

TOPIC	BFF DPA REPAYABLE AND FORGIVABLE GOVERNMENT LOAN PROGRAMS MATRIX																																									
BASIC GUIDELINES	<p>The National Homebuyers Fund (NHF) program is designed to increase homeownership opportunities for low-to moderate income individuals and families nationwide. This matrix applies to the Federal Housing Administration (FHA) Handbook. Refer <a href="#">FHA Handbook 4000.1   HUD.gov / U.S. Department of Housing and Urban Development (HUD)</a> for additional guidance. Information in this matrix is subject to change without notice.</p>																																									
BFF DPA Eligible Programs	<table border="1" data-bbox="611 578 1940 833"> <thead> <tr> <th colspan="2" data-bbox="611 578 1430 678">Maximum LTV/CLTV/HCLTV</th> <th colspan="4" data-bbox="1430 578 1940 626">Min Credit Score and Max DTI</th> </tr> <tr> <th colspan="2" data-bbox="611 678 1430 735"></th> <th colspan="2" data-bbox="1430 626 1682 678">AUS</th> <th colspan="2" data-bbox="1682 626 1940 678">Manual</th> </tr> <tr> <th data-bbox="611 735 884 784">Program</th> <th data-bbox="884 735 1430 784">Calculation</th> <th data-bbox="1430 678 1562 735">Min FICO</th> <th data-bbox="1562 678 1682 735">Max DTI</th> <th data-bbox="1682 678 1814 735">Min FICO</th> <th data-bbox="1814 678 1940 735">Max DTI</th> </tr> </thead> <tbody> <tr> <td data-bbox="611 784 884 833">3.5% Repayable</td> <td data-bbox="884 784 1430 833">96.5% LTV + 3.5% DPA = 100% CLTV</td> <td data-bbox="1430 735 1562 833"></td> <td data-bbox="1562 735 1682 833"></td> <td data-bbox="1682 735 1814 833"></td> <td data-bbox="1814 735 1940 833"></td> </tr> <tr> <td data-bbox="611 833 884 881">3.5% Forgivable</td> <td data-bbox="884 833 1430 881">96.5% LTV + 3.5% DPA = 100% CLTV</td> <td data-bbox="1430 735 1562 833">600</td> <td data-bbox="1562 735 1682 833">Per AUS</td> <td data-bbox="1682 735 1814 833">660</td> <td data-bbox="1814 735 1940 833">45%</td> </tr> <tr> <td data-bbox="611 881 884 922">5% DPA Repayable</td> <td data-bbox="884 881 1430 922">96.5% LTV + 5% DPA = 101.5% CLTV</td> <td data-bbox="1430 833 1562 922"></td> <td data-bbox="1562 833 1682 922"></td> <td data-bbox="1682 833 1814 922"></td> <td data-bbox="1814 833 1940 922"></td> </tr> </tbody> </table>						Maximum LTV/CLTV/HCLTV		Min Credit Score and Max DTI						AUS		Manual		Program	Calculation	Min FICO	Max DTI	Min FICO	Max DTI	3.5% Repayable	96.5% LTV + 3.5% DPA = 100% CLTV					3.5% Forgivable	96.5% LTV + 3.5% DPA = 100% CLTV	600	Per AUS	660	45%	5% DPA Repayable	96.5% LTV + 5% DPA = 101.5% CLTV				
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Eligible Products/Terms on 2nd Loan	<p><u>Repayable or 5% DPA and Forgivable Options:</u></p> <p>2<sup>nd</sup> TD loan amounts must be rounded up to nearest dollar. No subordination allowed.</p> <ul style="list-style-type: none"> <li>• <b>Repayable Option and 5% DPA – 10-year terms.</b> <ul style="list-style-type: none"> <li>○ Note Rate is 2.0% <b>greater</b> than the rate on 1<sup>st</sup> Loan.</li> <li>○ 10-year full amortizing loan</li> <li>○ Monthly payments are required and must be included in qualifying ratios.</li> </ul> </li> <li>• <b>Forgivable Option – 30-year term.</b> <ul style="list-style-type: none"> <li>○ Note Rate of 2<sup>nd</sup> TD is Zero%</li> <li>○ Non-amortizing loan with no monthly payments.</li> <li>○ 2<sup>nd</sup> lien is due and payable at the time of the first mortgage unless the forgivable parameters below have been satisfied:</li> </ul> </li> </ul>																																									

