

OVERVIEW

The GSFA Conventional Down Payment Assistance Program (DAP) is a competitively priced Conventional loan program that does not require a minimum down payment from the homebuyer(s).

- Owner occupied, purchase & limited cash out refinance, both 1st time and repeat buyers allowed
- Borrower may not own any other property at the time of closing, no exceptions
- Conventional only
- Offered as:
 - Freddie Mac - HFA Advantage
- Must use GSFA 1st mortgage program
- LHFS advances down payment assistance funds
- Available for both purchase and refinance transactions (no cash back)
- Interest rates on the 1st mortgage loan vary based on the assistance selected

GSFA Platinum provides your borrower(s) with 3 program options:

- Standard:** An amortizing 15-year Second Mortgage Loan, sized up to 5.00% of the First mortgage loan amount.
- Select:** An amortizing 15-year Second Mortgage Loan, sized at 3.50% of the First Mortgage Loan Amount, with optional Gift funds, up to 1.50%.
- Assist-to-Own:** A deferred Second Mortgage Loan, sized at 3.50% of the First Mortgage Loan amount, with optional Gift funds, up to 2.00%

PROGRAM CODES

GSFA Standard:

W CA-GSFA Conventional Standard <80% AMI DAP	WC30GSFA80SD-041
W CA-GSFA Conventional Standard >80% AMI DAP	WC30GSFASD-041
W CA-GSFA Standard Amortizing 2nd Mtg	WCE15GSFASD2nd-041

GSFA Assist-to-Own:

W CA-GSFA Conventional Assist <80% AMI DAP	WC30GSFA80AST-041
W CA-GSFA Conventional Assist >80% AMI DAP	WC30GSFAAST-041
W CA-GSFA Assist Deferred 2nd Mtg	WCE30GSFAAST2nd-041

GSFA Select:

W CA-GSFA Conventional Select <80% AMI DAP	WC30GSFA80SLCT-041
W CA-GSFA Conventional Select >80% AMI DAP	WC30GSFASLCT-041
W CA-GSFA Select Amortizing 2nd Mtg	WCE15GSFASLCT2nd-041

NOTE: LHFS will follow standard FHLMC & Mortgage Insurance guidelines. Also, subject to LHFS overlays as well as those outlined in borrower's eligibility, property eligibility and underwriting sections of this document.



GSFA Conventional Guidelines Summary

FIRST MORTGAGE LOAN TYPES AND TERMS	<ul style="list-style-type: none"> Standard 30 Year Terms with full amortization, purchase and refinance available <ul style="list-style-type: none"> Standard conforming loan limits apply Freddie Mac HFA Advantage conforming Max LTV 97%/ CLTV 105% Note: Super conforming loans are not allowed All Freddie Mac - HFA Advantage conventional guidelines apply For Government Loan options within the GSFA Platinum Program, please see the GSFA Platinum Matrix
BORROWER ELIGIBILITY	<p><u>Minimum Credit Score</u></p> <ul style="list-style-type: none"> 640 <p><u>Maximum DTI</u></p> <ul style="list-style-type: none"> For loans underwritten through an AUS, unless a lower maximum DTI is required for product/property type per GSE, Insurer, or HFA guidelines: <ul style="list-style-type: none"> FICO 640+ <ul style="list-style-type: none"> 50% maximum for loans underwritten through LPA with an “Accept” finding Follow County income limits (1003 qualifying income) Must occupy the property as their primary residence Homebuyer education required Follow Freddie Mac guidelines concerning non-occupant co-borrowers. <p><u>Refinance Transactions:</u></p> <ul style="list-style-type: none"> Down Payment Assistance up to 5.00% of the first mortgage amount available to be used towards down payment and/or closing costs. Follow County income limits (1003 qualifying income) Minimum 3% equity required No cash out/cash back Full documentation
CASH BACK TO BORROWER	<p>Purchase:</p> <ul style="list-style-type: none"> Excessive down payment assistance funds: <ul style="list-style-type: none"> Loan amount must be reduced, and loan documents must be re-drawn. Principal reductions are not allowed <p>Refinance:</p> <ul style="list-style-type: none"> No portion of the down payment assistance may be given as cash back to the borrower No cash out allowed
COMMUNITY / AFFORDABLE SECONDS	<ul style="list-style-type: none"> Additional subordinate financing is not allowed.
DISCLOSURES	<ul style="list-style-type: none"> 1st & 2nd mortgage follows standard disclosure requirements, both LE and CD.
SECOND MORTGAGE DOCUMENTATION	<p>Required DPA Second Mortgage Loan Documents include:</p> <ul style="list-style-type: none"> Promissory Note Deed of Trust Funding Commitment Notice Second Loan Estimate and Closing Disclosure (for all loan options with Amortizing Second Mortgages) GSFA must serve as the Lender and beneficiary for the Second Note and Security Instrument. Partial Exemption Disclosure (for “Assist-to-Own” transactions only)*



