



Down Payment Advantage – Guide Sheet

CONTENTS

10 Year Amortized Second Guidelines – FHA Loan	2
3 Year Forgivable Second Guidelines – FHA Loan	5

10 Year Amortized Second Guidelines – FHA Loan

PROGRAM SPONSOR	<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>
SERVICER	<p>GMFS will release the first and second mortgage and the servicer will be Data Mortgage, Inc. dba Essex Mortgage</p>
FIRST MORTGAGE LOAN TYPES AND TERMS	<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 Loan Amount = Conforming or • 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
ELIGIBLE PROPERTIES	<ul style="list-style-type: none"> • Single Family Residences: 1 Unit • Duplexes: 2 Units • PUDs • Townhouses <p>Condo Agency Approved</p>

<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"> • 3.5% of the Sales Price or Appraised Value (lesser of) • OR 5% option available • Second must be 3.5% or 5% to match product selected OR get prior approval for lower amount <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; <p>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> <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>DISCLOSING</p>	<p>Broker and Correspondent loans eligible. TPO loans must be disclosed by GMFS. COYOD docs are not allowed.</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– Must be on title. <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. Minimum Credit Score: • FHA: 600 • Each borrower must have a minimum of one credit score • Maximum DTI: Per AUS • AUS approval required • Homebuyer Education: • 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 • For 5% - Lender Paid is not allowed.
<p>COMPLIANCE CERT</p>	<p>Provide a separate compliance certificate for both the 1st and 2nd liens</p>



3 Year Forgivable Second Guidelines – FHA Loan

PROGRAM SPONSOR	<p>Down Payment Advantage is sponsored by National Homebuyers Fund, (NHF) is non-profit public benefit corporation established in 2002 to expand homeownership nationwide.</p> <p>The DPA Program is designed to increase homeownership opportunities for low-to- moderate income individuals</p>
SERVICER	<p>GMFS will release the first and second mortgage and the servicer will be Data Mortgage, Inc. dba Essex Mortgage</p>
FIRST MORTGAGE LOAN TYPES AND TERMS	<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 3 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 Loan Amount = Conforming or 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">• 3.5% of the Sales Price or Appraised Value (lesser of)• Must be 3.5% or get prior approval for lower amount <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; <p>There must be no cash back to the borrower from the DPA proceeds;</p> <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>DISCLOSING</p>	<p>Broker and Correspondent loans eligible. TPO loans must be disclosed by GMFS. COYOD docs are not allowed.</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).



	<ul style="list-style-type: none">• Borrowers may have ownership in other property at time of closing, per agency guidelines.• Non-occupant co-borrowers allowed – Must be on title. Eligible Properties: <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).
BORROWER ELIGIBILITY CONT.	Follow agency guidelines. Minimum Credit Score: <ul style="list-style-type: none">• FHA: 600• Each borrower must have a minimum of one credit score Maximum DTI: Per AUS <ul style="list-style-type: none">• AUS approval required Homebuyer Education: <ul style="list-style-type: none">• At least one borrower must receive housing counseling from a HUD approved non-profit housing counseling agency
MORTGAGE INSURANCE	Follow agency guidelines.
INTEREST RATES AND MORTGAGE LOCKS	Loan Registrations (Reservations): <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: Price Adjustments: All adjustments are cumulative <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
COMPLIANCE CERT	Provide a separate compliance certificate for 1 st Transaction