

PROGRAM DESCRIPTION	<ul style="list-style-type: none"> The Southeast Texas Housing Corporation (SETH) MyHome PlusSM is designed to increase homeownership opportunities for low-to-moderate income individuals and families. No first-time homebuyer requirement All HPML loans must pass Safe Harbor in order to be eligible for closing.
PROGRAM SPONSOR	<ul style="list-style-type: none"> Southeast Texas Housing Finance Corporation (SETH) <ul style="list-style-type: none"> EIN: 76-0061310 HUD the Employer Identification Number (EIN) of all down payment assistance sponsors on HUD's FHA Loan Underwriting and Transmittal Summary.
DOWN PAYMENT ASSISTANCE	<ul style="list-style-type: none"> Second mortgage of up to 5% of the final first mortgage loan amount Second loan funds can be used towards down payment and/or closing costs Second loan amount must be rounded down to the nearest dollar 10-year term, 0%, no accrued interest <ul style="list-style-type: none"> Second loan repayment obligation for the 10-year option is "forgiven" in equal monthly increments after year 5 and will be 100% forgiven at maturity of note During the second loan term if a borrower were to refinance or sell their home, they will be subject to repayment of the assistance Seconds are not eligible for subordination and are not assumable
MORTGAGE CREDIT CERTIFICATE (MCC)	<ul style="list-style-type: none"> An MCC allows homebuyers to claim an annual tax credit for the life of the original mortgage, as long as they remain in the property as the homebuyer's principal residence Any MCC program is allowed. Follow agency guidelines <p><u>SETH MCC</u></p> <ul style="list-style-type: none"> SETH MCC is an independent program and lenders must be approved with the SETH MCC SETH MCC can be used as a standalone MCC or with the SETH MyHome Plus program Available in specific counties, not state-wide. See SETH's website for eligible areas SETH MCC SETH MCC is available at no costs
SERVICER	<ul style="list-style-type: none"> Land Home Financial Services, Inc. (LHFS)
ELIGIBLE AREA	<ul style="list-style-type: none"> Program is available throughout the State of Texas except for the county of Travis and the cities of El Paso, Grand Prairie, and McKinney.
INTEREST RATES	<ul style="list-style-type: none"> 60-day lock Interest rates are distributed to approved Sellers via daily distribution
MORTGAGE LOAN TYPES AND TERMS	<ul style="list-style-type: none"> 1st Mortgage – 30-year Term 2nd Mortgage – 10-year Term <p><u>Agencies:</u></p> <ul style="list-style-type: none"> FHA VA USDA <p>The following are not allowed:</p> <ul style="list-style-type: none"> Temporary buydowns Prepaid interest credits
LOAN PURPOSE	<p>Purchase only</p>

PRODUCT CODES	FIRST MORTGAGE CODES:	
	TX-SETH MyHome Plus FHA DAP	CGF30SETHMYHOME-000
	TX-SETH MyHome Plus VA DAP	CGV30SETHMYHOME-000
	TX-SETH MyHome Plus USDA DAP	CGR30SETHMYHOME-000
FEES	SECOND MORTGAGE CODE:	
	TX-SETH MyHome Plus 2nd Mtg (10-year forgiveness)	CCE10SETHMYHOME2nd-000
LOCK	<ul style="list-style-type: none"> • Origination Options: <ul style="list-style-type: none"> ○ 1.0% (SRP 1.5%) ○ 2.0% (SRP 0.50%) • Seller may charge customary and reasonable closing costs and fees on the first loan with full disclosure in accordance with Agency, federal, state and local laws and regulations. • Loan Funding Fee \$595 • Tax Service is \$83 • Discount points not allowed 	
ELIGIBLE PROPERTIES	<ul style="list-style-type: none"> • DAP funds are reserved when the loan is locked <ul style="list-style-type: none"> ○ The registration process must be completed prior to closing via DASH upon initial submission ○ Lock / Registration Process Job Aid • Delegated loans must lock prior to loan closing • The Seller will advance the DAP funds at closing. LHFS will reimburse DAP funds when loan is purchased • Pricing will be available from the time the rate sheet is posted until 5:00 pm PST. <ul style="list-style-type: none"> ○ The “Quick Pricer” feature in DASH does not price this product. ○ For locks received after hours, locks will be subject to the next published rate sheet (i.e., next business day) • LHFS will be closed for new reservations when the market is closed. • If DAP amount changes, the lock is subject to worst case pricing. • Loans cannot switch between agencies (DU and LPA). Lock must be cancelled and relocked, worst case pricing is applied. (For example: Switching a loan from FHA to FNMA). • Loans must be purchased by the lock expiration date. <ul style="list-style-type: none"> ○ For loans that have not been purchased by the 60th day, a one-time 30- day extension fee of 0.25% will be applied • For lock change requests, email LHFS lock desk at Locks@CLD.LHFS.com <ul style="list-style-type: none"> ○ Requests for relocks on Specialty Products are reviewed on a case-by-case basis. 	
ELIGIBLE BORROWERS AND OCCUPANCY	<ul style="list-style-type: none"> • SFR 1-4-unit primary residence • PUDs • Townhouse • Condominiums • Manufactured Housing – Singlewide and Leasehold are ineligible 	
CO-SIGNERS/ NON-OCCUPANT CO-BORROWERS	<ul style="list-style-type: none"> • Borrower(s) must occupy the residence as their primary residence within 60 days of closing. • Borrowers may have ownership interest in other properties at the time of closing – follow agency guidelines • All borrowers must have a valid social security number; ITINs are not allowed • DACA status recipients allowed on FHA & VA loans only • Refer to LHFS Residency Status Policy & Procedures if applicable 	
INCOME LIMITS	<ul style="list-style-type: none"> • Non-occupant Borrowers/Co-signers are permitted for FHA only. • Co-signers are NOT permitted to occupy the property and may not be on title (sign the Deed of Trust). • Co-signers will be required to execute the Affidavit of Cosigner/Guarantor. The income of the Co-signers is not required to be considered when determining program eligibility 	
INCOME LIMITS	<ul style="list-style-type: none"> • Program Income Limits by County <ul style="list-style-type: none"> ○ SETH FHA & VA Income limits Table ○ SETH USDA Income limits Table • Qualifying Income as reported and verified on the 1003 application and used for underwriting may not exceed Program Income Limits by County. • Follow Agency guidelines with respect to allowable sources and the calculation methods used in determining the Borrower’s qualifying income. Income from a single source may not be misrepresented. • Household income does <u>not</u> apply. 	

