

CAFA Platinum Homebuyer Assistance Program – Government DAP Guidelines

PROGRAM DESCRIPTION	<ul style="list-style-type: none"> CAFA Land Home Homebuyer 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"> Capital Area Finance Authority (CAFA) CAFA's EIN: 72-1013030 <ul style="list-style-type: none"> 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. Second loan amounts are calculated based on the final first loan amount, including any financed MI. 7 or 10-year terms, 0% interest rate, no accrued interest. <ul style="list-style-type: none"> 7-year term: Second loan repayment obligation for the 7-year option is "forgiven" in equal monthly increments after year 2 and will be 100% forgiven at maturity of note. 10-year term: 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. DAP is provided by CAFA, LHFS will advance the funds at closing. 	
SERVICER	<ul style="list-style-type: none"> Land Home Financial Services, Inc. (LHFS) 	
ELIGIBLE AREA	<ul style="list-style-type: none"> This program is available throughout the state of Louisiana, except in the Parishes of New Orleans and Plaquemines. 	
LOCKS	<ul style="list-style-type: none"> 45-day lock Loans may be locked upon complete submission 	
MORTGAGE LOAN TYPES AND TERMS	<ul style="list-style-type: none"> 1st Mortgage – 30-year Term 2nd Mortgage – 7 or 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	<ul style="list-style-type: none"> Purchase only 	
PROGRAM CODES	PROGRAMS AND CODES FOR CAFA FIRST	
	PROGRAM NAME	PROGRAM CODES
	LA-CAFA Platinum FHA DAP	WGF30CAFAPlatinum-000
	LA-CAFA Platinum VA DAP	WGV30CAFAPlatinum-000
	LA-CAFA Platinum USDA DAP	WGR30CAFAPlatinum-000
	PROGRAMS AND CODES FOR CAFA SECOND	
	PROGRAM NAME	PROGRAM CODES
LA-CAFA Platinum 2nd Mtg (7-Year Forgiveness)	WCE7CAFAPLTNM2nd-000	
LA-CAFA Platinum 2nd Mtg (10-Year Forgiveness)	WCE10CAFAPLTNM2nd-000	
FEES	<p>Borrower Paid Compensation Only: 2.0% (cannot exceed LPC Agreement with LHFS) Disclosed: LE must show "Mortgage Broker Compensation – Borrower Paid" Admin Fee: \$1,145 Third-Party Processing Fee: May not exceed \$995</p> <ul style="list-style-type: none"> Reasonable and customary fees in accordance with agency guidelines 	

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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.
OCCUPANCY	<ul style="list-style-type: none"> Borrower must occupy the residence as their primary residence within 60 days of closing.
CO-SIGNERS / NON-OCCUPANT CO-BORROWERS	<ul style="list-style-type: none"> Allowed on FHA loans only. Co-signers are NOT permitted to occupy the property and may not be on title (sign the Mortgage). 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 income eligibility.
INCOME LIMITS	<ul style="list-style-type: none"> Qualifying Income as reported and verified on the 1003 application and used for underwriting may not exceed Program Income Limits by Parish. Follow Agency guidelines with respect to allowable sources and the calculation methods used in determining the Borrower’s qualifying income. Household income does <u>not</u> apply.
CREDIT	<p><u>Minimum Credit Score: 620</u></p> <ul style="list-style-type: none"> Each borrower must have a minimum of one credit score.
MAXIMUM DTI	<ul style="list-style-type: none"> Max DTI per AUS approval.
LTV/CLTV	<ul style="list-style-type: none"> Subject to agency guidelines
HOUSING HISTORY	<ul style="list-style-type: none"> 12 months satisfactory housing payment history required. For borrower(s) without previous housing history, follow specific agency guidelines as applicable.
ASSETS	<ul style="list-style-type: none"> Maximum allowable assets amount is not set by CAFA, follow agency guidelines. Gift donors cannot be on title or purchase contract as they do not meet the definition of “Gift” per agency definition. VOD’s are not acceptable for asset documentation alone. Asset Verification methods: <ul style="list-style-type: none"> Direct Verification by a HUD approved third party verification vendor of the borrower’s account covering activity for a minimum of 60 days and the date of the data contained in the completed verification is current within 30 days of the date of the verification will be accepted, or 2 months of bank statements for checking accounts are required on primary borrower regardless of cash to close requirements and AUS findings
FIRST-TIME HOMEBUYER	<ul style="list-style-type: none"> No First-time homebuyer requirement
HOMEBUYER EDUCATION	<ul style="list-style-type: none"> Required if all borrowers are first-time homebuyers. <ul style="list-style-type: none"> All borrowers on the note must complete the homebuyer education course. Homebuyer course is not required for Co-signers and Non-Purchasing spouse. Borrowers may select from any homebuyer education course. Homebuyer Education must be completed prior to closing.
MAXIMUM LOAN AMOUNT	<ul style="list-style-type: none"> Maximum loan amount is \$472,030 or Agency limit, whichever is LOWER
MINIMUM BORROWER INVESTMENT	<ul style="list-style-type: none"> No minimum borrower investment of funds required. Follow agency guidelines. Gift funds and seller credits are allowed per 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 (1st mortgage).