	<ul style="list-style-type: none"> <li>▪ Forgivable if:           <ol style="list-style-type: none"> <li>1) Loan has reached 10 years from Note date AND event has not occurred, AND</li> <li>2) A Repayment event has not occurred, AND</li> <li>3) The borrower has continued to occupy the property as their residence.</li> </ol> </li> <li>○ Repayment Events           <ul style="list-style-type: none"> <li>▪ The 1<sup>st</sup> TD on the property is refinanced; or</li> <li>▪ The 1<sup>st</sup> TD on the property becomes due and payable for any reason; or</li> <li>▪ The borrower sells, transfers, or otherwise disposes of the property, including, without limitation, through foreclosure or transfer pursuant to any power of sale.</li> </ul> </li> </ul>
Eligible Products/Terms on 1 <sup>st</sup> Loan	<ul style="list-style-type: none"> <li>• FHA 203(b)</li> <li>• FHA 203(b)(2)</li> <li>• FHA 234(c)</li> <li>• 30-Year Fixed with Full Amortization</li> </ul>
Ineligible Product Type	<ul style="list-style-type: none"> <li>• <b>FHA</b> <ul style="list-style-type: none"> <li>○ 203(K) loans</li> <li>○ Good Neighbor Next Door (GNND)</li> <li>○ HUD \$100 Down with Repair Escrows</li> <li>○ Cooperative housing (co-op) is not eligible.</li> </ul> </li> <li>• <b>VA</b></li> <li>• <b>Conventional</b></li> </ul>
Maximum Loan Amount	<ul style="list-style-type: none"> <li>• Maximum loan amount follows FHA Forward Mortgage Limits.</li> <li>• High Balance allowed.</li> </ul>
Minimum Loan Amount	<ul style="list-style-type: none"> <li>• \$75,000</li> </ul>
Loan Purpose	<ul style="list-style-type: none"> <li>• Purchase Only.</li> </ul>
Occupancy	<ul style="list-style-type: none"> <li>• Primary residence, owner occupied only</li> </ul>

Temporary Buy Downs	Temporary 2-1 Buydown allowed. See Rate Sheet for price Adjustment.
Eligible Properties	<ul style="list-style-type: none"> <li>• SFR</li> <li>• PUDs</li> <li>• Townhouses</li> <li>• Condominiums (No litigation)</li> <li>• 1-2 Units</li> <li>• Double wide manufactured</li> </ul>
Borrower Eligibility	<ul style="list-style-type: none"> <li>• Borrower(s) must occupy the residence as their primary residence with sixty (60) days of closing.</li> <li>• Non-occupant co-borrowers allowed.</li> </ul>
Vesting	<ul style="list-style-type: none"> <li>• Must vest as an individual(s).</li> <li>• Loan to Limited Liability Corporations are not permitted.</li> </ul>
Homebuyer Education Requirements	<ul style="list-style-type: none"> <li>• Homebuyer Education is required for at least one borrower to be provided by a Fannie/Freddie or HUD approved non-profit counseling agency prior to the Note Date.</li> </ul> <p>Homebuyer Education can be found in these links:            Fannie Mae: <a href="#">HomeView Homebuyer Education   Fannie Mae</a>            Freddie Mac: <a href="#">CreditSmart®: Driving Informed and Empowered Borrowers Through Education - Freddie Mac Single-Family</a>            HUD: <a href="#">Office of Housing Counseling   HUD.gov / U.S. Department of Housing and Urban Development (HUD)</a></p>
FICO Requirements	<ul style="list-style-type: none"> <li>• All borrowers must have a 600 minimum credit score</li> </ul>
Non-Traditional Credit	<ul style="list-style-type: none"> <li>• Not Permitted</li> </ul>
Cash Back to Borrower	<ul style="list-style-type: none"> <li>• Borrower may not receive any cash back from DPA proceeds (this includes any earnest money deposit)</li> </ul>
Mortgage Insurance	<ul style="list-style-type: none"> <li>• Standard FHA Coverage</li> </ul>

