

Within Reach™ - FHA Guidelines

PROGRAM DESCRIPTION	<ul style="list-style-type: none"> Within Reach™ Plus Down Payment Assistance Program 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"> National Homebuyers Fund (NHF) <ul style="list-style-type: none"> EIN: 42-1549314 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 at 3.5% of the Sales Price Amortizing 15-year second mortgage loan, note rate 2% higher interest rate than the 1st mortgage. Second loan funds can be used towards down payment, to permanently buydown the interest rate, and/or closing costs. Second loan amount must be rounded down to the nearest dollar. Seconds are not eligible for subordination and are not assumable 	
SERVICER	<ul style="list-style-type: none"> Land Home Financial Services, Inc. (LHFS) 	
ELIGIBLE AREA	<ul style="list-style-type: none"> All states except for New York and Washington 	
INTEREST RATES	<ul style="list-style-type: none"> Lock options include 15, 30, and 45 days Interest rates are distributed to approved Lenders via daily distribution 	
MORTGAGE LOAN TYPES AND TERMS	<ul style="list-style-type: none"> 1st Mortgage: 30-year fixed term with full amortization 2nd Mortgage: 15-year fixed term with full amortization <p><u>Agencies:</u></p> <ul style="list-style-type: none"> FHA <p>The following are not allowed:</p> <ul style="list-style-type: none"> Temporary buydowns Prepaid interest credits 	
LOAN PURPOSE	<ul style="list-style-type: none"> Purchase only 	
PROGRAM CODES	FIRST MORTGAGE CODES	
	Within Reach™ DPA FHA 3.5% Fixed 30	CGF30WRDPA35-000
	Within Reach™ DPA FHA MH 3.5% Fixed 30	CGF30WRMHDPA35-000
	SECOND MORTGAGE CODES	
	Within Reach™ Closed End Second Fixed 15 NHF	CCE15-115
FEES	<ul style="list-style-type: none"> Up to 2.5% Origination Lender 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 DPA funds can be used to pay for Real Estate Agent Fees/Commissions as part of the closing costs <p><u>2nd Mortgage:</u></p> <ul style="list-style-type: none"> \$175 Investor Fee, Interim Interest and recording fee only. \$60 Assignment fee must be added for 2nd mortgages. 	
LOCK	<ul style="list-style-type: none"> DPA 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 The Lender will advance the DPA funds at closing. LHFS will reimburse DPA funds when loan is purchased At the time of lock, DPA funds are reserved and a DPA Funding Commitment Notice is issued from LHFS on behalf of National Homebuyer Fund, Inc. (NHF). Upon completing the reservation, the DPA Funding Commitment Notice can also be accessed in the DASH Portal. Pricing will be available from the time the rate sheet is posted until 2:00 pm PST. <ul style="list-style-type: none"> 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. Loans must be purchased by the lock expiration date. <ul style="list-style-type: none"> If not purchased by lock expiration date, an automatic extension fee for 7 days will be applied of .175 bps of the first mortgage loan amount; charged to Correspondent, up to a maximum of 4 extensions. After the 90th day, the loan will be repriced to market conditions. For lock change requests, email LHFS lock desk at CLDLocks@LHFS.com Requests for relocks on Specialty Products are reviewed on a case-by-case basis. 	

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ELIGIBLE PROPERTIES	<ul style="list-style-type: none"> SFR 1–4-unit primary residence PUDs Townhouse Condominiums Manufactured Housing – Singlewide and Leasehold are ineligible
ELIGIBLE BORROWERS AND OCCUPANCY	<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 Refer to LHFS Residency Status Policy & Procedures if applicable
CO-SIGNERS/ NON-OCCUPANT CO-BORROWERS	<ul style="list-style-type: none"> Non-occupant Borrowers/Co-signers are permitted. 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 should not be considered when determining income eligibility. The income of the Non-Occupant Co-Borrower(s) must be considered when determining eligibility.
MINIMUM CREDIT SCORE	<ul style="list-style-type: none"> Minimum credit score 640 Each borrower must have a minimum of one credit score
MAXIMUM DTI	<ul style="list-style-type: none"> Per AUS approval
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"> If credit score is between 640-659, at least one borrower must complete the homebuyer education. Course developed by HUD-approved non-profit housing counseling agencies. <ul style="list-style-type: none"> HUD Approved First Time Buyer Course
MAXIMUM PURCHASE PRICE	<ul style="list-style-type: none"> No 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).
DISCLOSURE/ CLOSING	<ul style="list-style-type: none"> Auto draft payments required for both 1st and 2nd mortgage payments. <ul style="list-style-type: none"> Access ACH Form for the 2nd mortgage. LE / CD required for both the 1st and 2nd loan. Both 1st and 2nd loans require all applicable state and federal disclosures. Secondary Financing: <ul style="list-style-type: none"> Secondary financing will close in the name of Lender's company. MERS numbers are not associated with the second mortgage. Lender must provide an executed Assignment of the Second Mortgage to NHF. Therefore, Lender must transfer to NHF as soon as possible after closing (within 48 hours). <p><u>Assign to:</u> National Homebuyers Fund, Inc. 1215 K Street, Suite 1650, Sacramento, CA 95814</p>
UNDERWRITING	<ul style="list-style-type: none"> DU Approved Eligible or LP Accept Manual underwrite not 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.

REVISION HISTORY:

<u>DATE</u>	<u>TOPIC / UPDATE</u>
09/06/2024	<ul style="list-style-type: none"> Down Payment Assistance Section: added the following – <ul style="list-style-type: none"> Second loan funds can be used towards down payment, to permanently buydown the interest rate, and/or closing costs. Mortgage Loan Types and Terms Section: <ul style="list-style-type: none"> Removed “Temporary buydowns” from “The following are not allowed”
10/01/2024	Updated Fee section: <ul style="list-style-type: none"> Added: DPA funds can be used to pay for Real Estate Agent Fees/Commissions as part of the closing costs
10/04/2024	<ul style="list-style-type: none"> Mortgage Loan Types and Terms Section: <ul style="list-style-type: none"> Added “Temporary buydowns” to “The following are not allowed”
11/26/2024	Updated Lock section: <ul style="list-style-type: none"> From: If not purchased by lock expiration date, a cost of 2.5 bps per day (up to a maximum total lock period of 90 days) will be charged. After the 90th day, the loan will be repriced to market conditions. To: If not purchased by lock expiration date, an automatic extension fee for 7 days will be applied of .175 bps of the first mortgage loan amount; charged to Correspondent, up to a maximum of 4 extensions. After the 90th day, the loan will be repriced to market conditions.
01/02/2025	Added under the Disclosures section: <ul style="list-style-type: none"> Both the 1st and 2nd loans require all applicable state and federal disclosures.

