

Down Payment Assistance Amount	Structure, Term and Rate	Down Payment Assistance Amount	Structure, Term and Rate
3.5%	Repayable: <ul style="list-style-type: none"> 10-year term, Interest rate 1% higher than the interest rate on the first mortgage 	5%	Repayable: <ul style="list-style-type: none"> 10-year term, Interest rate 1% higher than the interest rate on the first mortgage
	Forgivable: <ul style="list-style-type: none"> 30-year term, no payments due interest rate at 0% Loan will be forgiven after 36 months of on-time consecutive 1st lien payments 		Forgivable: <ul style="list-style-type: none"> 30-year term, no payments due interest rate at 0% not available for High Balance Loan will be forgiven after 36 months of on-time consecutive 1st lien payments

First Lien Requirements

Property Type	Occupancy	Purpose	Loan Amount	Min. FICO	Min. LTV	Max LTV	Product 1st Lien	Term
1 unit	Primary	Purchase	FHA County Limit	600	90	96.50%	30yr. Fixed	360

Homeownership Education Requirements Prior to Closing

Homebuyer Education	600-619	Required	Must be through Money Management International. (No extra cost to borrower)	Money Management International
	620-639	Required through an listed	Must be through any HUD-approved education course.	Any HUD Approved Counseling Framework
				HomeView
	640+	Not Required	NA	NA



Advantage DPA Specifications	
General Eligibility	
AUS	DU Only and Approve/Eligible Required. No LP or Manual UW allowed
DPA Amount	3.5% or 5%
DPA Term and Rate	Repayable: 10-year term, interest rate at 1% higher than first mortgage. Forgivable: 30-year term, interest rate at 0%. Forgiveness is based on DPA.
	Percentage. 3.5%: After 36 consecutive, on-time payments on the first mortgage. 5%: After the initial 36 on-time payments on the first mortgage.
Fees	Max Fee: 1.5%
First Mortgage	30-year term, fixed rate, full amortization.
	Maximum 1st Lien loan amount per FHA County Limits.
	High Balance allowed
	Repayable – allowed for 3.5% and 5% assistance
	Forgivable – allowed for 3.5% assistance only
LTV/CLTV	LTV: Must be 90%-96.5%.
	CLTV: No overlay.
Manual Underwriting	Temporarily not allowed. Must have AUS approval.
Credit	
1003 Application	Present housing MUST be completed in 1003. No exceptions.
Borrower Contribution	\$0
Non-Occupant Coborrower	Allowed (family members or relatives only, as defined by FHA). When the loan includes a non-occupant co-borrower, the qualifying income of only the occupying borrower(s) is used to determine program qualifications under AMI limits. Non-occupants are not allowed on Manufactured Home.
Present Housing Expense	Rental payment history may assist first time homebuyers (per FHA Mortgagee Letter 2022-17) Renting from family member: Must provide a copy of the lease agreement executed and 12 months canceled checks or bank statements.
Credit	



Additional Properties Owned	Allowed, Motivational LOE is required to keep current residence while purchasing new. FHA guidelines regarding owner occupancy requirements must be met. An acceptable reason must be documented for the move, along with the intent behind retaining the current property. Occupancy reasonability must be documented and a QC review may be applied to the transaction. If the new residence is an additional 30 minutes of borrower’s commute to the borrower’s place of employment, satisfactory LOE and review is required.
Income	
AMI Limit	No income limits
	HUD AMI Limit
Gaps in Employment	HUD requires all loan applications to contain a complete two-year history of employment on the 1003. LOX for files with less than two (2) years of employment history required. The start date for this two-year history is the application date for the 1003.
Self-employed Borrower Business	Self-employed borrowers must have their business verified as open and operating within 30 calendar days prior to the Note date. Documentation must be provided with one of the following to confirm that the business is open and operating:
	Evidence of current work (executed contracts or signed invoices that indicate the business is operating on the day the correspondent verifies self-employment)
	Correspondent certification that the business is open and operating (correspondent confirmed through a phone call or other means)
	Business website demonstrating activity supporting current business operations (timely appointments for estimates or service can be scheduled)
Property	
Property Types Eligible	<ul style="list-style-type: none"> • 1 unit only - SFR, PUD, townhome, condo, attached, detached, modular. • Manufactured - allowed on Approve/Eligible Loans only. No manual underwrites. Non-occupant not allowed
Property Types Ineligible	<ul style="list-style-type: none"> • Building on own land • Construction to Perm • Easements and deed restrictions that affect marketability



