

LAND HOME FINANCIAL SERVICES, INC & Trio ownoption™ FHA MORTGAGE

The **Trio ownoption™** FHA mortgage is used to facilitate home closings where an applicant does not qualify for or is hesitant to commit to a standard home mortgage. It offers Customers a lease-to-own agreement coupled with an FHA assumable mortgage originally made to an institutional borrower. The program may be used as a direct purchase or as an alternative close to a mortgage denial. The program further provides an excellent alternative to traditional down payment assistance programs, with no income restrictions and more favorable underwriting conditions. Customer must qualify for an FHA assumption or new loan at the end of the lease period.

Trio underwrites the Customer's credit profile and the property. **Trio** has a flexible, pragmatic approach to the underwriting approval and looks at a complete picture of all applicants to determine eligibility. LHFS underwrites the Borrower, an FHA qualified instrumentality of government ("IOG") under FHA Guidelines, such as the Interagency Home Finance Cooperative, LLC (IHFC) as well as the property, and ensures they both meet FHA Guidelines. IHFC is an FHA qualified instrumentality of government ("IOG") under FHA Guidelines. **Trio** is the program administrator on behalf of IHFC and its' designated entities.

Trio Benefits:

- Rate locked in on a 30-year mortgage at time of lease
- Assumable mortgage option at end of the lease period
- Protects Customer from being priced out of purchasing
- Customer builds equity before purchasing the home
- Equity is applied towards purchase of the home
- No income or asset seasoning required
- Customer can purchase when they are ready

Trio Minimum Requirements:

- Credit score of 580+ (Equifax) down to 550 with clean application
- Self-employment, second home or loans over \$400K, minimum of 580 credit score
- No minimum reserves
 - Customer must provide documentation of move-in cost funds
- No active bankruptcy, foreclosure, or short sale
- On time housing payment history for the last 24 months
- Prepurchase counseling from Money Management International prior to move-in
- Loans over \$400,000, 2% down payment required

Trio's standard income documentation:

- W2 employee – Most recent W2 plus 60 days of most recent & consecutive paystubs
- Self-employed/1099: Most recent tax return, year-to-date profit & loss, 2 months business bank statements verifying cashflow, and copy of business license
- New employment/raise – letter from employer confirming start date & salary, paystub for verification
 - ITIN eligible with EAD card and employment confirmation letter
- Max DTI: 38% payment to income / 50% obligations to income (exceptions may apply)

Trio reserves the right to request further documentation and/or make further limitations as it deems appropriate.
Please Note: **Trio** accepts DACA customers that have a valid SSN

Program Code	Program Description
WGF30TRIO-000	FHA Fixed 30 TRIO Housing Finance Agency Loan

Mortgage	
Mortgage Type	30-year fixed rate mortgage with standard non-owner-occupied terms FHA 203(b) mortgage. FHA county loan limits apply.
Borrower	The IOG designated entity must be reflected as the Borrower on the mortgage. Please note: Trio accepts DACA customers that have a valid SSN
Loan to Value	Up to 96.5%.
Occupancy	Non-owner occupied as an IOG with consumer terms and pricing.
Purpose	FHA purpose is to promote homeownership and access to credit.
Source of Funds	Borrower trust accounts holding deposits required for EMD replacement and cash to close. Wires initiated by Trio
Underwriting	Manual Underwrites. The IOG entity is the "Borrower" in FHA Connection and their Tax Identification Number (TIN) must be used in place of a social security number. FHA case number must be removed from AUS. AUS cannot be included in the loan file.
Interest Rate	Par rate Periodically set by Trio and Land Home Financial Services ("Master Lender"). Check daily rate sheet or price loan through eXPRESS

Mortgage Broker Compensation and Fees	
LHFS Admin Fee	\$895, must be disclosed on LE paid to "Land Home."
Processing Fee	\$595, must be disclosed on LE paid to "Broker."
Borrower Paid Compensation	Origination fee Up to 1.50%.
Admin Program Review	\$495, must be disclosed on LE paid to "Own Option LLC."
Program Legal Review Fee	\$350, must be disclosed on LE paid to "Chapman and Cutler LLP."
Referral Fee	0.50% Referral Fee paid to "Broker" if the Customer does not assume the loan from the IOG designated entity and elects to apply for a new loan with a Trio Preferred Lender. Fee is paid when new loan closes.
LHFS Program Contribution	2.00% required Master Lender program contribution.

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10900 NE 4th St., Ste. 2300
Bellevue, WA 98004
www.thinkTrio.com



Equal Housing Opportunity Lender. Please note that all information is provided for informational purposes only, for the exclusive use of licensed mortgage professionals, and not for distribution to the public. This information does not represent an offer or commitment to enter a loan agreement by Land Home Financial Services, Inc. (LHFS). Not all programs are available in all areas and rates and costs stated do not apply to all loans made. LHFS's underwriting guidelines and program restrictions apply. Terms and programs listed are subject to change without notice. LHFS only conducts business in approved states. LHFS is an Equal Housing Opportunity Lender. For complete licensing information go to <http://www.nmlsconsumeraccess.org>. Corp NMLS #1796.

