

Earned Equity Program



GENERAL	
Homebuyer Eligibility	U.S. Citizens Permanent Resident Aliens Non-Permanent Resident Aliens, including ITIN, DACA, and Temporary Protected Status
General Eligibility	Purchase only 30-Year Fixed Rate Standard and High Balance High Balance is available on a case-by-case basis with prior approval and subject to an additional LLPA Primary Residence for Homebuyer
1 st Contract Payment	The first contract/lease payment is due the month immediately following the closing of the purchase transaction. If a new month begins within seven (7) days of the month of closing, the first contract/lease payment will be collected at closing.
Additional Parties	Persons not on the structured financing agreement, such as a spouse or family member, may be added to the lease/contract and memorandum recorded to title per agency and state guidelines.
Florida Requirements	All properties in Florida require a 4-point inspection; any noted unsatisfactory items must be fully repaired prior to closing. Additionally, a wind mitigation report is required.
Renter's Insurance	Renter's insurance is recommended for the Homebuyer but is not required. If obtained, documentation must support the policy is paid in full prior to closing and the renter's insurance policy should include the following standard coverage: Personal property, liability, and additional living expenses Deductible should be standard for the policy, not to exceed \$1,000. Any additional coverages that are considered standard for the marketplace of the subject property
Solar Panels	Solar panels are acceptable provided the solar panels are included in the price of the home and financed as part of the mortgage. Leased solar panels may be acceptable on a case-by-case basis only.
Title Company	The title company for the transaction must be selected from the Approved Title List .
Verification of Rent (VOR)	Twelve (12) months of documented payment history are required. History must show good standing: no prior evictions, no late payments (greater than 30 days), and no balances remaining upon termination of lease agreement. The following documentation is allowed: <ul style="list-style-type: none"> • Fully completed VOR • Private Landlord/Private VOR: Acceptable; additional supporting documentation required unless one of the following guidelines is met: <ul style="list-style-type: none"> • 40/50 DTI (or less); or • 125% payment shock (or less) and • 620 or greater Fico score • Renting from Relative: Canceled checks or bank statements Alternative methods of documenting housing history, including electronic payments (Venmo, Zelle, PayPal) are acceptable with a complete history documented. Cash payments can be verified by a VOR (even with a private landlord) if one of the following is provided: <ul style="list-style-type: none"> • Copies of cashier's checks for the most recent two (2) months



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	<ul style="list-style-type: none"> • Three (3) months bank statements showing money going to the landlord <p>Note: If the Homebuyer is unable to properly document the above, a minimum FICO score of 580 and two-months reserves will be required.</p>
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COLLATERAL

Appraisal & Property	<ul style="list-style-type: none"> • Appraisal must be marked "as-is" at the time of purchase, or have a completion cert/1004D if property was "subject to" repairs or completion prior to purchase • Appraiser must certify that the subject property meets FHA minimum property requirements; no health, safety or adverse conditions can be present • Subject property must not have commercial influence, be considered a "working farm," or have commercial agricultural income potential • Appraisal must indicate the property condition as C1-C4; C5 considered with exception review • A Property Condition Disclosure (or equivalent) is recommended for all transactions • Automated Valuation Model (AVM) required • AVM value must be within 10% of full appraised value <p>Any appraised value greater than ten percent (10%) in difference from the AVM value is subject to a desk review, or a counteroffer to the property purchase price.</p>
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Property Eligibility	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #0056b3; color: white;"> <th style="width: 50%; text-align: center;"><i>Eligible</i></th> <th style="width: 50%; text-align: center;"><i>Ineligible</i></th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;"> <ul style="list-style-type: none"> • Single Family (Attached and Detached) • 2-Unit (Attached and Detached) • Planned Unit Development • Condominium (FHA approved only, spot approval ineligible) • Manufactured Home (Multi-Wide only) • Modular Home • Townhome </td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> • 3-4 Unit (Attached and Detached) • Condominium with FHA spot approval • Cooperative Property • Mobile Home • Single-Wide Manufactured Home </td> </tr> </tbody> </table>	<i>Eligible</i>	<i>Ineligible</i>	<ul style="list-style-type: none"> • Single Family (Attached and Detached) • 2-Unit (Attached and Detached) • Planned Unit Development • Condominium (FHA approved only, spot approval ineligible) • Manufactured Home (Multi-Wide only) • Modular Home • Townhome 	<ul style="list-style-type: none"> • 3-4 Unit (Attached and Detached) • Condominium with FHA spot approval • Cooperative Property • Mobile Home • Single-Wide Manufactured Home
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Property Inspection	<p>A home inspection is required prior to closing for all properties listed in C4-C5 condition (according to the FHA appraiser) and for properties built prior to 1978. Inspections must be performed by a licensed home inspector prior to closing. Inspection requirements include:</p> <ul style="list-style-type: none"> • All health and safety items must be addressed and/or repaired, as required by the inspection
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	<ul style="list-style-type: none"> • All major systems must be inspected, including HVAC, plumbing, electrical, appliances, siding, major fixtures, and flooring • Roof inspection (with a useful life expectancy of at least 10 years) • Smoke detectors and carbon monoxide systems must be tested and certified as operable per local building and health/safety codes • Septic systems must have separate septic inspections performed, and they must be pumped and inspected along with the drain field • If electrical tests are not performed, it must be confirmed that power meters are functioning and are not bypassed <p>Note: A Certified Home Warranty must be obtained when a home inspection has been completed. This warranty is required for all properties where full inspections are performed.</p>
Real Estate Owned	A Homebuyer with additional real estate owned will be reviewed on a case-by-case basis and allowed by exception only. Contact your Account Executive for details.

