



**GMFS**  
MORTGAGE

## 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*

# 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 1<sup>st</sup> Lien = 96.5% LTV
- DPA 2<sup>nd</sup> 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
- 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 = \$832,750or
- Maximum HUD County Limit
  - You Can Exceed County Loan Limits by the Amount of UPMIP and the 2<sup>nd</sup> 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:

## 2<sup>nd</sup> Lien: Rate & Payment Details



0.00% Interest Rate = 0%

\$0.00 No Payments for Life of Loan

- Payments are Deferred
- No Interest Accrues
- Loan is forgivable after 3 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

30 Year



# Option 2:

## 2<sup>nd</sup> Lien: Rate & Payment Details



Interest Rate = 1<sup>st</sup> 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.

10 Year Amortization



# 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 2<sup>nd</sup> Lien
  - Exception: Title or Escrow Fees

## ➤ Origination Fee OR Discount Points up to 2.00%

Additional Fee on 1<sup>st</sup> of \$395.00 DPA Admin Fee

# Why Use DPA: Top Reasons

- 100% CLTV Financing up to \$832,750
- 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
- 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!

