

December 27, 2023

| TRANSACTION TYPE  | NUMBER OF UNITS  | MAX LTV/CLTV/HCLTV                           |                  | MIN FICO                                   |
|---|--|--|------------------|--|
| FHA 30-Yr Fixed   | 1-2  | 96.50% + 3.5% DPA = 100% CLTV                |                  | 600  |
| GENERAL PROGRAM REQUIREMENTS  |  |  |                  |  |
| Available Terms   | First Lien   30 Yr. fixed   2:1 Temporary Buydowns   |  |                  |  |
|   | Second Lien (DPA) Forgivable or 10 Yr. Amortization  |  |                  |  |
| MIN Loan Amount   | MIN First Lien \$100K  |  |                  |  |
| MAX Loan Amount   | 3.5% of the lesser of the sales price or appraised value   |  |                  |  |
| Occupancy   | Primary Residence Only – Borrower must occupy the property within 60 days from closing.  |  |                  |  |
| Loan Purpose  | Purchase Only  |  |                  |  |
| Eligible Property Types   | SFR  | 2-Units                                      | PUDs             |  |
|   | Townhomes  | FHA Approved Condos ( <i>no litigation</i> ) |                  | Double wide manufactured homes             |
| Ineligible Property Types   | Co-Ops   |  |                  |  |
| SECOND LIEN OPTIONS (DPA)   |  |  |                  |  |
|   | Pledge Zero  |  | Pledge Zero Plus |  |
| Forgivable  | Yes - After 10 Years   |  | Forgivable       | No – Repayment Required                    |
| Rate  | Note Rate 0%   |  | Rate             | Note Rate – 1 <sup>st</sup> Lien Rate + 2% |
| Payments  | Non-amortizing loan - No payments  |  | Payments         | Payments required & included in DTI        |
| Due and payable upon the sale, refinance, or payoff of the first mortgage or if applicable, forgivable terms have been met. |  |  |                  |  |
| OTHER PROGRAM REQUIREMENTS  |  |  |                  |  |
| AUS   | <ul style="list-style-type: none"> <li>Approve/Eligible</li> <li>Manual underwriting permitted w/660 MIN FICO and MAX DTI 45%</li> </ul>   |  |                  |  |
| Income  | <ul style="list-style-type: none"> <li>Use qualifying income from the first lien.</li> </ul>   |  |                  |  |
| DTI   | Follow <a href="#">FHA Single Family Housing Policy Handbook 4000.1</a>  |  |                  |  |
| MIN FICO  | <ul style="list-style-type: none"> <li>MIN 600</li> <li>Each borrower must have a MIN of 1 credit score; and meet all of the FHA standards outlined in the <a href="#">FHA Single Family Housing Policy Handbook 4000.1</a></li> </ul> |  |                  |  |
| Homebuyer Education   | At least one borrower must receive housing counseling from a HUD or Fannie Mae/Freddie approved non-profit housing counseling agency HUD Housing Counselors.   |  |                  |  |
| DPA Funds   | <ul style="list-style-type: none"> <li>Proceeds may be used for down payment and/or closing costs:</li> <li>Cash back to the borrower from the DPA proceeds not permitted</li> </ul>   |  |                  |  |
| FTHB  | No restrictions  |  |                  |  |
| Temporary Buydowns  | <ul style="list-style-type: none"> <li>Second lien - Ineligible</li> <li>First lien – Eligible; TBD must meet all FHA requirements</li> </ul>  |  |                  |  |
| Cancelation Fee   | \$400.00   |  |                  |  |
| 2 <sup>nd</sup> Lien  | Broker fees not permitted  |  |                  |  |

