



FHA 10 Year Amortized 2 Plus - DPA Lender Guideline / Term Sheet

PROGRAM SPONSOR	National Homebuyers Fund (NHF) – for all states except, WA
PROGRAM SPONSOR/WA	IHFC, LLC for Washington State
DESCRIPTION	The program is designed to increase homeownership opportunities for low-to-moderate income individuals and families nationwide (excluding New York, and Kentucky). Down Payment Assistance (DPA) is available in the form(s) stated below.
FIRST MORTGAGE LOAN TYPES AND TERMS	<p>Loan Types:</p> <ul style="list-style-type: none"> • FHA: 203(b), 203(b)(2), and 234(c); in accordance with FHA guidelines <ul style="list-style-type: none"> • Cooperative housing (co-op) is not eligible • Maximum Loan Amount: High Balance loan permitted - see price sheet • Max LTV/CLTV: <ul style="list-style-type: none"> • Follow loan agency guidelines Loan Term • Due and payable in 30 years
DOWN PAYMENT AND CLOSING COST ASSISTANCE (DPA)	<p>DPA is available from NHF for Purchase transactions in All states except, Kentucky and New York. DPA is available from Interagency Home Finance Cooperative, LLC (IHFC) for purchase transactions in Washington State. as outlined below:</p> <p>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"> • Program Sponsor 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 Investor, on behalf of the Program Sponsor, 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, • Second, loan amounts must be rounded up to the nearest dollar, • No subordination allowed, • Lenders must conform to Federal RESPA and Truth-in-lending laws in disclosing the terms of the Second Mortgage. • Late charge amount assessed if payment is not made within 15 days of the due date. The late charge amount is 5% or the maximum amount if a statutory limit is less than 5%





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<p>DPA DOCUMENTATION</p>	<p>Program Manager (NHF or IHFC, LLC), shall provide the DPA Funding Commitment Notice is obtained via the Windsor portal, TPO Connect Lenders may obtain State Specific Security Instruments and Notes via DocMagic, MOM Instrument (NHF) or Encompass</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 and Addendum - Second Mortgage Note – Fully endorsed to: National Homebuyers Fund, Inc., an Instrumentality of Government Section 115 entity , or the Interagency Home Finance Cooperative, LLC. • The Lender will use State specific Security Instrument • Lender must serve as the Lender for the Second Note and Security Instrument; • The Lender must complete the MERS MOM Security Instrument with a MIN number. The MIN must be registered with MERS prior to delivering to the Investor for reimbursement • The Lender must complete the TOS/TOB transfer to the applicable Program Sponsor within 48 hours of Windsor's reimbursement of the DPA funds <p>Lenders must adhere to any Local, State, and Federal compliance requirements. The Lender must provide a separate clear compliance certificate for the first loan.</p> <ul style="list-style-type: none"> • The Lender is responsible for recording the Security Instrument. • Servicer Address: 5101 S Broadband Ln, Sioux Falls, SD 57108 • Compliance Certifications required – must be clear of all findings The Lender is required to reflect NHF or IHFC's-(Depending on Sponsor) EIN on HUD's FHA Loan Underwriting and Transmittal Summary in conjunction with secondary financing assistance or to the Borrower when the Borrower is receiving an FHA First Mortgage. <ul style="list-style-type: none"> ○ NHF's EIN is 42-1549314 ○ IHFC's EIN is 87-1968327
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<p>BORROWER ELIGIBILITY</p>	<p>Occupancy:</p> <ul style="list-style-type: none"> • No first-time homebuyer requirement • The Borrower must occupy the residence as their primary residence within (60) days of closing) • Borrowers may have ownership in other property at the time of closing, per agency guidelines • Non-occupant co-borrowers are allowed on FHA loans only <p>Eligible Properties:</p> <ul style="list-style-type: none"> • Single Family Residences • 2 units – LLPA applies • PUDs • Townhouses • Condominiums (Must not be in litigation) • Double-wide manufactured housing available - LLPA applies. Follow agency guidelines. <p>Minimum Credit Score:</p> <ul style="list-style-type: none"> • FHA: 680 • Each Borrower must have a minimum of one credit score <p>Maximum DTI:</p> <ul style="list-style-type: none"> • AUS approval (Maximum DTI = 45%) • Manual Underwriting Requirements: <ul style="list-style-type: none"> • Minimum credit score - 680 AND • Maximum DTI - 45% <p>Homebuyer Education:</p> <ul style="list-style-type: none"> • Homebuyer's Education for at least one Borrower to be provided by a Fannie/Freddie or HUD-approved non-profit counseling agency
<p>MORTGAGE INSURANCE</p>	<p>Follow agency guidelines.</p>

INTEREST RATES AND
MORTGAGE LOCKS

Mortgage Loan Interest Rates:

- See the Price Sheet for available interest rate ranges
- 2/1 Buydowns are Permitted on the FHA First - adhere to all FHA requirements regarding Buydowns

Loan Registrations (Reservations):

- 2nds are registered prior to closing with IHFC or NHF via the Windsor TPOC portal
- NHF/IHFC (respectively) DPA Funding Commitment Notice and Second Loan Documents must be submitted with the mortgage loan file. The Servicer shall not purchase a Mortgage Loan without these documents
- NHF DPA Funding Commitment Notice must be dated prior to the Note date

First Mortgage Loan Lock:

- 15 and 30 day - Best Effort Locks available. Files must be delivered by the lock expiration date and must be purchased within 7 calendar days of the lock expiration date. See the Windsor Lock Policy for further details.

Price Adjustments: All adjustments are cumulative

- Loans are subject to LLPAs, and Fees as noted on the price sheet (adjustments are assessed at the time of purchase)

Property:

- LLPA for doublewide manufactured housing
- See Price Sheet for Extension Fees

Fees and Points Lender may charge to Borrower:

- Must pass all points and fee testing.

Participating Lender may charge customary and reasonable closing costs and fees with full disclosure in accordance with loan agency and federal, state, and local laws and regulations.

Funds to Lender from Servicer at Loan Purchase:

- DPA 2nd lien is reimbursed at 100% of the Note amount at the time of 1st lien purchase
- The first mortgage is purchased based on a locked price less fees and escrow balance
- RESPA notice/Goodbye cutoff is the 15th of the month
- Administration fee – to Windsor \$395, \$75 tax service, \$5 flood certificate fee on first only



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LOAN DELIVERY AND PURCHASE	Contact the Master servicer for specific delivery instructions. NHF/IHFC (respectively) DPA Funding Commitment Notice and Second Loan Documents must be submitted with the mortgage loan file. Investors shall not purchase a Mortgage Loan without these documents.
COMPLIANCE CERT	Provide a separate compliance certificate for both the 1 st and 2 nd liens from Mavent or Compliance Ease.

Revision Date	Revision	Requested and Approved	Sent to MSS/WMS to upload
09.17.24	Added Washington State	09.17.24	09.17.24
09.19.24	Revised minimum credit score to 680 & set 45% max DTI for Manual and AUS files	TJ Miller	09.19.24
10.25.24	Revised credit score to 660	Zachary Kempf	10.25.24
11.05.24	Revised credit score to 680	Luke Hepner	11.05.24
11.15.24	Revised to add Washington State Specific program details regarding Program Sponsor, DPA as Lock Documentation section and EIN – as well as lock days being limited to 15 or 30 day Best Efforts only options, formatting and typographical errors corrected.	Zachary Kempf	11.15.24

