



Down Payment Advantage – Guide Sheet

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10 Year Amortized Second Guidelines – FHA Loan

<p>PROGRAM SPONSOR</p>	<p>The Down Payment Advantage program is sponsored by National Homebuyers Fund, (NHF) is non-profit public benefit corporation established in 2002 to expand homeownership nationwide. NHF Program is designed to increase homeownership opportunities for low-to- moderate income individuals</p>
<p>SERVICER</p>	<p>GMFS will release the first and second mortgage and the servicer will be Data Mortgage, Inc. dba Essex Mortgage</p>
<p>FIRST MORTGAGE LOAN TYPES AND TERMS</p>	<p>Loan Types:</p> <ul style="list-style-type: none"> • FHA -- All guidelines will follow FHA guidelines and GMFS product guides unless stated otherwise in this document. (For clarity, the second is considered Conventional in the system) <p>Loan Term:</p> <ul style="list-style-type: none"> • Due and payable in 30 years <p>Maximum Loan Amount:</p> <ul style="list-style-type: none"> • Maximum HUD County Limit <ul style="list-style-type: none"> ○ You Can Exceed County Loan Limits by the Amount of UPMIP and the 2nd Lien <p>Max LTV/CLTV:</p> <ul style="list-style-type: none"> • Follow loan agency guidelines
<p>ELIGIBLE PROPERTIES</p>	<ul style="list-style-type: none"> • Single Family Residences: 1 Unit • Duplexes: 2 Units • PUDs • Townhouses • Condo Agency Approved



<p>DOWN PAYMENT AND CLOSING COST ASSISTANCE (DPA)</p>	<p>DPA is available from Down Payment Advantage for Purchase transactions as outlined below DPA Amount:</p> <ul style="list-style-type: none"> Up to 3.5% of the Sales Price or Appraised Value (lesser of) <p>DPA Form:</p> <ul style="list-style-type: none"> DPA 10-year Second Mortgage Loan Note <p>DPA General Terms:</p> <ul style="list-style-type: none"> Proceeds may be used for down payment and/or closing costs; There must be no cash back to the borrower from the DPA proceeds; Lender upfronts the DPA amount at closing to be reimbursed by the Servicer, upon purchase of the First Mortgage Loan. <p>DPA Second Mortgage Loan Terms:</p> <ul style="list-style-type: none"> 10 year Term; Note Rate is 2.0% greater than rate on 1st loan 10 yr fully amortizing loan Monthly payments required Second loan amounts must be rounded up to nearest dollar; No subordination allowed; <p>GMFS will conform to federal RESPA and Truth-in-lending laws in disclosing the terms of the Second Mortgage.</p>
<p>DPA DOCUMENTATION</p>	<p>DPA Second Mortgage Loan Documents (Required):</p> <ul style="list-style-type: none"> DPA Funding Commitment Notice – must be dated prior to the Note date Second Mortgage Note <p>See Exhibit A for GMFS Process unique to this product</p>
<p>BORROWER ELIGIBILITY</p>	<p>Occupancy:</p> <ul style="list-style-type: none"> No first-time homebuyer requirement. Borrower must occupy the residence as their primary residence within (60) days of closing). Borrowers may have ownership in other property at time of closing, per agency guidelines. Non-occupant co-borrowers allowed. <p>Eligible Properties:</p> <ul style="list-style-type: none"> Single Family Residences 2 units – LLPA applies PUDs Townhouses Condominiums (Must be agency approved and must not be litigation). Follow agency guidelines.



	<p>Minimum Credit Score:</p> <ul style="list-style-type: none"> • FHA: 600 <ul style="list-style-type: none"> ○ Each borrower must have a minimum of one credit score <p>Maximum DTI:</p> <ul style="list-style-type: none"> • AUS approval required <p>Homebuyer Education:</p> <ul style="list-style-type: none"> • At least one borrower must receive housing counseling from a HUD approved non-profit housing counseling agency
<p>MORTGAGE INSURANCE</p>	<p>Follow agency guidelines.</p>
<p>INTEREST RATES AND MORTGAGE LOCKS</p>	<p>Loan Registrations (Reservations):</p> <ul style="list-style-type: none"> • 2nds are registered with NHF prior to closing • NHF DPA Funding Commitment Notice and Second Loan Documents must be submitted with the mortgage loan file. GMFS cannot purchase a Mortgage Loan without these documents. • NHF DPA Funding Commitment Notice must be dated prior to the Note date First Mortgage Loan Lock: <p>Price Adjustments: All adjustments are cumulative</p> <ul style="list-style-type: none"> • Loans are subject to the LLPA's and Fees as noted in Optimal Blue. • Must pass points and fees testing • No Fees in
<p>COMPLIANCE CERT</p>	<p>Provide a separate compliance certificate for both the 1st and 2nd liens</p>
<p>MORTGAGEE CLAUSE</p>	<p>Loans must have the mortgagee information listed as follows and to show a 1st and 2nd mortgagee clause.</p> <p>Essex Mortgage ISAOA ATIMA P. O. Box 29411 Phoenix, AZ 85038-9411</p>



