

LAND HOME FINANCIAL SERVICES, INC. LINK CONVERTIBLE LEASE OVERVIEW:

The Link Convertible Lease Program is an exciting new program that supports your customers by eliminating purchase option prices and instead reduces the purchase price with each monthly payment (similar to principal reduction).

Each Link Convertible Lease can transition to homeownership through a Link Home Loan after just 18 months of timely payments. Lease terms are up to 5 years and convert at your option into the remaining balance of a 40-year Link Home Loan.

The Link Convertible Lease requires a down payment equal to an FHA mortgage starting at 3.5% of the home price, plus standard escrow and title closing costs. Your customer can fund these costs from savings, by requesting a contribution from the seller, from gift funds or from down payment assistance programs.

The Link Convertible Lease is Trio's latest market-leading innovation supporting its mission of delivering affordable solutions for those seeking homeownership.

Customers that benefit from the Link Convertible Lease Program:

- Applicants not fully mortgage ready
- Applicants that are hesitant to commit to a standard home mortgage
- Self-employed
- 1099 and gig workers
- Relocation
- New job
- College graduates
- Student loans burdened
- ITIN/DACA
- Multi-generational households
- Credit issues preventing mortgage approval
- Those in transition

How does the program work?

- TPO Partner creates/uploads file via [DASH](#).
 - Once approval is completed an additional email will be sent with max approved monthly payment and home price supported by that payment
- Customer is the Lessee; Government Agency is the Borrower on the FHA loan, and Trio Residential, LLC. is the Lessor
- Customer shops for home with their Agent
- Trio prices the Convertible lease payment and issues the Convertible lease disclosures
- Trio accepts assignment and submits to its lender who then orders the appraisal
- Customer signs a lease agreement and pays required costs (lease agreement is signed a day before FHA settlement)
- Trio uses its pre-approved government LLCs as borrowers
 - Closing is guaranteed provided purchase price value is supported by the FHA appraisal,
 - Purchase contract has been assigned properly,
 - Title has been reviewed and accepted, and
 - Chain of title subject - no 90-day flips
 - LDP / GSA meets FHA requirements
- Trio Convertible Lease finances 96.5% of the purchase price
 - See [Cash Required](#)
- The transaction closes, the home is purchased and the customer moves in!
- LHFS will service the Link Convertible Lease transaction

Link Convertible Guidelines		
LINK Convertible Details	Offers 96.5% financing up to FHA loan limits <ul style="list-style-type: none"> • Customer signs LINK convertible lease agreement • 1st payment due at signing. 	
LINK Underwriting	<ul style="list-style-type: none"> • Submit FNMA 3.4 file, credit report, 1003, income, and asset documents for Trio AUS LINK approval. (https://dash.lhfs.com/#/login) 	
Prepayment Penalty	No prepayment penalty. This lease program will contain fees associated with moving out before notice period. An Admin fee equal to one month's payment for failure to give notice as required and a buyout equal to two (2) months of payments is required. Notice may not be given prior to 36 months.	
LINK Convertible – Title Insurance	Preferred title insurance for the FHA loan (policies underwritten by): <ul style="list-style-type: none"> • Westcor Land Title Insurance • First National Title Insurance • First American Title Insurance Please note: Owner policies are not required.	
Eligible Borrowers	<ul style="list-style-type: none"> • 2 Borrowers max per application • U.S Citizens • Individuals or Inter Vivos (Living) Trusts • DACA ok • Non-U.S Citizens: <ul style="list-style-type: none"> ○ Lawful Permanent Residents: <ul style="list-style-type: none"> ▪ Eligible with green card, requires a U.S. social security number ○ Non-Permanent Resident Aliens: <ul style="list-style-type: none"> ▪ Eligible with proof of employment and Individual Taxpayer Identification Number (ITIN) ○ Borrower(s) with Diplomatic Immunity: <ul style="list-style-type: none"> ▪ Not eligible • Non-Occupant Co-Borrower Allowed: <ul style="list-style-type: none"> ○ Must sign the loan documents as an additional guarantor ○ Income may be used for qualifying income ○ Occupancy is not required ○ Must have no interest in the transaction as a seller 	
Credit	<ul style="list-style-type: none"> • 580 Minimum mid credit score from an Equifax (FICO Classic v5) report. TRIO System Equifax FICO used for qualification and pricing. (See below for adjusters) <ul style="list-style-type: none"> ○ 660 Minimum – Borrowers without a house payment (property owned free and clear), Self-employment* or Customer that currently owns a home <ul style="list-style-type: none"> * Self-employed ITIN Borrower without a score OK ○ Credit score rate tiers 580-639 (includes no score ITIN), 640-679, 680+ • No scores permitted with the following requirements: <ul style="list-style-type: none"> ○ Written verification of rental or mortgage payment history for the last 12 months as well as verification of two utility or medical payments with on-time payment history for the last 12 months • Delinquency: No more than 2 unpaid collections and/or delinquent accounts, total amount not to exceed \$500 • No active bankruptcy, foreclosure, or short sale: • Bankruptcy, foreclosure, or short sale permitted with the following requirements: <ul style="list-style-type: none"> ○ Eligible upon discharge or satisfaction ○ Must be recorded on credit report • Tax liens, judgements permitted with the following requirements: <ul style="list-style-type: none"> ○ Borrower is eligible if settled or discharged and payment terms are documented in an agreement. • Student Loans: <ul style="list-style-type: none"> ○ Must be in good standing and not in collections. For DTI, use the actual payments as stated on the credit report. 	
Debt Obligations	All debt obligations are per borrower (if tradelines are not joint)	
	Standard Creditor Tradelines	Include minimum payment as listed on credit report
	Student Loans	At least 2 active tradelines or 2 current utilities for at least 12 months (can mix and match)
	Collections/Judgments	Amortized over 240 months or if payment is listed on credit, included in DTI
	Tax Liens	Include payment
	Charge-offs & Medical	Not included