	<ul style="list-style-type: none"> Proposed or under construction Illegal Accessory Units
Property	
Manufactured Home	1 unit Primary Residence, Fixed Rate, Fee Simple Only
	Structural Engineer’s report is required that meets HUD requirements. Existing engineer's cert acceptable as long as there is no new modifications made.
	Affidavit of affixation, recorded, signed and written statement acknowledging that the manufactured home is attached and classified as real property required.
	Property must not be located in a deed restricted area including restrictions for age and income
	HUD Data Plates (Paper Certification located on the interior of the property) or IBTS Verification
	Built on or after June 15, 1976
	Built on a permanent chassis (attached to the land) in compliance with the applicable Manufactured Homes (HUD Codes) in effect as of the date the Manufactured Home was constructed.
	Must be at least 12 feet wide (single-wide not allowed) and have a minimum of 600 square feet of gross living area.
	Manufactured Condos, Co-ops, Mobile Home Parks, Proposed or under construction, construction to perm, building on own land not allowed
	Dwellings cannot be located within Flood Zones A or V are ineligible. It is however acceptable for the land to be located within Flood Zone A or V.
	Manufactured home must be on original site, relocated homes are not permitted
HUD Certification Labels (metal plates attached) or IBTS Verification if not attached to the property	
State-specific Guidance	<p>Alaska and South Carolina</p> <ul style="list-style-type: none"> The minimum second mortgage loan amount is \$5,000. Therefore, for purchase prices below \$166,666.67 with 3% assistance, \$143,800 with 3.5% assistance, or \$100,000 with 5% assistance, the DPA amount will be \$5,000 in those states.
	<p>North Carolina</p> <ul style="list-style-type: none"> Per state law, origination fees are capped at 1% for loans under \$300,000. For loans equal to or above \$300,000, it may exceed the 1.5% origination fee cap if there are no fees charged in the origination section of the CD (Section A) other than the origination fee. Loans must comply with QM guidelines (i.e. the 3% points and fees test).



	Not offered in the state of New York
Subordinate Financing	Borrowers may increase their minimum required investment (down payment) by putting down additional funds above and beyond the assistance received as long as the loan-to-value ratio does not go below 90%.
Miscellaneous	
Cash Back to Borrower	Borrowers may receive a refund of documented earnest money deposit and other documented, paid, third-party costs only.
Forgiveness Conditions	Applies only to the Forgivable 2nd Advantage 3.5% DPA
	Forgiven once the borrower makes 36 consecutive on-time payments on the FHA first mortgage. (The borrower must request forgiveness once forgiveness conditions are met and provide payment for processing the lien release.)
	This forgiveness period resets if the borrower makes a late payment on the first mortgage.
	If this forgiveness condition is not met before the end of the 30-year term, then the loan may be forgiven at the borrower's request and upon the borrower's payment of processing the lien release.
	This loan permanently loses its forgivable status if, during the initial 36 payments on the first mortgage, the borrower refinances the first mortgage and state law allows the second mortgage to subordinate without prior consent.
	Advantage 5.0% DPA
	Forgiven if all borrower payments are less than 60 days late on the first 36 payments on the FHA first mortgage. (The borrower must request forgiveness once forgiveness conditions are met and provide payment for processing the lien release.)
	This forgiveness period does not reset if any of the first 36 payments on the FHA first mortgage are 60 or more days late; in such a situation, the loan would not be forgiven after the first 36 payments on the FHA first mortgage, but the loan would still have a 0% interest rate and no monthly payment for the rest of the 30-year term.
	If this loan is not forgiven after the first 36 payments on the FHA first mortgage and this loan reaches the end of its 30-year term, then the loan may be forgiven at the borrower's request and upon the borrower's payment of processing the lien release.



Advantage DPA



This loan permanently loses its forgivable status if during the initial 36 payments on the first mortgage the borrower refinances the first mortgage and state law allows the second mortgage to subordinate without prior consent.

