

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
DOWN PAYMENT ASSISTANCE	<ul style="list-style-type: none"> Second Loan 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 Second Loans 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 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 Must meet all the requirements of the first mortgage program, in addition to the following requirements of the MCC program. Must be a first-time homebuyer (exemptions for targeted areas & veterans) Must meet income limits MCC limits Must complete MCC forms: MCC Fillable Forms (PW:sethhome) Standalone SETH MCC: Offers a \$2,500 grant. SETH MCC combined with SETH MyHome Plus: Offers a \$3,500 grant as an additional incentive. Grant can be applied to down payment and closing costs. Funds cannot be provided as cash back to the borrower. The SETH MCC Commitment letter will also reflect the SETH MCC Grant to be provided at closing.
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 in the cities of El Paso, Grand Prairie, McKinney, and Travis County
MORTGAGE LOAN TYPES AND TERMS	<ul style="list-style-type: none"> First Mortgage – 30-year Term Second Mortgage – 10-year Term <p><u>Agencies:</u></p> <ul style="list-style-type: none"> Freddie HFA Advantage Fannie Mae HFA Preferred <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

PRODUCT CODES	FIRST MORTGAGE CODES:	
	TX-SETH MyHome Plus Conv<80% AMI DAP (LPA-HFA)	WC30SETHMYHMFHA80-000
	TX-SETH MyHome No DPA Conv<80% AMI DAP (LPA-HFA)	WC30SETHMHND80HFA-000
	TX-SETH MyHome Plus Conv>80% AMI DAP (LPA-HFA)	WC30SETHMYHMEHFA-000
	TX-SETH MyHome No DPA Conv>80% AMI DAP (LPA-HFA)	WC30SETHMHNDHFA-000
	TX-SETH MyHome Plus Conv<80% AMI DAP (DU-HFA)	WC30SETHMYHM80DU-000
	TX-SETH MyHome No DPA Conv<80% AMI DAP (DU)	WC30SETHMHND80DU-000
	TX-SETH MyHome Plus Conv>80% AMI DAP (DU-HFA)	WC30SETHMYHMDU-000
	TX-SETH MyHome No DPA Conv>80% AMI DAP (DU)	WC30SETHMHNDDU-000
FEES	SECOND LOAN CODE:	
	TX-SETH MyHome Plus 2nd Mtg (10-year forgiveness)	WCE10SETHMYHOME2nd-000
LOCK	<p>Borrower Paid Compensation Only: Disclosed: Admin Fee: Processing Fee:</p>	<p>Up to 2.0% Borrower Paid Compensation (cannot exceed LPC Agreement with LHFS) LE must show "Mortgage Broker Compensation – Borrower Paid" \$1,145 May not exceed \$995</p>
	<ul style="list-style-type: none"> DPA funds can be used to pay for Real Estate Agent Fees/Commissions as part of the closing costs Reasonable and customary fees in accordance with Agency guidelines Discount points not allowed 	
ELIGIBLE PROPERTIES	<ul style="list-style-type: none"> 45-day lock Loans may be locked upon complete submission DPA funds are reserved when the loan is locked Pricing will be available from the time the rate sheet is posted until 5:00 pm PST. <ul style="list-style-type: none"> Locks received after hours, locks will be subject to the next published rate sheet (i.e., next business day) If DPA amount changes, worst case pricing is applied. 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 funded by the lock expiration date. <ul style="list-style-type: none"> For loans that have not been funded 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 lockdesk@lhfs.com 	
ELIGIBLE BORROWERS AND OCCUPANCY	<ul style="list-style-type: none"> SFR 1–4-unit primary residence PUDs Townhouse Condominiums Manufactured Housing allowed - Follow Agency guidelines <ul style="list-style-type: none"> Leaseholds are not eligible 	
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. All borrowers must have a valid social security number; ITINs are not allowed Follow Agency Guidelines for the following: <ul style="list-style-type: none"> Borrowers may have ownership interest in other residential property at the time of the loan closing Residency requirements. 	
CO-SIGNERS / NON-OCCUPANT CO-BORROWERS	<ul style="list-style-type: none"> Not permitted 	
INCOME LIMITS	<ul style="list-style-type: none"> Program Income Limits by County <ul style="list-style-type: none"> Access 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 						
LTV/CLTV	<ul style="list-style-type: none"> Subject to Agency guidelines 						
ASSETS	<ul style="list-style-type: none"> Maximum allowable assets amount is not set by SETH, 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 an Agency 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 (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 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. 						
MORTGAGE INSURANCE	<p><u>Freddie Mac HFA Advantage (LPA) and Fannie Mae HFA Preferred (DU)</u></p> <ul style="list-style-type: none"> Below 80% AMI: Lender’s qualifying income must be at or below 80% AMI to be eligible for the reduced MI Above 80% AMI: Loans that exceed 80% AMI limits are allowed in the program, however, are subject to standard MI <table border="1"> <thead> <tr> <th>Total annual qualifying income ≤ 80% AMI</th> <th>Total annual qualifying income ≥ 80% AMI</th> </tr> </thead> <tbody> <tr> <td>Charter level Mortgage Insurance:</td> <td>Standard Mortgage Insurance:</td> </tr> <tr> <td> <ul style="list-style-type: none"> 95.01-97% LTV = 18% Coverage 90.01-95% LTV = 16% coverage 85.01-90% LTV = 12% coverage 80.01-85% LTV = 6% coverage 80% LTV and lower = Not required </td> <td> <ul style="list-style-type: none"> 95.01-97% LTV = 35% Coverage 90.01-95% LTV = 30% coverage 85.01-90% LTV = 25% coverage 80.01-85% LTV = 12% coverage 80% LTV and lower = Not required </td> </tr> </tbody> </table>	Total annual qualifying income ≤ 80% AMI	Total annual qualifying income ≥ 80% AMI	Charter level Mortgage Insurance:	Standard Mortgage Insurance:	<ul style="list-style-type: none"> 95.01-97% LTV = 18% Coverage 90.01-95% LTV = 16% coverage 85.01-90% LTV = 12% coverage 80.01-85% LTV = 6% coverage 80% LTV and lower = Not required 	<ul style="list-style-type: none"> 95.01-97% LTV = 35% Coverage 90.01-95% LTV = 30% coverage 85.01-90% LTV = 25% coverage 80.01-85% LTV = 12% coverage 80% LTV and lower = Not required
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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"> One-unit primary residences do not require a minimum borrower contribution from borrower personal funds. Two- to four-unit primary residences require a 3% contribution from borrower funds and/or other eligible sources of funds. 						
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 may be applied principal reduction on First Mortgage. 						

