



Within Reach Down Payment Assistance

Land Home Financial Services, Inc.
Within Reach for FHA Loans

Target Borrowers

- Borrowers that have achieved financial stability
- Borrowers with lack of down payment / reserves
- Borrowers that have demonstrated the ability to save
- Purchase Clients with no Seller Credits
- Borrowers with limited savings
- LHFS DPA Programs may be used to meet the product minimum down payment investment requirement



Within ReachTM FHA

- The Within Reach Program is designed to increase homeownership opportunities for low-to-moderate income individuals and families with 3.5% assistance
- Within Reach is competitively priced government loan program that does not require a minimum down payment from the homebuyer
- A purchase money first lien mortgage with down payment assistance in the form of a 15-year fully amortizing second lien that is 2.00% higher interest rate than the 1st mortgage

Within ReachTM FHA

- No minimum borrower cash investment requirement
- FHA 203(b) in accordance with FHA guidelines
 - Transferred Case Number Not Allowed
 - Transferred Appraisals Not allowed
- 30-year fixed term with full amortization
- Manufactured Housing Allowed
- Conforming FHA loan limits apply as applicable to geographic location
 - (High Balance not allowed, must select the lesser of FHA or Conforming limits)
- Down Payment Assistance is Calculated off the total First Mortgage Amount
 - Including upfront MIP

**No First
Time Home
Buyer
Restriction**

Borrower Eligibility

- 640 Minimum Credit Score
- AUS determines DTI
 - If DTI > 50% 1 Compensating Factor Required
- 160% of the Area Median Income (AMI)
- Income limits are calculated from income reported on the URLA
- No co-signers or non-occupant co-borrowers
- Borrower(s) must occupy the subject property as their primary residence
- Homebuyer education/counseling class from HUD approved non-profit housing counseling agency



Verification of Rent

If the borrower is paying rent:

- 12-month Rental history must be 0x30
- If borrower currently pays rent to a Property Management company:
 - Standard Written VOR required
- If borrower currently pays rent to a Private Party
 - Written VOR and 12 Months Cancelled Checks or Bank Statements



If the borrower lives rent free:

- 3 months savings/reserves (PITIA) required,
 - Gift funds cannot be used to meet the savings/reserve requirement.

AND

- Letter from landlord stating no rental payment require.
- Land Home will confirm landlord owns property
- 3-month reserves may not be substituted for Rent History

DAP Second Mortgage



15-year term



Second mortgage file
required



Disclosures must be sent



Based off Total Loan
Amount rounded up to
the nearest dollar

Homebuyer Payment Protection Plan

- Required on all loans
- Fee will be included in monthly payment on 1st mortgage (Included in DTI)
- 1st year premium must be collected at closing
- Based on the combined total loan amount and PITI from the 1st & 2nd mortgage



Locking

- First and Second mortgage must be locked using Land Home Financial Services, Inc. *DASH* Portal
- Loans may be locked upon complete submission

**** Any locked Within ReachTM loan that does not fund will result in a \$400.00 cancellation fee charged to TPO Partner**

What Is the **Difference?**

- Fully Amortized 15-year second mortgage with an interest rate 2% higher than the first mortgage
- HUD approved counseling agency (All Borrowers)
- Payment Protection Plan to cover 50% of the mortgage payment if customer becomes unable to make payments
 - Covers up to 6 months
- Auto-payment Authorization required for both 1st and 2nd mortgages
- Not Allowed in: West Virginia, South Carolina, Minnesota, Michigan, Massachusetts, Illinois, DC, Connecticut, New York, and Washington



Fully Processed Files

- Completed Land Home Submission Checklist
- Approve / Accept - AUS Findings Must be ran on LHFS site
 - No Manual Underwriting
 - Refer, Ineligible, Caution Not Allowed
- LOE regarding inquiries in last 120 days
- Earnest Money Deposit Documentation
- Valid Purchase Contract – Minimum 30 Days
- Contract close date must agree with LHFS Turn Times



Asset Documentation

Asset Documents per the AUS Findings including:

- 2 Months Bank Statements required on all submissions
- Borrower with the following are not eligible:
 - Borrower with overdraw accounts, negative balances at any time
 - Excessive NSF's and/or Overdrafts
 - 1 NSF is maximum allowed

Income Documentation

- Follow AUS
- Paystubs are required in addition to a 2 Year Written VOE

VOR Submission Required

- If the borrower is paying rent
 - Rental history must be 0x30
 - Renting From Management Company
 - Standard Written VOR
 - LHFS will confirm that Management Company is real
 - Renting from Private Party
 - Written VOR and
 - 12 Months Cancelled Checks / Bank Statements
- If the borrower lives rent free
 - 3 months savings/reserves (PITIA) required, **AND**
 - Gift funds cannot be used to meet the savings/reserve requirement
- Letter from landlord stating no rental payment required
- Land Home will confirm landlord owns property



URLA Requirements

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)
National Homebuyers Fund Inc.	<input type="radio"/> First Lien <input checked="" type="radio"/> Subordinate Lien	\$ 103.64	\$ 11,250.00	\$
	<input type="radio"/> First Lien <input type="radio"/> Subordinate Lien	\$	\$	\$

- Enter “National Homebuyers Fund, Inc.” 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”

URLA Requirements

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

A. Will you occupy the property as your primary residence?	<input type="radio"/> NO <input type="radio"/> YES
If YES, have you had an ownership interest in another property in the last three years?	<input type="radio"/> NO <input type="radio"/> YES
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)?	<input type="text"/>
(2) How did you hold title to the property: by yourself (S), jointly with your spouse (SP), or jointly with another person (O)?	<input type="text"/>
B. If this is a Purchase Transaction: Do you have a family relationship or business affiliation with the seller of the property?	<input type="radio"/> NO <input type="radio"/> YES
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?	<input type="radio"/> NO <input checked="" type="radio"/> YES
If YES, what is the amount of this money?	\$ 11,250.00
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?	<input type="radio"/> NO <input type="radio"/> YES
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?	<input type="radio"/> NO <input type="radio"/> YES
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)?	<input type="radio"/> NO <input type="radio"/> YES

- 5a, item C - Mark “Yes”
- Enter DAP dollar amount in the blank field

QUESTIONS

**Within ReachTM
for FHA Loans**