CREDIT	
Credit	<ul style="list-style-type: none"> • Minimum credit score is generally 580 <ul style="list-style-type: none"> ○ Homebuyers with scores <580 may be considered on a case-by-case basis with adequate compensating factors are documented. ○ No scores may be allowed with 2 alternative 12-month satisfactory trade lines • At least one (1) credit score from a major bureau is required <ul style="list-style-type: none"> • If the Homebuyer has more than one (1) credit score, the representative score will be the middle score when three (3) scores return and the lower score when two (2) scores return • Eligible credit reports must reflect a minimum of one (1) tradeline and provide at least 12 months of credit history; alternative tradeline histories may be considered • A soft pull credit report may be acceptable, provided a credit score (or "No Score") is provided • 12-month housing history verification required (0x30) <ul style="list-style-type: none"> ○ Additional requirements apply if a foreclosure is present, see guidelines • Bankruptcy requirements: <ul style="list-style-type: none"> ○ Chapter 7: Eligible if discharged at time of closing ○ Chapter 13: Eligible if discharged OR if filed within 12 months of closing and documentation supports 0x30 payments since filing ○ Note: All bankruptcies must be recorded on the credit report. • Foreclosure, Deed-in-Lieu, and Short Sale allowed if discharged or satisfied at least one (1) year prior to closing <p>Note: All events must be recorded on the credit report.</p>

INCOME/ASSETS



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<p>Assets & Reserves</p>	<ul style="list-style-type: none"> • Homebuyers must document sufficient cash/liquidity to consummate the transaction, including the following: <ul style="list-style-type: none"> • 1st Payment Due (lease/contract payment and taxes/insurance) • Closing Costs, including title fees (per title fee sheet) and EEP fees • Sufficient down payment funds (minimum 3.5%) • Note: Additional reserves may be required to support an exception or meet certain program requirements, contact your Account Executive for more details • Assets must be documented with two (2) months of bank statements (most recent), covering two (2) statement periods <ul style="list-style-type: none"> ○ Assets must be liquid at time of closing ○ Business assets and investment accounts may be eligible ○ Gift funds are acceptable for funds to close, but may not be used for reserves ○ An LOE may be required to certify the deposited funds did not come directly, or indirectly, from the seller, real estate agent, lender, or any other interested party to the transaction • The Homebuyer(s) is responsible for the following EEP program fees at closing: <ul style="list-style-type: none"> ○ \$1,250 program underwriting fee ○ One (1) month complete contract/lease payment to be collected at closing ○ Homeownership Agreement Management Fee or Program Management Fee (.5% of purchase price) ○ \$100 refundable occupancy agreement security deposit fee if Homebuyer is using a long-term purchase agreement for financing ○ \$250 HOA service fee (if applicable) ○ \$150 notary fee
<p>Debt-to-Income (DTI)</p>	<ul style="list-style-type: none"> • Max 50% PTI (housing payment to income) / 60% DTI (total debt to income) <ul style="list-style-type: none"> ○ Exceptions may be considered with strong compensating factors <p>Unless indicated otherwise in the guidelines, liabilities are evaluated per FHA 4000.1</p>
<p>Income</p>	<ul style="list-style-type: none"> • 12 months of consistent employment history is preferred <ul style="list-style-type: none"> ○ Employment history of less than 12 months may be acceptable with compensating factors ○ Income will be calculated according to FHA and mortgage industry standards, unless otherwise indicated in the guidelines • Eligible income includes, but is not limited to: <ul style="list-style-type: none"> ○ Wage Earner Income ○ Self-Employed Income ○ Bank Statement Only ○ Independent Contractor/1099 Employee Income ○ Individual Taxpayer Identification Number (ITIN) Income ○ Asset Depletion ○ Asset Liquidity ○ Dividends and Interest ○ Rental Income



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	Contact your Account Executive for the income documentation requirements.
3- Month Bank Statement	<p>Self Employed Only Information</p> <p>Fixed Expense Ratio:</p> <ul style="list-style-type: none"> ○ A 45% expense ratio required, regardless of business type ○ Qualifying Income Calculation: Eligible deposits from the business bank statements are reduced by a 45% expense ratio, determining the qualifying income of the business ○ Evidence MAY BE required to provide the number of employees and business type <p>Tiered Expense Ratio</p> <ul style="list-style-type: none"> ○ Eligible deposits from the bank statements are reduced by the expense ratio selected, determining the qualifying income of the business ○ Expense ratio is tiered based on certain aspects of the borrower's business, including but not limited to the industry, number of employees, business type, business location, etc - see chart below: <p>Business Type: Service Business (Offers Services)</p> <ul style="list-style-type: none"> ○ Examples: Consulting, Accounting, Legal, Therapy, Counseling, Financial Planning, Insurance, IT, Sub-Contractor ○ Employees: ○ 0: 10% Expense Ratio ○ 2–5: 25% Expense Ratio ○ >5: 50% Expense Ratio <p>Business Type: Product Business (Sells Goods)</p> <ul style="list-style-type: none"> ○ Examples: Retail, Food Services, Restaurant, Manufacturing, General Contracting, Construction ○ Employees: ○ 0: 25% Expense Ratio ○ 1–5: 35% Expense Ratio ○ >5: 55% Expense Ratio <p>Additional Note: To be eligible for the tiered expense ratio option, buyers will be required to provide supporting documentation, including Articles of Incorporation, CPA letters, online/internet</p>