<p><b>Down Payment Assistance (DPA) and Closing Costs Assistance</b></p>	<ul style="list-style-type: none"> <li>• The DPA is available for purchase transactions as outlined below:           <ul style="list-style-type: none"> <li>○ Up to 5% of the Sales Price or Appraisal Value (lesser of the two)</li> <li>○ DPA proceeds may be used for down payment and /or closing costs.</li> <li>○ DPA proceeds may not be used for cash back to the borrower(s)</li> </ul> </li> </ul>
<p><b>Financing Concessions</b></p>	<ul style="list-style-type: none"> <li>• Permitted in accordance with FHA Handbook except for the following:           <ul style="list-style-type: none"> <li>○ Payment of condominium fees</li> <li>○ Personal Property</li> <li>○ Down Payment Assistance</li> </ul> </li> </ul>
<p><b>Employment / Income Verification</b></p>	<ul style="list-style-type: none"> <li>• Follow AUS requirements and FHA Handbook requirements for income and employment verification.</li> <li>• All sources of qualifying income must be legal in accordance with all applicable federal, state, and local laws, rules and regulation, without conflict.</li> <li>• A 4506-C form is required to be signed at closing for all transactions</li> <li>• MCC income not permitted</li> <li>• Transcript Requirements:           <ul style="list-style-type: none"> <li>○ W-2/SSA-1099(fixed income) transcripts will not be required for a borrower when all income for that borrower is derived from W-2 wage earner and/or SSA-1099 fixed income sources.</li> <li>○ Tax transcripts are required in the following circumstances:               <ul style="list-style-type: none"> <li>▪ When tax returns are used to qualify a borrower. The number of years provided must be based on the AUS findings. Income verified via tax returns includes but is not limited to the examples listed below:                   <ul style="list-style-type: none"> <li>▪ Self-employment income</li> <li>▪ Rental income</li> <li>▪ Other income sources (i.e., Dividend Interest, Capital Gains, Alimony, etc.)</li> </ul> </li> <li>▪ When a written VOE (WVOE) form 1005 is used as standalone income verification.</li> <li>▪ Employment by family members</li> <li>▪ When amended tax returns have been filed, transcripts are required and must support the amended income.</li> </ul> </li> </ul> </li> </ul>

Asset Documentation	<ul style="list-style-type: none"> <li>• Asset documentation must comply with the requirements of AUS findings and the FHA Handbooks as applicable.</li> </ul>
Ineligible Property Types	<ul style="list-style-type: none"> <li>• Cooperatives</li> <li>• Group Homes</li> <li>• Community Land Trusts</li> <li>• Mobile Homes</li> <li>• 3-4 units</li> <li>• Working Farms and Ranches</li> <li>• Unimproved Land</li> <li>• Timeshares</li> <li>• Condotels</li> <li>• Hotel Condominiums</li> <li>• Unimproved LAND</li> <li>• Geodesic Domes</li> <li>• Properties encumbered by Property Assessed Clean Energy (PACE) liens at time of closing.</li> </ul>
Appraisal Requirements	<p>Appraisal Condition Rating of C5/C6 or a Quality Rating of Q6 is not permitted.</p> <ul style="list-style-type: none"> <li>• FHA – Refer to HUD <a href="#">SFH Handbook 4000.1   HUD.gov / U.S. Department of Housing and Urban Development (HUD)</a> <ul style="list-style-type: none"> <li>○ Appraisers must be on FHA Connection with State Certification designation of Certified General or Certified Residential</li> <li>○ Appraiser must comply with the FHA Appraisal Independence Policy.</li> </ul> </li> </ul>
Appraisal Transfers	<ul style="list-style-type: none"> <li>• Appraisal transfers must be executed in accordance with HUD Handbook 4000.1</li> </ul>
Appraisal Re-Use	<ul style="list-style-type: none"> <li>• The re-use of an appraisal under another case number is not permitted.</li> </ul>
Escrow Holdbacks	<ul style="list-style-type: none"> <li>• Not Permitted</li> </ul>
High-Cost Loans	<ul style="list-style-type: none"> <li>• BFF will not allow High-Cost Loans.</li> </ul>
Higher Priced Mortgage Loans (HPML)	<ul style="list-style-type: none"> <li>• BFF will allow HPML in accordance with FHA and CFPB guidelines.</li> </ul>



**BFF\_DPA MATRIX**  
 Rev. 09/30/24

Multiple Financed Properties	<ul style="list-style-type: none"> <li>• Not Permitted</li> </ul>
Assignment of Mortgage	<ul style="list-style-type: none"> <li>• All loans (1<sup>st</sup> and DPAs) must be registered with MERS at the time of closing. The MERS transfer of beneficial rights and transfer of servicing rights must be initialed by FlexPoint within 7 calendar days of transfer date.</li> </ul>
<b>DPA Funding Commitment Notice</b>	<ul style="list-style-type: none"> <li>• <b>Must be dated prior to the Note Date.</b></li> </ul>
Escrow Waivers	<ul style="list-style-type: none"> <li>• Escrow accounts for property taxes, homeowner’s insurance and flood insurance (if applicable) are required on all loans.</li> </ul>