Link Convertible Guidelines

Loan Amount	<ul style="list-style-type: none"> • Minimum: \$120,000 • Maximum: FHA loan limit for the market area
Income	<ul style="list-style-type: none"> • No income or asset seasoning required • No income limits • All income to be reviewed; income must be appropriate for described employment; utilize salary.com or other such resource to determine reasonableness for independent contractors • W2 employee – Most recent W2, 60 days of most recent & consecutive paystubs, bank statements verifying deposits • 1099 or Independent Contractor: <ul style="list-style-type: none"> ○ Most recent year tax returns (1 year tax return required*) <ul style="list-style-type: none"> ▪ Most recent 1099 (if applicable) ▪ Current year to date P&L ▪ 3 Months Business Bank Statements (Personal is allowed if 1099 income is deposited) ▪ Business license ▪ Income is calculated on the current cashflow. * If Borrower is unable to provide 1 year of tax returns, Borrower must complete a 4506-C and LHFS will order tax transcripts. • Self-employment: <ul style="list-style-type: none"> ○ Most recent year tax returns* <ul style="list-style-type: none"> ▪ Previous year personal and business tax returns required * If Borrower is unable to provide 1 year of tax returns, Borrower must complete a 4506-C and LHFS will order tax transcripts. ○ Prior Year and Current year to date P&L ○ 3 Months Business Bank Statements ○ Business license ○ Income is calculated on the current cashflow. <ul style="list-style-type: none"> ▪ Review income for reasonableness given job type. If self-employment is a continuation of similar job type from previous employment, treat as continuous employment. Where income has not been reported on tax returns, verify deposits from provided bank statements. • Relocation with new employment ok, Tax liens, judgements with payment plan ok • DACA/ITIN eligible with copy of ITIN letter and proof of employment • VOE form accepted with minimum most recent bank statement to verify income deposit • New Employment: <ul style="list-style-type: none"> ○ Letter from employer confirming start date and salary, paystub for verification
Effective Age	Newly Built and Resale
Eligible Locations	<p>Nationwide program, excluding the following:</p> <ul style="list-style-type: none"> • Alaska, • New York City Metro Area (includes the 5 Boroughs), • Counties of Bergen and Hudson in New Jersey, • Coastal counties in Florida along the Atlantic seaboard (See Florida Map), and • Properties located in flood zones: https://msc.fema.gov/portal/home
Home Price	Up to the county area FHA loan limit.
Agent Comp	Real Estate Agents receive full compensation as included in the PSA.
Eligible Home Types	<ul style="list-style-type: none"> • SFR • Condo • Townhomes <p>Must meet FHA qualifications and appraisal. See LINK Home Requirements for more information. Max Acreage: 5 Acres</p>
Ineligible Home Types	<ul style="list-style-type: none"> • Manufactured Homes • Mobile Homes • Homes located in flood zones • Leaseholds

