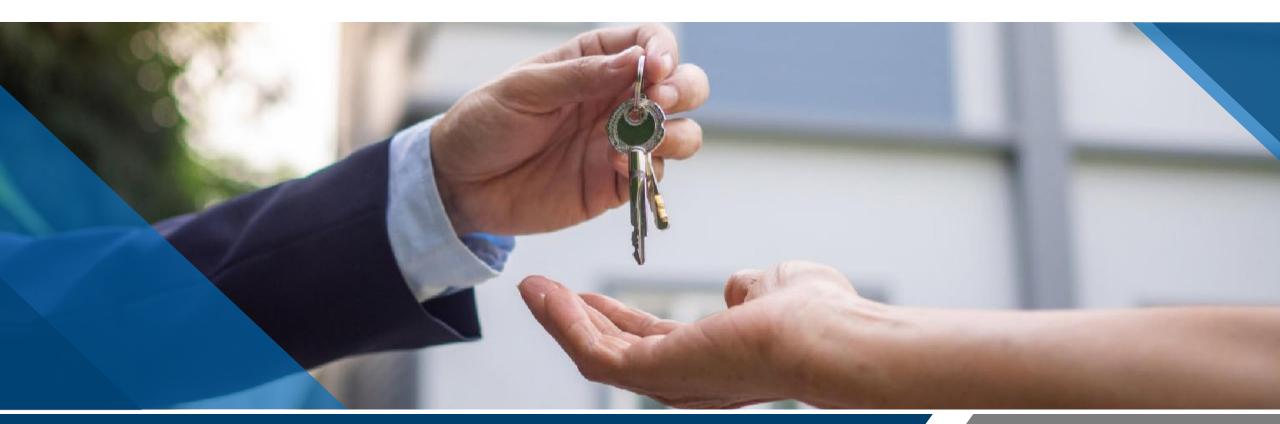


GMFS Partnering W/National Homebuyer's Fund: Down Payment Advantage (DPA) Program





NHF: Who Are We & What We Do

Sponsored by: National Homebuyers Fund (NHF)

□ NHF is a Non-Profit Public Benefit Corporation

NHF is also an Instrumentality of Government under IRS Code Section 115

Accomplishments:

□ Helped Finance more than 45,500 Home Purchases

□ These Purchases Totaled more than \$7.6 Billion

□ Provided over \$400 Million in Down Payment Assistance

Committed to Responsible Homeownership



MHO

IS NHF

DPA: Myths Around DPA



Dispelling Myths Around DPA Program:

- 1. Program is Limited to Certain Areas
- 2. Only Available to First-Time Homebuyers
- 3. Must Be Low-Income to Qualify
- 4. Cannot Use/Have Own Funds in Transaction
- 5. Exceptional Credit Required
- 6. Difficult to Qualify Borrower
- 7. Cannot Make any Money on Transaction
- 8. Takes Longer to Close



DPA Program: Overview

FHA: 100% CLTV Financing

- FHA 1st Lien = 96.5% LTV
- DPA 2nd Lien = 3.5% of the Purchase Price or Appraised Value (lesser of) - Must be 3.5% or get prior approval for lower amount
- Funds Can Be Used For Down Payment

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Funds Can Be Used for Closing Costs

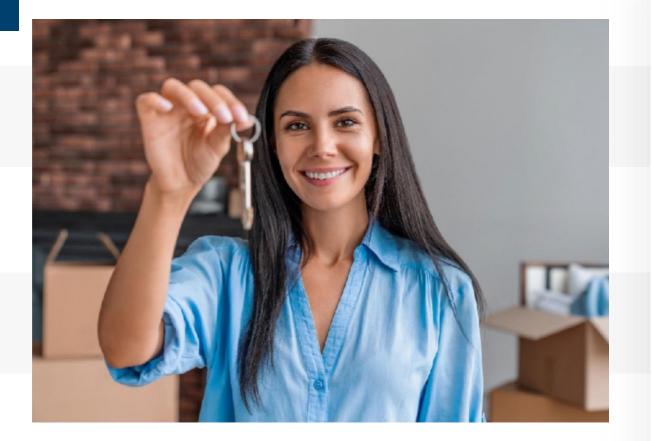
Available for GMFS Retail or Broker Clients



100% CLTV Financing



Borrower: Eligibility



Guidelines: Minimal Overlays

- □ 600 Minimum FICO Score Per Borrower
- DU Approval Required: No Max DTI*
 - No Manual Underwrites
- □ No First-Time Homebuyer Requirement
- □ Homebuyer Education Required
 - Fannie Mae's HomeView Course is free
 https://www.fanniemae.com/education
- Non-Occupant Co-Borrowers Allowed
- □ Follow Agency Guidelines for UW
- Loan Limits: Follow FHA Guides
- □ Maximum Loan Amount = \$726,200 <u>or</u>
- □ Maximum HUD County Limit
 - You Can Exceed County Loan Limits by the Amount of UPMIP and the 2nd Lien

Owner Occ. Only: Elig. Properties

- □ Single Family Residences: 1 Units
- Duplexes: 2 Units
- PUDs
- Townhouses
- Condos: Agency Approved /No Litigation

*Price add on for DTI>50



Option 1: <u>2nd Lien: Rate & Payment Details</u>



0.00% Interest Rate = 0%

\$0.00 No Payments for Life of Loan

- Payments are Deferred
- No Interest Accrues
- Loan is forgivable after 10 years; must still be owner occupied
- Payable Upon Sale, Refinance, or Pay-Off (if prior to 10 years)
- Cannot Be Subordinated
- 3.5% of Sales Price or Appraised Value (lower)
- If borrower requests that 2nd be less than
 3.5%, prior approval is required from the DPA.
 Please get with the secondary team to obtain approval.
- 360 <u>30 Year</u>





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Option 2: <u>2nd Lien: Rate & Payment Details</u>



Interest Rate = 1st note rate plus 2% Payments are not deferred

- Payments are not Deferred
- 10 year term; 10 year amortized
- Payable Upon Sale, Refinance, or Pay-Off (if prior to 10 years)
- Cannot Be Subordinated
- 3.5% of Sales Price or Appraised Value
- If borrower requests that 2nd be less than 3.5%, prior approval is required from the DPA. Please get with the secondary team to obtain approval

secondary team to obtain approval.





DPA: Program Fees



Closing Costs Allowed:

- Any Normal and Customary Fees are Allowed
 - Fees: Appraisal, Credit Reporting, Survey, Title Insurance, etc.
- Must be Charged in Accordance with Agency Policies
- No Lender fees can be Charged on 2nd Lien
 - Exception: Title or Escrow Fees

Origination Fee OR Discount Points up to 2.00%

Additional Fee on 1st of \$395.00 DPA Admin Fee



Why Use DPA: Top Reasons

- 100% CLTV Financing up to \$726,200
- 0% 2nd lien for up to 30 years
- Or "plus 2%" 2nd lien for 10 years at better pricing

- No Extra State Agency Underwrite
- Close DPA Loans as Fast as Other Loans

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Funds Never Deplete or Run Out

- Minimal Overlays: 600 FICO
- DU Approval and No Max on Ratios
- Underwrite to Agency Guidelines

- Available in all GMFS States
- White label the program to fit your needs



Questions?

Thank You!

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