



# SmartBuy Down Payment Assistance

## Wholesale Channel

### SmartBuy Down Payment Assistance (DPA) Program Matrix

Effective with locks as of 09/09/2024 unless otherwise noted (**changes in bold font**)

|   | 5 YEAR FORGIVABLE OPTION   | 10 YEAR REPAYABLE OPTION  | CLOSING COSTS REPAYABLE OPTION  |
|---|--|---|---|
| General Description   | <ul style="list-style-type: none"> <li>✓ Up to 5.0% Down Payment Assistance (DPA) program requiring the delivery of the underlying first lien (FHA, USDA, or HUD184) with the subordinated second lien</li> <li>✓ Available nationally (except New York) with no 1<sup>st</sup> time homebuyer restrictions</li> <li>✓ DPA source of funds from non-profit meets agency requirements</li> <li>✓ Second Lien is 9.99% interest rate for the repayable option with the exception of TN which allows for 3.5% DPA at 8% interest rate</li> </ul>                    |   |   |
| <b>DPA Second Lien:</b><br>Term and Structure   | <p>The second lien is fully forgiven after 5 years if the borrower meets criteria.</p> <ul style="list-style-type: none"> <li>• 30-year fixed rate mortgage forgivable after 5 years; 0% interest rate, no monthly payments</li> <li>• The second lien is forgiven with no 90 day or greater delinquencies on the first 60 payments of the first lien and property remains a primary residence</li> <li>• No resubordinating or assumptions</li> <li>• No additional liens allowed</li> </ul>  | <p>The second lien* is not forgivable and will be a 30-year amortization with 10-year balloon (2<sup>nd</sup> lien)</p> <ul style="list-style-type: none"> <li>• No resubordinating or assumptions</li> <li>• No additional liens allowed</li> </ul> <p>*Requires distinct loan number on 2<sup>nd</sup> lien separate from the 1<sup>st</sup> lien</p> |   |
| DPA Amount / Use of Funds   | <ul style="list-style-type: none"> <li>• <b>3.5%</b> of home purchase price or appraised value, whichever is less</li> </ul>   | <ul style="list-style-type: none"> <li>• <b>Up to 5.0%</b> of home purchase price or appraised value, whichever is less</li> </ul>  | <ul style="list-style-type: none"> <li>• Up to 5% for down payment, closing costs and prepaid items including any items paid outside closing</li> </ul> |
| <b>REFER TO FHA &amp; USDA GUIDELINES TO DETERMINE FIRST LIEN ELIGIBILITY SUBJECT TO BELOW OVERLAYS</b> |  |   |   |
| <b>First Lien:</b><br>Loan Products / Transaction Type / Occupancy                                      | <ul style="list-style-type: none"> <li>• FHA 203(b) and 203(c), USDA or HUD 184*</li> <li>• <i>*Note: HUD 184 Native American Program available through Click n' Close's <a href="#">1<sup>st</sup> Tribal Division</a></i></li> <li>• 25-year or 30-year Fixed Rate only</li> <li>• Purchase transactions only</li> <li>• Owner-occupied only; property must remain primary residence throughout the term of the second lien</li> </ul>   |   |   |
| Borrower Eligibility  | <ul style="list-style-type: none"> <li>• Based on FHA, USDA, or HUD 184* program guidelines</li> <li>• No revocable trusts</li> <li>• No foreclosures</li> <li>• Not required to be first-time homebuyers</li> <li>• No income restrictions beyond USDA guidelines</li> </ul>  |   |   |
| Property Locations  | Available in all states except New York (not available in U.S. territories)  |   |   |
| Credit Score  | <ul style="list-style-type: none"> <li>• Minimum representative credit score of 620, (loan level price adjustment (LLPA) for credit scores below 640)</li> <li>• Manufactured homes require 640</li> <li>• All borrowers must have at least one score</li> </ul>   | <ul style="list-style-type: none"> <li>• Minimum representative credit score of 660 (no loan level price adjustment)</li> <li>• Manufactured homes require 660</li> <li>• All borrowers must have at least one score</li> </ul>   |   |
| <b>"Blended Score"</b> Qualifying Flexibility (NEW FEATURE)   | <ul style="list-style-type: none"> <li>• Minimum <b>"Blended Score"</b> of 660</li> <li>• Allows qualification by averaging representative credit score of occupying borrowers</li> <li>• Primary wage earner must have &gt;= 60% of household income (including non-qualifying) AND have the higher credit score</li> <li>• No minimum credit score for lower wage earner</li> <li>• Must maintain AUS approval</li> <li>• Blended Score for qualification purposes only; Pricing remains based on borrower's individual representative credit score</li> </ul> |   |   |
| Underwriting  | <ul style="list-style-type: none"> <li>• Approval by an Automated Underwriting System (DU, LPA, GUS)</li> <li>• Manual underwriting exception allowed subject to FHA / USDA requirements</li> </ul>  | <ul style="list-style-type: none"> <li>• Approval by an Automated Underwriting System (DU, LPA, GUS)</li> <li>• No manual underwriting on Repayable DPA loans with the exception of manual downgrades</li> </ul>  |   |