GSFA Conventional Guidelines Summary

<p>DOWN PAYMENT AND CLOSING COST ASSISTANCE</p>	<p>DAP is available from GSFA for Purchase or Refinance transactions in the form of an amortizing 15-year Second Mortgage Loan, sized up to 5.00% of the First Mortgage Loan Amount..</p> <ul style="list-style-type: none"> * In the case of a refinance, soft second must be paid in full – no subordination allowed. <p>DAP Amount based on AMI:</p> <ul style="list-style-type: none"> DAP up to 5.00% of the First Mortgage Loan amount. Second mortgage loan, 15-year loan term. Note Rate of Second Mortgage is same as the Note Rate of First Mortgage. Amortizing loan with monthly payments. Second Mortgage is due and payable upon sale, refinance or payoff of the First Mortgage. Lender must conform to federal RESPA and Truth-in-lending laws in disclosing the terms of the Second Mortgage. Proceeds may be used for down payment and/or closing costs; There must be no cash back to the borrower from the Second Mortgage proceeds; LHFS upfronts the DAP amount at closing. <p>DAP types available:</p> <ul style="list-style-type: none"> For Platinum “Select” transactions, the DAP is an amortizing 15-year Second Mortgage Loan, sized at 3.50% of the First Mortgage Loan Amount, with optional Gift funds, up to 1.50%. (See Platinum “Select” Eligibility section for details). For Platinum “Assist-to-Own” transactions, the DAP is sized at 3.50% of the First Mortgage Loan amount, with optional Gift funds, up to 2.00%. (See Platinum “Assist-to-Own” Eligibility section for details).
<p>ELIGIBLE PROPERTIES</p>	<p>Eligible properties</p> <ul style="list-style-type: none"> 1-4 unit, Single Family Residences, approved Condos, and Townhomes, as allowed per Agency guidelines. <ul style="list-style-type: none"> 2-4 units maximum 95% LTV and 105% TLTV ratios. Condominiums allowed for LTVs of 97% with investor/master servicer approval in addition to meeting Freddie Mac guidelines as applicable. Manufactured homes per Agency guidelines (maximum 95% LTV/TLTV ratios). <p>Ineligible properties</p> <ul style="list-style-type: none"> Co-ops Rental homes, investment properties Recreational, vacation or second homes
<p>ELIGIBLE STATES</p>	<p>California only</p>
<p>FEES</p>	<ul style="list-style-type: none"> Up to 2.00% borrower paid compensation is allowed for this program (No LPC) Discount Points: 0.00% (This Program does not allow Discount Points to be charged to the Borrower) Processing fee must be reasonable and customary. LE must show “Mortgage Broker Compensation – Borrower Paid” LHFS standard GSFA Platinum admin fee of \$1145 applies to all loans A fee of \$400 will apply to each expired lock / locked loan not delivered
<p>FIRST-TIME HOMEBUYER</p>	<ul style="list-style-type: none"> Available for first time, repeat, and current owners for a refinance



