

TOPIC	Simply DPA
DPA Amount	Repayable: 5% of the purchase price. Forgivable: 3.5% of the purchase price.
Term and Rate	- Repayable DPA Terms - Interest Rate = 1st TD Note Rate + 2% - Term = Fully amortizing loan for 120 months - Include payment in DTI calculation - LTV: Min: 90% Max: 96.5% - CLTV: 100%/101.5% - Forgivable DPA Terms - Interest Rate = Fixed 0% - Term = Fully amortizing loan for 360 months - Forgiven at the borrower's request after 36 consecutive, on-time payments on the first mortgage. - Include payment in DTI calculation - LTV: Min: 90% Max: 96.5% - CLTV: 100%
AMI Limit Credit	- No income limits. - LLPA will be applied when AMI is above 160%.
Score	- Minimum 600 FICO score for all borrowers, lowest middle score. "No score" borrowers not allowed.
DTI	- Per AUS. - If Manual follow FHA guidelines - If payment shock exceeds 225%, front-end/housing ratio may not exceed 36%.
Payment Shock	225% or less if (a) AUS approval and credit score 620 or below; or (b) manually underwritten. - Payment shock may exceed 225% only if front-end/housing ratio is 36% or lower.
Homebuyer Education	Required for each borrower with a credit score below 640
Property Types	- SFR - PUD - Condo - Manufactured (FICO 620+) - Duplex - FHA 203 (B) only
Verification of Rent	A 12-month VOR is required if the loan is manually underwritten
Non-Occupant Borrowers	- Allowed (family members or relatives only, as defined by FHA). Only occupant borrowers' incomes are considered when determining whether a file meets AMI limits. - Total borrower income must be sufficient to make monthly mortgage, and debt payments on its own, and an LOX may be required showing the non-occupant co-borrower will contribute to monthly mortgage payments.
Manual Underwriting	Allowed: Refer/Eligible AUS results or manually downgraded borrowers are underwritten per FHA manual UW guidelines. No credit or non-traditional/alternative credit not allowed.



	Supporting documentation from the DE must be provided and meet FHA requirements. Completed VOR required, payment shock 225% or less.
Residency	Follow 4000.1 Guidelines
UDM/Soft Pull Credit Update	- To reduce the risk of new adverse debt or credit activity prior to closing, a soft pull credit update, or a UDM (undisclosed debt monitoring) report, from at least two credit bureaus is required within 10 calendar days prior to closing. - Undisclosed debt or adverse credit activity found must be re-underwritten or satisfactorily resolved by an LOE from the DE underwriter.
Purpose of Loan	Purchase Transactions Only
Borrower Informational Video	All borrowers are required to watch an informational video regarding loan payments prior to closing, and complete the form that comes with the video: Servicing Video

