



# SmartBuy Down Payment Assistance

Wholesale Channel

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

Effective with locks as of 3/24/2026 unless otherwise noted (changes in bold font)

	3-YEAR FORGIVABLE	5-YEAR FORGIVABLE	10-YEAR REPAYABLE	CLOSING COST REPAYABLE	FHA SmartRefi
<b>General Description</b>	<ul style="list-style-type: none"> <li>✓ Down Payment Assistance program requiring the delivery of the underlying first lien (FHA, HUD 184, USDA) with the subordinated second lien.</li> <li>✓ Available nationally (except New York and U.S. territories) with no first-time homebuyer restrictions.</li> <li>✓ DPA source of funds from non-profit meets agency requirements.</li> <li>✓ Government products only, no Conventional first liens</li> </ul>				<ul style="list-style-type: none"> <li>✓ Repayable</li> <li>✓ Cover refinance costs and allow for a first lien within LTV requirements.</li> <li>✓ Source of DPA funds is CNC.</li> </ul>
<b>Second Lien (DPA): Term &amp; Structure</b>	<ul style="list-style-type: none"> <li>- Second lien <i>is fully forgivable</i> if: No 90-day or greater delinquency on the first 36 payments (3-year) or 60 payments (5-year) on the first lien.</li> <li>- 30-year fixed rate mortgage.</li> <li>- 0% interest rate, no monthly payments.</li> <li>- No resubordinating, assumptions, or additional liens allowed.</li> <li>- Must be a separate and distinct loan number from first lien.</li> </ul>		<ul style="list-style-type: none"> <li>- Repayable second lien, <i>not</i> forgivable.</li> <li>- Interest rate of 9.99% in all states</li> <li>- 30-year amortization with 10-year balloon.</li> <li>- No resubordinating, assumptions, or additional liens allowed.</li> <li>- Must be a separate and distinct loan number from first lien.</li> </ul>		
<b>DPA Use of Funds</b>	3.5% of home purchase price or appraised value, whichever is less.		3.5% or 5% of home purchase price or appraised value, whichever is less.	3.5% or 5% for use of down payment, closing costs, or prepaid items (includes outside closing).	1%, 1.5%, 2%, 2.5%, 3%, or 3.5% of current balance or appraised value, whichever is less.
<b>REFER TO FHA / USDA GUIDELINES TO DETERMINE FIRST LIEN ELIGIBILITY SUBJECT TO BELOW OVERLAYS</b>					
<b>First Lien: Mortgage Type</b>	<ul style="list-style-type: none"> <li>- FHA 203b; FHA 203(k) Limited*</li> <li>- HUD 184**</li> <li>- USDA</li> <li>*Renovation maximum amount of \$75,000.</li> <li>**HUD 184 available through Click n' Close 1<sup>st</sup> Tribal Division.</li> </ul>		<ul style="list-style-type: none"> <li>- FHA 203b; FHA 203(k) Limited*</li> <li>- HUD 184**</li> <li>- USDA</li> <li>*Renovation maximum amount of \$75,000.</li> <li>**HUD 184 available through Click n' Close's 1<sup>st</sup> Tribal Division.</li> </ul>		<ul style="list-style-type: none"> <li>- FHA 203b</li> <li>- HUD 184 not eligible</li> </ul>
<b>First Lien: Amortization</b>	30-year fixed rate only		<ul style="list-style-type: none"> <li>- 30-year fixed rate</li> <li>- 30-year ARM; 5/1 with 3.5% DPA</li> </ul>	30-year fixed rate only	30-year fixed rate
<b>First Lien: Purpose - Usage</b>	<ul style="list-style-type: none"> <li>- Purchase transactions only.</li> <li>- Owner-occupied only; at least one borrower must occupy the home.</li> <li>- Property must remain primary residence throughout term of second lien.</li> <li>- No investments or second homes.</li> </ul>				<ul style="list-style-type: none"> <li>- Refinance transactions only.</li> <li>- Owner-occupied only; at least one borrower must occupy the home.</li> <li>- Property must remain primary residence throughout term of second lien.</li> <li>- Cannot refinance SmartBuy Loan.</li> <li>- Cannot be a streamline refinance.</li> </ul>
<b>Borrower Eligibility</b>	<ul style="list-style-type: none"> <li>- Based on FHA, HUD 184, or USDA 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>				
<b>Availability</b>	Available in all states except New York and U.S. territories				
<b>Credit Score</b>	<ul style="list-style-type: none"> <li>- Minimum representative credit score of 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>- All borrowers must have at least one score.</li> </ul>		
<b>Blended Score</b>	Minimum "Blended Score" of 660		Minimum "Blended Score" of 670		
<b>Blended Score Qualifying Only</b> (Guide on last page)	<ul style="list-style-type: none"> <li>- Blended Score for qualification purposes only; Pricing remains based on borrower's individual representative credit score</li> <li>*Detailed eligibility and calculation found on last page of this matrix</li> </ul>				

