

## GENERAL TRIO PROGRAM FAQ'S:

|                  |   |
|------------------|---|
| <b>Question:</b> | <b>Selling TRIO to a borrower may be a challenge?</b>   |
| <b>Answer:</b>   | Remember that if the borrower was declined for a mortgage loan, they tend to be very receptive to becoming a TRIO Customer. Another customer that maybe interested is the renter with a large rent payment. TRIO may give them a more affordable payment with the lease option.   |
| <b>Question:</b> | <b>Are mortgage brokers welcoming this program?</b>   |
| <b>Answer:</b>   | Mortgage professionals all like to ensure that their borrowers can purchase a home. Most mortgage brokers are also like to build relationships with their borrowers so that they will continue to utilize their services. TRIO offers an additional option for their borrowers to purchase a home, and still become a borrower for life. TRIO is a tool for mortgage brokers that will assist them building new referral sources. |
| <b>Question:</b> | <b>Will DHI be pulling a business credit report for the LLC?</b>  |
| <b>Answer:</b>   | No, we do not pull credit they are already approved by HUD  |
| <b>Question:</b> | <b>Can a Realtor, also the buyer, using TRIO, write their own offers on their real estate transaction and be compensated?</b>   |
| <b>Answer:</b>   | No, must be represented by another preferred agent or direct by Trio. No dual agent conflicts.  |
| <b>Question:</b> | <b>Agent is a Loan officer for ABC brokerage but has his own realty brokerage since he is a broker. Will TRIO allow him to be dual agent in this situation with full disclosure?</b>  |
| <b>Answer:</b>   | No dual agency permitted – either agent or LO.  |
| <b>Question:</b> | <b>Scenario: Borrower(s) balance is \$10K, what would the DTI hit be for a 5- or 3-year TRIO lease term?</b>  |
| <b>Answer:</b>   | 5 yrs. - \$10,000 / 60 mos.= \$166.66 ❖ 3 yrs. – \$10,000 / 36 mos.= \$277.77   |
| <b>Question:</b> | <b>Does TRIO allow a graduate student to use schooling in lieu of work history like FHA does?</b>   |
| <b>Answer:</b>   | Yes, however the graduated student must be employed.  |
| <b>Question:</b> | <b>RATES! How can a TPO Partner check on the rates to calculate DTI (pre-qual)?</b>   |
| <b>Answer:</b>   | Use pricing on mobile app or <a href="http://thinktrio.com">thinktrio.com</a> calculators.  |

**Please see Guidelines if having an issue with LOS (missing information, data input, and format).**

## INSPECTION / REPAIR FAQ'S

|                  |   |
|------------------|---|
| <b>Question:</b> | <b>What does "New" condition mean?</b>  |
| <b>Answer:</b>   | "New" condition refers to no major repair items are required, and the home is in good condition.  |
| <b>Question:</b> | <b>How does TRIO know the overall condition of the desired home?</b>  |
| <b>Answer:</b>   | TRIO Will rely on the inspection report. We also ask that the inspection be done by BPG since they know what we are concerned with.   |
| <b>Question:</b> | <b>What happen if items are listed in the inspection report needing repair?</b>   |
| <b>Answer:</b>   | Any item(s) in the report that is identified needing immediate repairs must be addressed by the seller in an addendum to the purchase contract.   |
| <b>Question:</b> | <b>What happens if the seller does not want to address the repairs?</b>   |
| <b>Answer:</b>   | If the seller refuses to take care of the needed repairs. The customer must then decide if they want to pay for the repair items or cancel the contract and look for another home.  |
| <b>Question:</b> | <b>Seller completes the repairs. How will TRIO know they have been completed?</b>   |
| <b>Answer:</b>   | We are concerned with useful life of essential elements of the home. If the home is at the end of its useful life, then this will also need to be addressed prior to TRIO taking over via assignment of the purchase and sale contract. |
| <b>Question:</b> | <b>What is TRIO concerned about the most with older homes?</b>  |
| <b>Answer:</b>   | We are concerned with useful life of essential elements of the home. If the home is at the end of its useful life, then this will also need to be addressed prior to TRIO taking over via assignment of the purchase and sale contract. |
| <b>Question:</b> | <b>What is the cost of a BPG inspection?</b>  |
| <b>Answer:</b>   | BPG inspections are ordered and paid for by the customer once they are under contract for the home. These are discounted for our program at a cost of approximately \$315.00.   |
| <b>Question:</b> | <b>What is the cost of a five (5) year roof certificate?</b>  |
| <b>Answer:</b>   | This cost is typically paid by the seller as identified in an addendum to the purchase contract. Please note that in some cases that the customer maybe required to pay for this as stated in the addendum.                             |



## PROPERTY / ZONING:

|                  |   |
|------------------|---|
| <b>Question:</b> | <b>TRIO states that some home may be ineligible when the home is located with High Voltage Lines, Sewage Treatment Plants, Industrial Adjacent Properties, high noise areas (freeway/flight path), flood plain designations or zoning proposals alerting adjacent parcels to non-residential purposes. Does TRIO provide any type of Map for home that may fill in to the category?</b> |
| <b>Answer:</b>   | No, we do not have a map for these areas, we leave it up to our customers and the real estate agents to have read our information and make informed decisions before making offers on a home. They should inquire with us if they are not certain.  |
| <b>Question:</b> | <b>Are 2 – 4-unit properties allowed, or only 1 unit/SFR properties?</b>  |
| <b>Answer:</b>   | Yes, only 1-unit properties are eligible.   |
| <b>Question:</b> | <b>Borrower(s) can own other property, correct?</b>   |
| <b>Answer:</b>   | Yes, eligible under Trio Select.  |

## COMMISSION / CONTRIBUTIONS

|                  |   |
|------------------|---|
| <b>Question:</b> | <b>Buyer Agents need to reduce their commission for TRIO. What is the upside for the agent?</b>   |
| <b>Answer:</b>   | If a buyer does not qualify or declined for a traditional purchase loan they lose all their commission. When the agent learns that they can still earn a smaller commission (2.5% vs 3%) for all the work they have done, they are very accepting.  |
| <b>Question:</b> | <b>What about the Selling Agent?</b>  |
| <b>Answer:</b>   | They need to give up 25% of their commission. This is not an issue when there are no other options to sell the home, or there is not a list of potential back up buyers. Focus should be to get the seller to contribute 3% to 4% and this would allow the selling agent to keep their entire 3% commission split. When the agent represents both Buyer and Seller they would receive 5.5%. |
| <b>Question:</b> | <b>Seller must contribute concessions?</b>  |
| <b>Answer:</b>   | Typically, not a problem if there are no other buyers waiting in line for the home. The selling agent needs to understand that having the seller pay the concessions is best for the sale to be completed. Remember most sellers are buying another home.   |