GSFA Conventional Guidelines Summary

<p>HOMEBUYER EDUCATION</p>	<p>Freddie Mac LPA Approved homebuyer education/counseling required if all borrowers are first time homebuyers. (Please refer to loan agency for specific requirements.) Must complete homeownership education program before the Note date.</p> <ul style="list-style-type: none"> Homeownership education must not be provided by an interested party to the transaction, LHFS, or by the seller. Homeownership education programs may use different formats and require different lengths of time to complete. The following are acceptable: <ol style="list-style-type: none"> Programs developed by HUD-approved counseling agencies, Housing Finance Agencies (HFAs) or Community Development Financial Institutions (CDFIs) Programs developed by mortgage insurance companies Programs that meet the standards of the National Industry Standards for Homeownership Education and Counseling (www.homeownershipstandards.com) As an alternative to the programs listed above, Freddie Mac's free financial literacy curriculum, CreditSmart®, meets the homeownership education requirements, provided: <ul style="list-style-type: none"> The borrower completes the on-line Credit Smart® – Steps to Homeownership Tutorial, which includes: <ul style="list-style-type: none"> Module 1 (Your Credit and Why It Is Important) Module 2 (Managing Your Money) Module 7 (Thinking Like a Lender) Module 11 (Becoming a Homeowner) and Module 12 (Protecting Your Investment) The financial literacy curriculum is not provided by an interested party to the transaction, the originating lender or by the seller A copy of Exhibit 20, Homeownership Education Certification, or another document (such as the CreditSmart® – Steps to Homeownership certificate of completion) containing comparable information must be retained in the mortgage file.
<p>INCOME LIMITS</p>	<ul style="list-style-type: none"> GSFA loan limits - GSFA income limits Separate pricing for Conventional Loans based on Borrower's Income: <ul style="list-style-type: none"> Borrowers ≤ 80% AMI (Area Median Income): <ul style="list-style-type: none"> Will have separate, more attractive pricing and DPA options; and Remain eligible for the Charter Level Coverage MI of the Freddie Mac HFA Advantage product. Borrowers > 80% AMI: <ul style="list-style-type: none"> Must apply standard coverage MI
<p>LPA OFFERING IDENTIFIER</p>	<ul style="list-style-type: none"> Select Offering Identifier "HFA Advantage" for single family properties, condos, or PUD's (attached or detached).
<p>LOCK STATUS</p>	<ul style="list-style-type: none"> May lock at Conditionally Approved, with appraisal received. Loans are locked, and DAP funds reserved at the same time. GSFA loans are locked in eXPRESS. Special Programs are subject 2:00 PST cutoff for same day lock commitment. 30-day lock period only <p>Please Note: If loan is locked, and DAP amount (%) needs to change, the lock will be cancelled, a \$400 cancelation fee will apply, and 30 days must elapse before locking to the new program.</p>
<p>MAX LOAN AMOUNT</p>	<ul style="list-style-type: none"> \$726,200
<p>MINIMUM BORROWER CONTRIBUTION</p>	<ul style="list-style-type: none"> No minimum required borrower contribution Additional gift funds and seller concessions allowed Follow agency, mortgage insurance, and LHFS GSFA guidelines



GSFA Conventional Guidelines Summary

<p>MORTGAGE INSURANCE</p>	<p>All LHFS approved Mortgage Insurance providers are eligible</p> <ul style="list-style-type: none"> • Mortgage Insurance – HFA Preferred reduced/charter coverage levels: <ul style="list-style-type: none"> • Greater than 95% up to and including 97% LTV: 18% • Greater than 90% up to and including 95% LTV: 16% • Greater than 85% up to and including 90% LTV: 12% • Greater than 80% up to and including 85% LTV: 6% • AMIs above 80% are subjective to standard MI coverage levels based on LTV.
<p>PLATINUM “ASSIST-TO-OWN” ELIGIBILITY</p>	<p>Borrowers that work in the following counties in California are eligible for the Platinum “Assist-to-Own” feature, a deferred Second Mortgage Loan, sized at 3.50% of the First Mortgage Loan amount rounded to the nearest dollar, with optional Gift funds, up to 2.00%:</p> <ul style="list-style-type: none"> • Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Imperial, Inyo, Kings, Lake, Lassen, Madera, Mariposa, Mendocino, Merced, Modoc, Mono, Monterey, Napa, Nevada, Placer, Plumas, San Benito, San Luis Obispo, Santa Barbara, Shasta, Sierra, Siskiyou, Solano, Sutter, Tehama, Trinity, Tulare, Tuolumne, Yolo, and Yuba counties. <p>Additional Details:</p> <ul style="list-style-type: none"> • Amount based on AMI • Note Rate of Deferred Second Mortgage is 0%. • Non-amortizing loan; no monthly payments are due. • Second Mortgage is deferred and due and payable in full upon sale or refinance of First Mortgage. • No subordination allowed. • Must conform to federal RESPA and Truth-in-lending laws in disclosing the terms of the Second Mortgage. • DAP is provided by NHF, LHFS will advance the funds at closing. • Proceeds may be used for down payment and/or closing costs; • There must be no cash back to the borrower from the Second Mortgage proceeds.
<p>PLATINUM “SELECT” ELIGIBILITY</p>	<p>Borrowers with the following occupations in California are eligible for the Platinum “Select” feature, which provides an amortizing 15-year Second Mortgage Loan, sized at 3.50% of the First Mortgage Loan Amount rounded to the nearest dollar, with optional Gift funds, up to 1.50%:</p> <ul style="list-style-type: none"> • Medical and Healthcare workers; • Peace Officers, Sheriff, Border Patrol Agents, Correctional Officers and others serving in a Law Enforcement capacity; • Firefighters, CalFire, paramedic, and Emergency Medical Technicians (EMTs), including administrative staff that supports firefighters; or • Current members of the California State Teachers Retirement System (CalSTRS) or University of California Retirement Plan (UCRP), employees of a California accredited Private, Charter or Public School District or California State University, Junior College or Private College, including school administration and staff. <p>Additional Details:</p> <ul style="list-style-type: none"> • DAP Amount based on AMI • DAP is provided by NHF, LHFS will advance the funds at closing. • Note Rate of Second Mortgage is same as the Note Rate of First Mortgage. • Amortizing loan with monthly payments. • Second Mortgage is due and payable upon sale, refinance or payoff of the First Mortgage. • Must conform to federal RESPA and Truth-in-lending laws in disclosing the terms of the Second Mortgage. • Proceeds may be used for down payment and/or closing costs; • There must be no cash back to the borrower from the Second Mortgage proceeds.