	3-YEAR FORGIVABLE	5-YEAR FORGIVABLE	10-YEAR REPAYABLE	CLOSING COST REPAYABLE	FHA SmartRefi
<b>Debt-to-Income DTI</b>	Maximum DTI ratio per AUS approval and agency guidelines.				
<b>Underwriting</b>	<ul style="list-style-type: none"> <li>- Approve/Eligible required by AUS (DU, LPA, GUS)</li> <li>- Manual underwriting eligible.</li> <li>- Manual downgrades eligible.</li> </ul>		<ul style="list-style-type: none"> <li>- Approve/Eligible required by AUS (DU, LPA, GUS)</li> <li>- Manual underwriting not allowed.</li> <li>- Manual downgrades eligible.</li> </ul>		<ul style="list-style-type: none"> <li>- Approve/Eligible required by AUS (DU, LPA)</li> <li>- Manual underwriting not allowed.</li> <li>- Manual downgrades eligible.</li> </ul>
<b>Loan-to-Value</b>	<ul style="list-style-type: none"> <li>- Minimum LTV – 90.00%.</li> <li>- Maximum LTV/CLTV – Based on FHA / USDA guidelines</li> </ul>				<ul style="list-style-type: none"> <li>- Max LTV meets FHA guidelines.</li> <li>- Max CLTV of 104%.</li> </ul>
<b>Property Types / Units</b>	<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 only.</li> </ul>				<ul style="list-style-type: none"> <li>- Single-family detached/attached, condos and PUDs.</li> <li>- Double-Wide Manufactured housing.</li> <li>- No unique property types.</li> <li>- 2-4 units with 1 unit owner occupied.</li> </ul>
<b>ARM Adjustable Rate Mortgage</b>	Not permissible.		<ul style="list-style-type: none"> <li>- 5/1 ARM</li> <li>- <b>Margin 2.0%</b></li> <li>- <b>Floor 2.0%</b></li> <li>- Caps 1/1/5</li> <li>- Underwritten at note rate</li> <li>- Disclosures include ARM specifics and CHARM Booklet</li> </ul>	Not permissible.	Not permissible.
<b>Buydowns</b>	<ul style="list-style-type: none"> <li>- Permanent rate buydown allowed on first lien.</li> <li>- Temporary 2-1 buydown allowed (loan level price adjustment applicable).</li> <li>- <b>Buydown fee of 0.50%</b></li> </ul>				Not permissible.
<b>High Balance</b>	Not permissible.		Available as defined per Ginnie Mae (subject to loan level price adjustment (LLPA)).		Not permissible.
<b>Escrow Holdbacks</b>	Escrow holdbacks allowed subject to the following: <ul style="list-style-type: none"> <li>- Repair items must be minor and non-structural, and may not affect the health, safety, security, or livability of the property.</li> <li>- The aggregate cost of repairs may not exceed \$5,000.</li> <li>- Borrower must escrow at least 150% of the estimated repair costs.</li> <li>- Repairs must be completed and inspected within 90 days of the Note date.</li> <li>- Mortgagee to establish escrow account and final completion.</li> </ul>				
<b>Mortgage Credit Certificate</b>	Not permissible.				
<b>TRID / Disclosure Requirements</b>	<ul style="list-style-type: none"> <li>- Second lien requires separate loan number and TRID disclosure.</li> </ul>		<ul style="list-style-type: none"> <li>- Second lien requires separate loan number and TRID disclosure.</li> <li>- No lender fees on second lien.</li> <li>- Allowable fees restricted to:               <ul style="list-style-type: none"> <li>- Prepaid interest.</li> <li>- Reasonable recording and settlement fees.</li> <li>- MERS registration/transfer fees.</li> </ul> </li> <li>- Balloon Disclosure required.</li> </ul>		<ul style="list-style-type: none"> <li>- Second lien requires separate loan number and TRID disclosure.</li> <li>- No lender fees on second lien</li> <li>- Allowable fees restricted to:               <ul style="list-style-type: none"> <li>- Prepaid interest.</li> <li>- Reasonable recording and settlement fees.</li> <li>- MERS registration/transfer fees.</li> </ul> </li> </ul>