Link Convertible Guidelines	
Time to Close	Standard lender closing timeframes.
Home Warranty	Home warranty must be included. Customer must obtain prior to closing. Home warranty must be maintained throughout lease.
Home Inspection	<p>Home inspection with photos is required when subject is not a new build.</p> <p>All health and safety issues as well as any items that could indicate water or electrical damage of any kind or that the plumbing, furnace / air conditioning systems that could be at risk of failure must be addressed and resolved. For further detail, please review Link Home Inspection Acknowledgement</p> <p>If available, TPO Partner may select TRIO/LINK preferred inspection company:</p> <ul style="list-style-type: none"> BPG Inspections - https://www.bpginspections.com/
Homebuyer Payment Protection Plan (PPP)	<p>https://www.appliedassurance.net/pricing-calculator</p> <ul style="list-style-type: none"> The PPP is an annual premium. The borrower will initially be charged for the first two (2) years. The initial cost (2 years) will be collected at the time of closing and will be listed on the Closing Disclosure. Borrower(s) will be billed directly at year 3. PPP renews for the life of the Seller Financing Agreement or until paid off.
Renters Insurance	<p>Customer is responsible for obtaining and maintaining rental insurance coverage throughout the Link Convertible lease. Customer is required to provide proof of coverage each year to loan servicer (LHFS).</p> <ul style="list-style-type: none"> Coverage must be \$100,000 minimum liability
Purchase Contract	<ul style="list-style-type: none"> Purchase contract is standard (Customer is reflected as the Buyer). <ul style="list-style-type: none"> Include the Assignment Addendum <ul style="list-style-type: none"> Access Assignment Addendum to Purchase & Sale Agreement Must contain contingencies for Inspection and Appraisal
Exceptions	<ul style="list-style-type: none"> Certain exceptions may apply for applicants due to: <ul style="list-style-type: none"> Foreclosure, Short sale, Job Loss, Reduction in Income, Bankruptcy, Medical Hardship or Separation/Divorce Exception regarding Foreclosure and Short sale: <ul style="list-style-type: none"> Revolving credit accounts open since event are in good standing (bills remained paid and on time) with the exception of the mortgage related to Foreclosure or Short sale A signed letter of explanation from the applicant must be provided explaining the reasons behind extenuating circumstances
Number of Properties	<ul style="list-style-type: none"> If the subject transaction is for a primary residence, there is no limit to the number of financed properties If the subject transaction is for an additional home, the number of financed properties is limited to 4, including the primary residence 3.5% minimum down payment is required if the Customer is a first-time homebuyer and/or renter. 5.0% minimum down payment is required if the Customer currently owns a home.
Utility Support	<ul style="list-style-type: none"> After closing, if Borrower requires Government Entity permission to connect utilities, please contact via email linkservicing@thinktrio.com.

Link Convertible Lease Information

Lease	<p>5-year default lease term with option to convert to a LINK Seller Financing agreement following 18 months of on time payments.</p> <ul style="list-style-type: none"> • To take advantage of the LINK loan conversion: <ul style="list-style-type: none"> ○ Customer must make 18 payments on-time and without a late payment to qualify for the LINK loan conversion ○ Customer must complete the post-closing counseling requirement and not be in default for any other reason under lease terms (i.e., unpaid HOA bill, etc.). ○ Customer will be charged a onetime admin fee of \$1,595 at conversion from lease into LINK loan plus signing/recording costs. <p>Lessee may give a 60-day notice to move out after the first 36 months if needed, but not before.</p> <ul style="list-style-type: none"> • This isn't intended to be a short-term rental, but still provides more flexibility than a 40-year seller finance.
Monthly Payment	<p>Includes lease payment, taxes, property insurance, fixed for the term of lease. Customer is required to maintain Renter's Insurance outside of the lease. Payment may fluctuate due to escrow adjustments for taxes, insurance, etc. Please note: HOA dues will be a separate payment (not included in the monthly payment).</p>
Parties to Transaction	<p>Borrower = IHFC (IOG designated entity) Customer = Renter (Lessee) Trio Residential, LLC = Lessor Trio Preferred Agent = Real Estate Agent Trio Preferred LO = Mortgage Broker Master Lender = Land Home Financial Services, Inc.</p>

FHA Mortgage Details

Mortgage Type	30-year fixed rate mortgage with standard non-owner-occupied terms FHA 203(b) mortgage. FHA county loan limits apply.
Seller credit	<u>FHA</u> closing costs can be reduced with use of seller credit (up to 6%).
Borrower (Trio)	The IOG designated entity must be reflected as the Borrower on the mortgage.
Occupancy	Non-owner occupied as an IOG with consumer terms and pricing.
Purpose	FHA purpose is to promote homeownership and access to credit.
Trio Underwriting	<p>TPO Partner does not submit an AUS and cannot be included in the file.</p> <p>The IOG entity is the "Borrower" in FHA Connection and their Tax Identification Number (TIN) is in place of a social security number.</p>
Interest Rate	Par rate Periodically set by LINK and Land Home Financial Services ("Master Lender"). Check daily rate sheet or price through DASH