<p>DISCLOSURES / CLOSING</p>	<ul style="list-style-type: none"> • First Mortgage follows standard disclosure requirements, both LE and CD • For the Second Mortgage, LE and CD not required (see Disclosure of Second Loan Terms below. No title fees allowed on the Second Mortgage (recording and transfer tax only). • Required Second Mortgage Documents: <ul style="list-style-type: none"> ○ Disclosure of Second Loan Terms ○ SETH Second Promissory Note ○ SETH Second Deed of Trust • A non-purchasing spouse is allowed on title to the property as long as they also sign the Second Mortgage. They are not required to sign the Second Note.
<p>UNDERWRITING</p>	<ul style="list-style-type: none"> • LPA approved as HFA Advantage or DU approved as HFA Preferred Community Lending product • Manual underwrites are not 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. ○ 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. • Lender should require two months bank statements as part of the underwriting evaluation. While we will allow the down payment to be covered by the DPA and closing costs to be covered by eligible gifts or seller credits, bank statements will still be required as part of the credit evaluation. • Escrow holdbacks are not permitted • LHFS Overlay matrix does not apply to this program.
<p>PAYOFF DEMAND</p>	<p><u>Payoff Demand for SETH First loan:</u> 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 SETH Second Loan:</u> 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 SETH 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)
SETH	<input type="radio"/> First Lien <input checked="" type="radio"/> Subordinate Lien	\$	\$ 11,250	\$
	<input type="radio"/> First Lien <input type="radio"/> Subordinate Lien	\$	\$	\$

- Enter “SETH” as the “Creditor Name”
- Check “Subordinate Lien” under “Lien Type”
- Do not enter a monthly payment amount under the “Monthly Payment” field
- Enter DPA dollar amount under “Loan Amount / Amount to be Drawn”

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

Access the following links to learn:

- [Preparing Specialty DPA through DASH](#)
- [How to Run the AUS via DASH](#)

REVISION HISTORY:

<u>DATE</u>	<u>TOPIC / UPDATE</u>
10/01/2024	<p>Added hyperlink to learn how to run the AUS through the DASH Portal</p> <p>Updated Fee section:</p> <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 • Added clarity to compensation: Up to 2.0% Borrower Paid Compensation (cannot exceed LPC Agreement with LHFS)
10/18/2024	Updated formatting
11/05/2024	Updated LTV to reflect “Subject to Agency Guidelines”
03/07/2025	Added clarity to the “ELIGIBLE BORROWERS AND OCCUPANCY” section.
5/30/2025	Updated income & purchase limits for SETH MCC
06/11/2025	Formatting updated
6/23/2025	<p>Added clarity to the “ELIGIBLE BORROWERS AND OCCUPANCY” section:</p> <ul style="list-style-type: none"> • Follow the agency guidelines for Manufactured Housing.
10/02/2025	Updated “How to” links
11/06/2025	Updated MCC links
03/06/2026	<p>Updated MCC section:</p> <ul style="list-style-type: none"> • Standalone SETH MCC: Offers a \$2,500 grant. • SETH MCC combined with SETH MyHome Plus: Offers a \$3,500 grant as an additional incentive.
06/01/2026	<p>Added clarity to Manufactured Housing eligibility verbiage:</p> <ul style="list-style-type: none"> • Manufactured Housing allowed – Follow agency guidelines <ul style="list-style-type: none"> ○ Leaseholds are not eligible