Trio Lease Qualification

Credit Score	580 minimum (Equifax) down to 550 with clean application
Debt Obligations	Standard Creditor: Include minimum payment as listed on credit report Tradelines: At least 2 active tradelines or utilities for at least 12 months
Debt-to-Income	38% maximum gross payment to income ratio with a back-end ratio of 50% maximum gross obligation to income ratio.

DTI / LMP* Modifiers:

SE income for less than 1 year	36% PTI, LMP*
Relocation, Bankruptcy, Foreclosure, Short Sale in the last 3 years	36% PTI, LMP* (occupancy statement)
Second home	36% PTI, LMP*
Payment shock above 200%	36% PTI
Income under \$50k	36% PTI, 34% if rent shock (150% rent shock)
If combination of the above	Reduce PTI by 2% below the lowest adjuster

* Last Month's Payment (LMP) is an additional cost for the Lessee, equivalent to the lease payment. The additional cost is added to files that may pose an increased risk. When the customer purchases home from Trio, the "Last Month Payment" will be credited to the purchase.

Cash Required	NO down payment, 1% Inception Fee + \$1295 Underwriting & Program Fee paid by Customer at lease inception. A credit of \$400 is applied if the Customer is working with a Trio Preferred Agent or LO. Closing costs up to 3% responsible by customer; can be covered by seller concession, agent contribution, and/or other, and financing available for up to 2%. Down payment required of 2% for loans over \$400,000.
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Exceptions / Accommodations	Bankruptcy, foreclosure, short sale, self-employment, length of employment, term of rental income, state & federal tax liens, divorce, student loans, 1099 income, multiple jobs, new employment, down payment seasoning, and DACA.	
	Student Loans	If payment, included in DTI. If deferred, not included
	Collections / Judgments	Amortized over 36 months (lease term)
	Tax Liens	Amortized over 36 months (lease term) or if payment, included in DTI
	Charge-offs	Not included

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Home Type	
Appraisal	Appraisal must be ordered. Transferred appraisals not allowed.
Effective Age	Newly Built and Resale – Subject to passing home inspection. (Trio will determine based on the Home Inspection).
Eligible Locations	AZ, CA, and TX
Home Price	Up to the county area FHA loan limit plus 3%.
Seller Credit	Purchase and Sale Agreement (PSA) should include 3% concession for closing costs.
Agent Compensation	Real Estate Agents that represent the original Buyer on the PSA may represent IHFC upon signing Broker Referral Agreement with Trio. Referral fee is 25% of buyer agent commission.
Eligible Home Types	SFR, Condo, Townhomes, and Manufactured Homes allowed. Must meet FHA qualifications and appraisal.
Time to Close	Standard lender closing timeframes.

Trio Lease Information	
Lease Information	Direct the Customer to Trio's website: https://thinktrio.com/apply/ . Upon successful completion of the application, customer will receive a confirmation email containing a "PropertyBase ID" Number. Customer should communicate the "PropertyBase ID" number to the Loan Originator. Let Trio work with the Customer on the lease option details.
TrioFirst	3 year term, with Customer right to purchase anytime during the lease period.
TrioSelect	1 to 5 year lease term, with Customer right to purchase anytime during the lease period.
Tools	Trio's website is the primary tool for the Customer. Customer(s) may also use Trio's Mobile App for iOS and Android to estimate a monthly payment and home price, and upload application documents.
Monthly Payment	Includes lease payment, taxes, property insurance, HOA dues and Home Care contribution (\$40), fixed for the term of lease. Customer is required to maintain Renter's Insurance outside of the lease.
Home Purchase Assistance	A gift of equity is provided to be used for down payment and closing costs when the Customer purchases the home, as needed and subject to appraisal.
Mortgage Payment Insurance	Mortgage Payment Protection Insurance Premium – Borrower paid (Disclose on LE/CD): <ul style="list-style-type: none"> • Mortgage Payment Protection Insurance Policy (payee is Applied Assurance Corp) <ul style="list-style-type: none"> ○ 0.81% of the purchase price (invoice provided to escrow prior to closing)
Parties to Transaction	Borrower = IHFC (IOG designated entity) Customer = Renter (Lessee) Trio Preferred Agent = Real Estate Agent Trio Preferred LO = Mortgage Broker Master Lender = Land Home Financial Services, Inc.

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Resources

Additional Lender Information	Visit https://www.trioresidential.com/lender/ to obtain additional forms and tips for discussing Trio with your customer(s).
Become Certified Loan Officer	https://www.trioresidential.com/trio-preferred-agent-signup/
FAQ's	Review Trio FAQ's: https://cdn.lhfs.com/lhfscdn/wholesale/download/Trio_FAQ.pdf

Non-Solicitation

While **Trio** Lease is in effect, Mortgage Broker agrees not to solicit **Trio** lessees for purchase mortgage financing.

Mortgage Broker must sign a Non-Solicitation Agreement to participate in the **Trio** program. Penalty for any violation of this non-solicitation will result in repayment of all fees earned for the related closing.

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