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<b>Allowable Lender Fees and Credits</b>	- 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.				- Fees charged to the Borrower must comply with all applicable federal, state and local laws and disclosure requirements. - Principal reductions limited to \$500 - Exception for required cures.
<b>Non-Profit Admin Fee</b>	\$500 administrative fee netted at funding of second lien purchase payable to REDCO.				Not permissible.
<b>eNote Eligibility</b>	First and Second liens are eligible for eNote.				
<b>MERS / MIN</b>	MERS registration and a unique MIN number are required on both the 1st lien and 2nd lien DPA. <i>Within 5 days</i> of the servicing transfer, Investor and Servicer should be updated as follows: 1 <sup>st</sup> lien MERS ORG ID: <u>INVESTOR &amp; SERVICER</u> – 1001320 (Click n’ Close, Inc.) 2 <sup>nd</sup> lien DPA MERS ORG ID: <u>INVESTOR</u> – 1016709 (Rosebud Economic Development Corporation/REDCO) <u>SERVICER</u> – 1001320 (Click n’ Close, Inc.)				MERS registration and a unique MIN number are required on both liens. <i>Within 5 days</i> of the servicing transfer, Investor and Servicer should be updated as follows: MERS ORG ID: <u>INVESTOR</u> – 1001320 (Click n’ Close) <u>SERVICER</u> – 1001320 (Click n’ Close)



# Blended Credit Score – Qualification Guidance

All Channels

The Blended Credit Score feature allows borrowers to qualify using an average of their representative (middle) credit scores, under specific conditions. This is used for *qualification purposes only*. **Loan pricing must still be based on each borrower's individual representative credit score.** Changes **highlighted**.

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## Eligibility Requirements

1. **Minimum Blended Score:** **Forgivable: 660** **Repayable: 670**
  2. **Occupying Borrowers Only:** Blended score is calculated using only the occupying borrowers' representative (middle) scores.
  3. **Primary Wage Earner:**
    - Must earn  $\geq 60\%$  of the total household income (including any non-qualifying income), *and*
    - Must have the higher credit score of the borrowers.
  4. **Lower Wage Earner:**
    - No minimum credit score is required.
    - Their score is only used if the above condition is met.
  5. **Automated Underwriting (AUS):**
    - The loan must receive an AUS approval (no manual underwriting allowed).
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## How to Calculate the Blended Score

- Step 1:** Determine each occupying borrower's representative credit score (the middle of three scores, or the lower of two).
- Step 2:** Confirm that the higher income earner has the higher credit score.
- Step 3:** If the condition in Step 2 is met, calculate the average of both representative credit scores:

$$\text{Blended Score} = \frac{\text{Borrower 1 Rep. Score} + \text{Borrower 2 Rep. Score}}{2}$$

- Step 4:** Verify that the Blended Score is  $\geq$  **660 or 670** to qualify.

**Important:** *If the lower income earner has the higher score, you **cannot use blended scoring**—the borrower must qualify based on individual scores.*

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## Example - Repayable

- Borrower 1: Tri-Bureau scores of 735/715/**720**. The representative (middle) score is 720, **\$6,000 income**
- Borrower 2: Tri-Bureau scores of **640**/625/655. The representative (middle) score is 640, **\$3,000 income**
- $\$6,000 + \$3,000 =$  **\$9,000** total household income.
- Borrower 1:  $\$6,000 / \$9,000 = 66.7\%$  of household income (must earn  $\geq 60\%$ ) **AND** has the higher credit score  $\rightarrow$  **Eligible for Blending**
- Blended Score is the average of the two representative (middle) scores.
- $(720 + 640) = 1,360 \div 2 =$  **680 Blended Score**  $\rightarrow$  Meets minimum requirement of **670** or higher.