10 Year Forgivable Second Guidelines – FHA Loan

<p>PROGRAM SPONSOR</p>	<p>Down Payment Advantage is sponsored by National Homebuyers Fund, (NHF) is non-profit public benefit corporation established in 2002 to expand homeownership nationwide. The DPA Program is designed to increase homeownership opportunities for low-to- moderate income individuals</p>
<p>SERVICER</p>	<p>GMFS will release the first and second mortgage and the servicer will be Data Mortgage, Inc. dba Essex Mortgage</p>
<p>FIRST MORTGAGE LOAN TYPES AND TERMS</p>	<p>Loan Types:</p> <ul style="list-style-type: none"> • FHA -- All guidelines will follow FHA guidelines and GMFS product guides unless stated otherwise in this document. (For clarity, the second is considered Conventional in the system) <p>Loan Term:</p> <ul style="list-style-type: none"> • Due and payable in 30 years • 2nd Lien is due and payable at the time of the first mortgage unless the forgivable parameters below have been satisfied <ul style="list-style-type: none"> • Forgivable IF 1. loan has reached 10 yrs from Note date AND 2. a Repayment event has not occurred, AND 3. The borrower has continued to occupy the property as their primary residence. <p>Repayment Events</p> <ul style="list-style-type: none"> • The First Deed of Trust on the Property is refinanced; or • The First Deed of Trust on the Property becomes due and payable for any reason; or • Borrower sells, transfers or otherwise disposes of the Property, including, without limitation, through foreclosure or transfer pursuant to any power of sale. <p>Maximum Loan Amount:</p> <ul style="list-style-type: none"> • Maximum HUD County Limit <ul style="list-style-type: none"> ○ You Can Exceed County Loan Limits by the Amount of UPMIP and the 2nd Lien <p>Max LTV/CLTV:</p> <ul style="list-style-type: none"> • Follow loan agency guidelines



<p>DOWN PAYMENT AND CLOSING COST ASSISTANCE (DPA)</p>	<p>DPA is available for Purchase transactions as outlined below: DPA Amount:</p> <ul style="list-style-type: none"> Up to 3.5% of the Sales Price or Appraised Value (lesser of) <p>DPA Form:</p> <ul style="list-style-type: none"> A deferred 30-year Second Mortgage Loan (no interest) Promissory Note Addendum Loan Forgiveness Feature Disclosure <p>DPA General Terms:</p> <ul style="list-style-type: none"> Proceeds may be used for down payment and/or closing costs; There must be no cash back to the borrower from the DPA proceeds; <p>DPA Second Mortgage Loan Terms:</p> <ul style="list-style-type: none"> 30 year Term; Note Rate of Second Mortgage is 0.0% Non-amortizing loan with no monthly payments Second Mortgage is due and payable upon sale, refinance or payoff of the First Mortgage; If forgivable terms are not satisfied Second loan amounts must be rounded up to nearest dollar No subordination allowed; <p>GMFS will conform to federal RESPA and Truth-in-lending laws in disclosing the terms of the Second Mortgage.</p>
<p>DPA DOCUMENTATION</p>	<p>DPA Second Mortgage Loan Documents (Required):</p> <ul style="list-style-type: none"> DPA Funding Commitment Notice – must be dated prior to the Note date Second Mortgage Note Security Instrument should contain MERS "MOM" language as well as a MIN number <p>See Exhibit A for GMFS Process unique to this product</p>
<p>BORROWER ELIGIBILITY</p>	<p>Occupancy:</p> <ul style="list-style-type: none"> No first-time homebuyer requirement. Borrower must occupy the residence as their primary residence within (60) days of closing). Borrowers may have ownership in other property at time of closing, per agency guidelines. Non-occupant co-borrowers allowed. <p>Eligible Properties:</p> <ul style="list-style-type: none"> Single Family Residences 2 units – LLPA applies PUDs Townhouses Condominiums (Must be agency approved and must not be litigation).



<p>BORROWER ELIGIBILITY CONT.</p>	<p>Follow agency guidelines. Minimum Credit Score:</p> <ul style="list-style-type: none"> • FHA: 600 • Each borrower must have a minimum of one credit score <p>Maximum DTI:</p> <ul style="list-style-type: none"> • AUS approval required <p>Homebuyer Education:</p> <ul style="list-style-type: none"> • At least one borrower must receive housing counseling from a HUD approved non-profit housing counseling agency
<p>MORTGAGE INSURANCE</p>	<p>Follow agency guidelines.</p>
<p>INTEREST RATES AND MORTGAGE LOCKS</p>	<p>Loan Registrations (Reservations):</p> <ul style="list-style-type: none"> • 2nds are registered with NHF prior to closing • NHF DPA Funding Commitment Notice and Second Loan Documents must be submitted with the mortgage loan file. GMFS cannot purchase a Mortgage Loan without these documents. • NHF DPA Funding Commitment Notice must be dated prior to the Note date First Mortgage Loan Lock: <p>Price Adjustments: All adjustments are cumulative</p> <ul style="list-style-type: none"> • Loans are subject to the LLPA's and Fees as noted in Optimal Blue. • Must pass points and fees testing • No Fees In • Administration fee – additional fee charged on the first - \$395.00 • DTI price hit may apply, must reprice if DTI >50
<p>COMPLIANCE CERT</p>	<p>Provide a separate compliance certificate for 1st Transaction</p>