MINIMUM CREDIT SCORE	<ul style="list-style-type: none"> Minimum fico 620 Each borrower must have a minimum of one credit score
MAXIMUM DTI	<ul style="list-style-type: none"> Per AUS approval Manual Underwrites: Follow agency guidelines
LTV/CLTV	<ul style="list-style-type: none"> Subject to agency guidelines
FIRST-TIME HOMEBUYER	<ul style="list-style-type: none"> No first-time homebuyer requirement
HOMEBUYER EDUCATION (HBE)	<ul style="list-style-type: none"> SETH provides free homebuyer education for borrowers 80% and below AMI (Charter income limits apply). <ul style="list-style-type: none"> Once loan has been locked, email the lock confirmation and the borrower's email address to: compliance@sethfc.com. SETH will distribute a special code to allow the borrower to register and complete the course at no cost. SETH requires only one borrower on the loan to complete the SETH HBE course. <ul style="list-style-type: none"> Visit: https://www.ehomeamerica.org/sethfc1 No other Homebuyer Education is allowed. Borrower's receipt of a SETH homebuyer education Certification of Completion is a condition for the loan closing. The cost for the course is \$100. Fee cannot be charged on the CD. Homebuyer Education is not required for a Non-Purchasing Spouse or Co-Signer.
MAXIMUM PURCHASE PRICE	<ul style="list-style-type: none"> SETH does not have purchase price limits; follow agency guidelines
MINIMUM BORROWER INVESTMENT	<ul style="list-style-type: none"> No minimum borrower investment of funds required. Follow agency guidelines
CASH BACK	<ul style="list-style-type: none"> Other than reimbursement of earnest money or items paid by the Borrower outside of closing, there can be no cash back to the borrower. Remaining assistance must be applied as a principal reduction (on first mortgage).
DISCLOSURES / CLOSING	<ul style="list-style-type: none"> 1st mortgage follows standard disclosure requirements, both LE and CD 2nd mortgage, LE and CD not required. No title fees allowed on the 2nd (recording and transfer tax only). Complete SETH Submission Checklist Second Mortgage Doc Package Required Second Mortgage Documents: <ul style="list-style-type: none"> Disclosure of Second Loan Terms SETH Second Promissory Note SETH Second Deed of Trust SETH Commitment Letter (FHA only) Affidavit of Co-Signer (FHA only and if applicable) A non-purchasing spouse is allowed on title to the property as long as they also sign the Second Deed of Trust. They are not required to sign the second Promissory note
UNDERWRITING	<ul style="list-style-type: none"> DU Approved Eligible, LP Accept, GUS Accept or Manual underwrite allowed. LHFS Overlay Matrix does not apply to this program Escrow holdbacks are allowed; however, Correspondent must manage. <ul style="list-style-type: none"> Escrow holdback agreement will be required for LHFS to purchase the loan.

Guidelines are for use by mortgage professionals only and subject to change without notice.