GSFA Conventional Guidelines Summary	
REFINANCE TRANSACTIONS	<ul style="list-style-type: none"> • Minimum 3% equity required • No cash out allowed • Full Documentation required
SALES PRICE LIMITS	<ul style="list-style-type: none"> • N/A
UNDERWRITING	<p>Follow <u>agency guidelines, LHFS guidelines and overlay matrix</u></p> <ul style="list-style-type: none"> • Max conforming LTV/CLTV – 97%/105% • Income limits based off 1003 qualifying income • Available through Loan Product Advisor (LPA) Risk Class “Accept” <ul style="list-style-type: none"> • DU is not allowed • Modifications to a reservation require approval; only property address or loan amount are allowed with NHF, any other modifications require loan cancellation (borrower, interest rate, DAP) • No manual underwrites allowed <p><u>Conforming:</u> HFA is available through LPA. Select the following:</p> <ul style="list-style-type: none"> • “Offering Identifier” • “HFA Advantage”



URLA DETAIL (STANDARD & SELECT)

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)
GSFA	<input type="radio"/> First Lien <input checked="" type="radio"/> Subordinate Lien	\$ 100.00	\$ 1,000.00	\$
	<input type="radio"/> First Lien <input type="radio"/> Subordinate Lien	\$	\$	\$

- Enter “GSFA” as the “Creditor Name”
- Check “Subordinate Lien” under “Lien Type”
- 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

5a. About this Property and Your Money for this Loan

<p>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)?</p>	<p><input type="radio"/> NO <input type="radio"/> YES <input type="radio"/> NO <input type="radio"/> YES</p>
<p>B. If this is a Purchase Transaction: Do you have a family relationship or business affiliation with the seller of the property?</p>	<p><input type="radio"/> NO <input type="radio"/> YES</p>
<p>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?</p>	<p><input type="radio"/> NO <input checked="" type="radio"/> YES \$ 1,000.00</p>
<p>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?</p>	<p><input type="radio"/> NO <input type="radio"/> YES <input type="radio"/> NO <input type="radio"/> YES</p>
<p>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)?</p>	<p><input type="radio"/> NO <input type="radio"/> YES</p>

- 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.



INPUTTING INTO AUS – LPA VISUAL AID (STANDARD & SELECT)

Enter the following into specified fields:

- **Offer Identifier:** HFA Advantage
- **Is the Other New Mortgage an Affordable Second?** Yes
- **Is the Affordable Second Payment Deferred?** No

URLA DETAIL (ASSIST-TO-OWN)

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)
GSFA	<input type="radio"/> First Lien <input checked="" type="radio"/> Subordinate Lien	\$	\$ 20,000.00	\$
	<input type="radio"/> First Lien <input type="radio"/> Subordinate Lien	\$	\$	\$

- Enter “GSFA” 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

5a. About this Property and Your Money for this Loan

<p>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)?</p>	<p><input type="radio"/> NO <input type="radio"/> YES <input type="radio"/> NO <input type="radio"/> YES</p>
<p>B. If this is a Purchase Transaction: Do you have a family relationship or business affiliation with the seller of the property?</p>	<p><input type="radio"/> NO <input type="radio"/> YES</p>
<p>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?</p>	<p><input type="radio"/> NO <input checked="" type="radio"/> YES \$ 20,000.00</p>
<p>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?</p>	<p><input type="radio"/> NO <input type="radio"/> YES <input type="radio"/> NO <input type="radio"/> YES</p>
<p>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)?</p>	<p><input type="radio"/> NO <input type="radio"/> YES</p>

- 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.

INPUTTING INTO AUS – LPA VISUAL AID (ASSIST-TO-OWN)

The screenshot shows the Freddie Mac Loan Advisor interface. The 'Loan and Property Information' section is active. A red box highlights the 'Other New Mortgage Loans on the Property You are Buying or Refinancing' section. Red arrows point to the following fields:

- Creditor Name:** GSFA
- Creditor Type:** Business (selected)
- Lien Type:** Second Lien
- Monthly Payment:** \$ 0.00
- Is the Other New Mortgage an Affordable Second?:** Yes (selected)
- Is the Affordable Second Payment Deferred?:** Yes (selected)

Enter the following into specified fields:

- **Offer Identifier:** HFA Advantage
- **Is the Other New Mortgage an Affordable Second?** Yes
- **Is the Affordable Second Payment Deferred?** Yes