Mortgage Broker Compensation and Fees

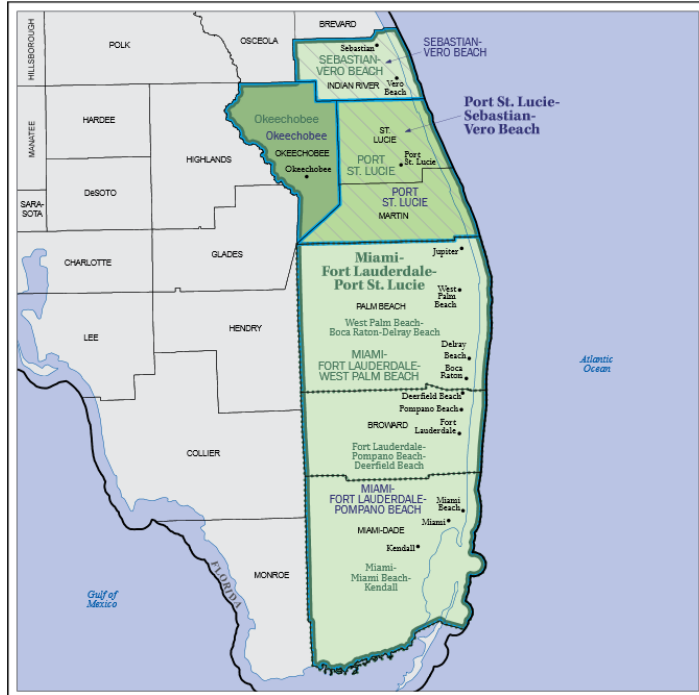
LHFS Admin Fee	\$995, must be disclosed on LE paid to "Land Home." This fee is passed on to the Borrower through the financing agreement.
Processing Fee	Broker may charge up to \$595. This fee is passed on to the Borrower through the financing agreement.
Borrower Paid Compensation	Broker may charge up to 2.5% origination fee on the FHA total loan amount. This fee is passed on to the Borrower through the financing agreement.

Program Code Program Description

WGF30TRIOLINKCVRT-000	FHA Fixed 30 TRIO LINK Convertible Agency Loan
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Map of Florida – Ineligible areas have been highlighted in green

Miami-Fort Lauderdale-Port St. Lucie, FL Combined Statistical Area



Excluded areas include:

- Miami-Dade, Broward, Palm Beach, St Lucie, Martin, Indian River.
 - Key West is in Monroe County. However, not all of Monroe County is excluded.



How to apply?

- TPO Partner creates/uploads file via [DASH](#).
- Once TPO Partner submits the application a confirmation email will be sent to them.
- LHFS will validate and submit to Trio for approval. Once approval is completed an additional email will be sent with max approved monthly payment and home price supported by that payment

When Customer is Under Contract:

- Please ensure the contract is uploaded ASAP so LHFS can obtain LINK approval. Include addendums and MLS listing, if available, via [DASH](#).
- TPO Partner orders the inspection (if not a new build) and uploads when completed
 - Discount is available when using BPG Inspectors (LINK's preferred inspector)

LINK Closing Process by Trio:

- All Link Convertible transactions are closed via "Mail Away" or "Digital Delivery"
 - "Mail Away" = Closing documents are emailed to Trio for printing and signing, then Trio sends back to escrow via overnight delivery
 - "Digital Delivery" = Electronic closing documents and eNotary via approved electronic device.
- BOTH loans must receive a Clear to Close (CTC).
 - The Link transaction can be scheduled to close once the final CD from the Purchase can be provided to Trio.
 - The FHA loan can close once Trio has received Customer funds from the closing of the Seller Financing Agreement (typically 1-2 days after).

FHA Closing Process:

- LINK's administrators sign the FHA mortgage with LINK internal notaries
- Recording occurs when escrow confirms funding has been received
- Keys are released to Customer once closing is confirmed, and Customer can move into their new home!
- No different than any other transaction

Post-Closing:

- Customer makes a monthly payment direct to LHFS
- Customer needs to set up HOA, utilities, etc.
- Customer receives post-purchase support from Trio financial counseling partners to help remain on track with payments
- No prepayment penalty.
 - This lease program will contain fees associated with moving out before notice period. An Admin fee equal to one month's payment for failure to give notice as required and a buyout equal to two (2) months of payments is required.

LINK Tax ID Numbers (TIN)

Full Name of Agency partner	State
Cedar Band HFA (Tax ID Number: 87-0893146)	AZ, CO, ID, NM, NV, UT, WY
Choctaw American Insurance, Inc. (Tax ID Number: 87-1968327)	AL, AR, CA, CT, DC, DE, FL, GA, HI, IA, IL, IN, KS, KY, LA, MA, MD, MI, MN, MO, MS, MT, NC, ND, NE, NH, NJ, NY, OH, OK, OR, PA, RI, SC, SD, TN, TX, VA, VT, WA, WI, WV