

CORRESPONDENT LENDING BULLETIN



AUGUST 16, 2022

TOPICS:

Down Payment Assistance Program – Loan Documents

NATIONAL HOMEBUYERS FUND (NHF) – CLOSING DOCUMENTS

Effective August 19, 2022, the loan closing documents will be updated in both DocMagic and ICE Technologies. You will not need to make changes to the documents that are generated via DocMagic or ICE Technologies, however, an Assignment of the Security Instrument and a Note endorsement will become required as part of the purchase process. The Assignment of the Security Instrument will be generated with the loan closing documents. Below are the changes you will notice on the revised documents.

Note

Lender Name: Updated to reflect you as the lender
Place of Payments: Will remain Essex Loan Servicing located in Ocala, FL

An Endorsement or Allonge from your company to National Homebuyers Fund, Inc., an instrumentality of Government Section 115 Entity will be required as part of the purchase process.

Security Instrument (Mortgage/Deed of Trust)

Recording Return Address: Updated to reflect your lender information

Lender Name: Updated to reflect you as the lender
Please note – please do not create a MERS MIN# on the 2nd lien documents. An assignment of the security instrument to NHF will now generated with the closing documents.

Closing Disclosure

Lender Name: Updated to reflect you as the lender

Payment Letter and Coupons

Updated to reflect Essex Loan Servicing located in Ocala, FL

[NEW DOCUMENTS ADDED TO DOCUMENT SET](#)

Assignment of Mortgage/Deed of Trust

Due to the change to the document being provided reflecting your name as the lender, an Assignment of the Security Instrument will be required. This document will be produced with the document package and will reflect National Homebuyers Fund, Inc., an instrumentality of Government Section 115 Entity. You will need to reach out to ICE Technologies to ensure this document has been activated in your Global settings. An authorized signer for your company will need to sign the document and have the document notarized and recorded. A copy of the fully executed document will be required as part of the purchase process. The original recorded document will be required as part of the Final Documents process.

In summary, the document plan codes do not change nor will the process of generating the documents. The only change to you is: 1. Completing an endorsement or Allonge to the Note and 2. Completing and recording the Assignment of the Security Instrument.

If you have questions regarding these changes, please reach out to your Pipeline Manager or Account Executive for assistance.

NATIONAL HOMEBUYERS FUND (NHF) STANDARD CORRESPONDENT PROGRAM FORGIVABLE / DEFERRED PROGRAM LENDER GUIDELINE / TERM SHEET – FHA/USDA LOANS

PROGRAM SPONSOR	National Homebuyers Fund (NHF)
SERVICER	Data Mortgage, Inc. dba Essex Mortgage
PARTICIPATING LENDERS	<p>Lenders interested in participating in this Program must complete an NHF Lender Profile, execute an NHF Program Lender Agreement, and be an Approved Correspondent Lender with the Servicer.</p> <p><i>The NHF Lender Profile and NHF Program Lender Agreement are available for download from the NHF Program Participant Guide at www.nhfloan.org.</i></p>
DESCRIPTION	<p>NHF Program is designed to increase homeownership opportunities for low-to-moderate income individuals and families in nationwide (excluding New York and Washington state). Down Payment Assistance (DPA) is available in the form(s) stated below.</p>
FIRST MORTGAGE LOAN TYPES AND TERMS	<p>Loan Types:</p> <ul style="list-style-type: none"> • FHA: 203(b), 203(b)(2), and 234(c); in accordance with FHA guidelines. <ul style="list-style-type: none"> ◦ Cooperative housing (co-op) is not eligible. • USDA RD: In accordance with USDA guidelines. <p>Loan Term:</p> <ul style="list-style-type: none"> • 2nd Lien is due and payable at the time of the first mortgage unless the forgivable parameters below have been satisfied • Forgivable IF 1. loan has reached 10 yrs from Note date AND 2. a Repayment event has not occurred, AND 3. The borrower has continued to occupy the property as their primary residence. <p>Repayment Events</p> <ul style="list-style-type: none"> • The First Deed of Trust on the Property is refinanced; or • The First Deed of Trust on the Property becomes due and payable for any reason; or • Borrower sells, transfers or otherwise disposes of the Property, including, without limitation, through foreclosure or transfer pursuant to any power of sale. <p>Maximum Loan Amount:</p> <ul style="list-style-type: none"> • Conforming Balance only <p>Max LTV/CLTV:</p> <ul style="list-style-type: none"> • Follow loan agency guidelines