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|   | 5 YEAR FORGIVABLE OPTION   | 10 YEAR REPAYABLE OPTION  | CLOSING COSTS REPAYABLE OPTION |
|---|--|---|--------------------------------|
| Debt-to-Income (DTI)                    | <ul style="list-style-type: none"> <li>Maximum DTI ratio per AUS approval and agency guidelines</li> </ul>   |   |                                |
| Loan-to-Value                           | <ul style="list-style-type: none"> <li>Minimum LTV – 90.00%</li> <li>Maximum LTV/CLTV – Based on FHA / USDA guidelines (Note: Per USDA, maximum CLTV limited to &lt;= market value of property for repayable DPA)</li> </ul>   |   |                                |
| Property Types / Units                  | <ul style="list-style-type: none"> <li>Single-family detached/attached, condos and PUDs</li> <li>Double-Wide Manufactured housing eligible – Single Wide is not allowed</li> <li>No unique property types</li> <li>1 – 2 units</li> </ul>  |   |                                |
| Buydowns                                | <ul style="list-style-type: none"> <li>Permanent rate buydown allowed</li> <li>Temporary 2-1 buydown allowed (loan level price adjustment applicable)</li> </ul>   |   |                                |
| High Balance                            | <ul style="list-style-type: none"> <li>High Balance restricted to repayable options only (Effective with locks as of 11/01/23)</li> </ul>  | <ul style="list-style-type: none"> <li>Available for both Repayable DPA options</li> <li>High Balance loans allowed as defined per Ginnie Mae (subject to loan level price adjustment (LLPA))</li> </ul>  |                                |
| Escrow Holdbacks                        | Escrow holdbacks allowed subject to the following: <ul style="list-style-type: none"> <li>Weather related items with aggregate cost not to exceed \$10,000</li> <li>Postponed items do not affect occupancy</li> <li>Must be completed and inspected within 180 days of the Note date</li> <li>Mortgagee to establish escrow account and final completion</li> </ul>   |   |                                |
| Mortgage Credit Certificate             | Not allowed  |   |                                |
| Investor TRID / Disclosure Requirements | 2 <sup>nd</sup> lien (forgivable, no payment) – Separate TRID disclosure not required  | 2 <sup>nd</sup> Lien (repayable) – separate TRID disclosure required (with distinct loan number)<br>No lender fees on the 2 <sup>nd</sup> lien; allowable fees restricted to: <ol style="list-style-type: none"> <li>1) prepaid interest</li> <li>2) reasonable recording and settlement fees</li> <li>3) MERS registration and transfer fees</li> </ol> <p><u>Note:</u> 10 Year Repayable with 30-year amortization requires a balloon disclosure per CFPB</p> |                                |
| Allowable Lender Fees and Credits       | Fees charged to the Borrower must comply with all applicable federal, state and local laws and disclosure requirements. Principal reductions are limited to \$500 with the exception of HUD-184 at \$1,000. Only exception is for required cures.  |   |                                |
| Non-Profit Administrative Fee           | \$500 administrative fee netted at funding of second lien purchase   |   |                                |
| MERS / MIN                              | MERS registration and a unique MIN number are required on both the 1st lien and 2nd lien DPA<br>Within 5 days of the servicing transfer, Investor and Servicer should be updated as follows:<br>1 <sup>st</sup> lien MERS ORG ID ( <u>INVESTOR &amp; SERVICER</u> ) – 1001320 (Click n’ Close, Inc.)<br>2 <sup>nd</sup> lien DPA MERS ORG ID: <ul style="list-style-type: none"> <li><u>INVESTOR</u> – 1016709 (Rosebud Economic Development Corporation)</li> <li><u>SERVICER</u> – 1001320 (Click n’ Close, Inc.)</li> </ul> |   |                                |