lien + 96.5% LTV</li> <li>• DPA 2nd Lien = 3.5% of Purchaser Price or Appraised Value, <b>lesser of the two</b></li> <li>• Funds Can Be Used for Down Payment</li> <li>• Funds Can Be Used for Closing Costs</li> <li>• Follow Agency Guidelines for UW</li> </ul> |
| <b>Income Limits</b>       | <ul style="list-style-type: none"> <li>• Limits have been removed from the NHF Program. No cap on qualifying income!</li> </ul>   |
| <b>Program Fees</b>        | <ul style="list-style-type: none"> <li>• Any Normal and Customary Fees are allowed i.e. Appraisal, Credit Reporting, Survey, Title Insurance, etc.</li> <li>• Must be Charged in Accordance with Agency Policy</li> <li>• No Lender Fees can be Charged on 2nd Lien: Exception is Title or Escrow Fees</li> <li>• Maximum Origination Fee/Discount Points of 2.00%</li> </ul>   |
| <b>Eligible Borrowers</b>  | <ul style="list-style-type: none"> <li>• US Citizens</li> <li>• Permanent resident and non-permanent resident aliens</li> <li>• Inter Vivo Revocable Trusts</li> <li>• Non-Occupant Co-Borrower</li> </ul>  |
| <b>Eligible Properties</b> | <ul style="list-style-type: none"> <li>• Single Family Detached - 1 Unit</li> <li>• Single Family Attached - 1 Unit</li> <li>• Duplexes - 2 Units</li> <li>• Planned Unit Developments (PUDs)</li> <li>• Townhouses</li> <li>• Condos: Agency Approved/No Litigation</li> <li>• Manufactured Homes: <i>Double-Wide Only</i></li> <li>• Owner Occupied Only</li> </ul>   |
| <b>State Restrictions</b>  | 100% LTV Financing except in New York   |
| <b>Terms</b>               | <ul style="list-style-type: none"> <li>• Interest Rate = 1st TD Note Rate + 2% <b>**Check Daily Rate Sheet for Changes**</b></li> <li>• Fully Amortizing Loan for 120 Months</li> <li>• Include Payment in DTI Calculation</li> <li>• Cannot be Subordinated</li> <li>• 3.5% of Sales Price of Appraised Value, the lesser of</li> </ul>  |
| <b>Homeowner Education</b> | <p>At least one borrower must receive housing counseling from a HUD-approved non-profit housing counseling agency. The U.S. Department of Housing and Urban Development provides a database of approved housing counseling services.</p> <p><a href="https://hudgov-answers.force.com/housingcounseling/s/?language=en_US">https://hudgov-answers.force.com/housingcounseling/s/?language=en_US</a></p>   |
| <b>2-1 Buydown</b>         | <p>2-1 Buydown Option Available for 30-Year Fixed Rate Standard and High Balance Loans</p> <p>Purchase Only: Seller or Builder paid buydowns allowed - borrower paid buydown are not permitted</p> <p>Buydown included in the 6% interested party contribution limit - borrower must meet MRI requirement of 3.5%</p> <p>Borrower must qualify at note rate</p>   |
| <b>High Balance Loans</b>  | <p>Repayable: Allowed.</p> <p>Forgivable: (3.5%) Allowed.</p>   |

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