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<p>**OPTIONAL**</p> <p>HOMEBUYER PAYMENT PROTECTION PLAN</p>	<p>Optional Homebuyer Payment Protection Plan Three-year plan covering the payments due on the First and Second Loans. Premiums covering the 1st, 2nd, and 3rd years will be collected upfront, at closing.</p> <p>Obtain Quote: https://www.appliedassurance.com/pricing-quote</p> <ul style="list-style-type: none"> The loan amount used is the total of the 1st and the 2nd. The payment amount used will be the total of PITI of the 1st and 2nd less any HOA dues. The credit score is the loan credit score, or lowest mid-score of all borrowers. <p>Obtain Invoice & Payment Protection Agreement: https://www.appliedassurance.net/create-invoice</p> <ul style="list-style-type: none"> Service: Land Home Financial Services, Inc. Quotes will be emailed after completing the cost calculator. Any changes in the loan amount, income, or credit score, a new cost estimator should be prepared.
<p>DISCLOSURES / CLOSING</p>	<ul style="list-style-type: none"> 1st mortgage follows standard disclosure requirements, both LE and CD 2nd mortgage, LE and CD not required Required Second Mortgage Documents: <ul style="list-style-type: none"> Disclosure of Second Loan Terms CAFA Second Promissory Note CAFA Second Mortgage CAFA Commitment Letter (FHA only) Affidavit of Co-Signer (FHA only and if applicable)
<p>UNDERWRITING</p>	<ul style="list-style-type: none"> DU Approved Eligible, LP Accept, GUS Accept or Manual underwrite allowed IRS payment plans: <ul style="list-style-type: none"> IRS repayment plans initiated in the current year are not allowed. IRS repayment plans initiated for multiple consecutive years are not allowed. (pattern of inability to manage finances). For consideration of an exception, request an explanation as to why the borrower owes unpaid taxes, what steps have been taken and put into place to correct the underpayment from occurring in the future, a copy of the IRS agreement, IRS record of account transcripts to confirm date of payment arrangement request and evidence of 3 consecutive timely payments will be required. Two months required bank statements as part of the underwriting evaluation. While we will allow the down payment to be covered by the DAP and closing costs to be covered by eligible gifts or seller credits, bank statements will still be required as part of the credit evaluation.
<p>PAYOFF DEMAND</p>	<p><u>Payoff Demand for CAFA First loan:</u></p> <p>LHFS Servicing (877) 230-0466 (follow prompts for payoff request)</p> <ul style="list-style-type: none"> Select Prompt #1 for English <ul style="list-style-type: none"> System will ask for: <ul style="list-style-type: none"> Loan # (existing/servicing – account number from statement), Last 4 digits of social security number, and Property zip code The system will provide the following account information: <ul style="list-style-type: none"> Balance, and Last payment received Select Prompt #4 for payoff demands <ul style="list-style-type: none"> Fax# required for entry Fax will be sent within 4 hours containing payoff information <p><u>Payoff Demand for CAFA Second loan:</u></p> <p>LHFS Special Servicing ATTN: Specialty Department 3611 S. Harbor Blvd, Suite 100 Santa Ana, CA 92704 Phone: 877.557.9042 Email: LHServicing@LHFS.com</p> <p>Please include the Borrower(s) name and the CAFA first loan number with both requests.</p> <ul style="list-style-type: none"> Optional: Include subject property address

Each loan files layers of risk (i.e., payment shock; gift funds; assets/reserves not verified; multiple layers of risk, etc.) may require additional documentation or explanations above and beyond the AUS requirements (i.e., housing history; budget letters; excessive commute detail, etc.).

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

URLA DETAIL

Section 4: Loan and Property Information: 4b. Other New Mortgage Loans on the Property

4b. Other New Mortgage Loans on the Property You are Buying or Refinancing Does not apply

Creditor Name	Lien Type	Monthly Payment	Loan Amount/ Amount to be Drawn	Credit Limit (if applicable)
Capital Area Finance Authority	<input type="radio"/> First Lien <input checked="" type="radio"/> Subordinate Lien	\$	\$ 11,250.00	\$
	<input type="radio"/> First Lien <input type="radio"/> Subordinate Lien	\$	\$	\$

- Enter “Capital Area Finance Authority (CAFA)” as the “Creditor Name”
- Check “Subordinate Lien” under “Lien Type”
- Do not enter a monthly payment amount under the “Monthly Payment” field
- Enter DAP dollar amount under “Loan Amount / Amount to be Drawn”

Section 5: Declarations: 5a. About this Property and Your Money for this Loan

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A. Will you occupy the property as your primary residence?
 If YES, have you had an ownership interest in another property in the last three years?
 If YES, complete (1) and (2) below:
 (1) What type of property did you own: primary residence (PR), FHA secondary residence (SR), second home (SH), or investment property (IP)?
 (2) How did you hold title to the property: by yourself (S), jointly with your spouse (SP), or jointly with another person (O)?

NO YES
 NO YES

B. If this is a Purchase Transaction: Do you have a family relationship or business affiliation with the seller of the property?
 NO YES

C. Are you borrowing any money for this real estate transaction (e.g., money for your closing costs or down payment) or obtaining any money from another party, such as the seller or realtor, that you have not disclosed on this loan application?
 If YES, what is the amount of this money?

NO YES
 \$ 11,250.00

D. 1. Have you or will you be applying for a mortgage loan on another property (not the property securing this loan) on or before closing this transaction that is not disclosed on this loan application?
 2. Have you or will you be applying for any new credit (e.g., installment loan, credit card, etc.) on or before closing this loan that is not disclosed on this application?

NO YES
 NO YES

E. Will this property be subject to a lien that could take priority over the first mortgage lien, such as a clean energy lien paid through your property taxes (e.g., the Property Assessed Clean Energy Program)?
 NO YES

- 5a, item C - Mark “Yes”
- Enter DAP dollar amount in the blank field

Please Note: The above sections are the only entries needed for DPA. Do not enter amounts in any other sections of the URLA.