**NATIONAL HOMEBUYERS FUND (NHF)
STANDARD CORRESPONDENT PROGRAM
FORGIVABLE / DEFERRED PROGRAM
LENDER GUIDELINE / TERM SHEET – FHA/USDA LOANS**

**DOWN PAYMENT AND
CLOSING COST
ASSISTANCE (DPA)**

DPA is available from NHF for Purchase transactions as outlined below:

DPA Amount:

- Up to 3.5% of the Sales Price or Appraised Value (lesser of)

DPA Form:

- A deferred 30-year Second Mortgage Loan (no interest)
- Promissory Note Addendum
- Loan Forgiveness Feature Disclosure

DPA General Terms:

- Proceeds may be used for down payment and/or closing costs;

There must be no cash back to the borrower from the DPA proceeds; Lender upfronts the DPA amount at closing to be reimbursed by the Servicer, on behalf of NHF, upon purchase of the First Mortgage Loan.

DPA Second Mortgage Loan Terms:

- 30-year Term;
- Note Rate of Second Mortgage is 0%;
- Non-amortizing loan with no monthly payments;
- Second Mortgage is due and payable upon sale, refinance or payoff of the First Mortgage; If forgivable terms are not satisfied
- Second loan amounts must be rounded up to nearest dollar;
- No subordination allowed;

Lender must conform to federal RESPA and Truth-in-lending laws in disclosing the terms of the Second Mortgage.

**NATIONAL HOMEBUYERS FUND (NHF)
STANDARD CORRESPONDENT PROGRAM
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<p>DPA DOCUMENTATION</p>	<p>Program Manager (NHF) shall provide the DPA Funding Commitment Notice on its Reservation Portal at https://nhfresportal.nhfloan.org/login.aspx. Lenders may obtain State Specific Security Instrument and Note via DocMagic (information below): (Non-MERS Instrument)</p> <ul style="list-style-type: none"> • Plan Code - NHFESS_HBA30 – NHF 30YR DEFERRED HOMEBUYER ASSISTANCE LOAN SILENT SECOND with ESSEX MORTGAGE AS SERVICER • ICE Technologies - 10870015 <p>DPA Second Mortgage Loan Documents (Required):</p> <ul style="list-style-type: none"> • DPA Funding Commitment Notice – must be dated prior to the Note date • Second Mortgage Note and Addendum - Second Mortgage Note – Fully endorsed to: National Homebuyers Fund, Inc., an Instrumentality of Government Section 115 entity • Lender will use State specific Security Instrument <ul style="list-style-type: none"> ◦ Lender must serve as the Lender and beneficiary for the Second Note and Security Instrument; • Lender must complete an Assignment of Mortgage/Deed of Trust and record to: National Homebuyers Fund, Inc., an Instrumentality of Government Section 115 entity, whose address is 1215 K Street, Suite 1650, Sacramento, California 95814, and any successor or assigns <p>Lender must adhere to any Local, State, and Federal compliance requirements. Lender must provide a separate clear compliance certificate for the first loan.</p> <ul style="list-style-type: none"> • Lender is responsible for recording the Security Instrument. (Non – MERS) • Servicer Address: <ul style="list-style-type: none"> ◦ 2100 SE 17th Street #112, Ocala, FL 34471 <p>Lender is required to reflect NHF’s EIN on HUD’s FHA Loan Underwriting and Transmittal Summary in conjunction with secondary financing assistance or to the borrower when the borrower is receiving an FHA First Mortgage. NHF’s EIN is 42-1549314.</p>
<p>BORROWER ELIGIBILITY</p>	<p>Occupancy:</p> <ul style="list-style-type: none"> • No first-time homebuyer requirement. • Borrower must occupy the residence as their primary residence within (60) days of closing). • Borrowers may have ownership in other property at time of closing, per agency guidelines. • Non-occupant co-borrowers allowed on FHA loans only. <p>Eligible Properties:</p> <ul style="list-style-type: none"> • Single Family Residences • 2 units – LLPA applies • PUDs • Townhouses • Condominiums (Must not be in litigation). • Double wide manufactured housing available – LLPA applies

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<p>BORROWER ELIGIBILITY CONT.</p>	<p>Qualifying Income:</p> <ul style="list-style-type: none"> • Up to 160% of SMI or AMI. Please note income limit on the 92900-LT. (any exception must be approved by the master servicer) • Use 1003 qualifying income only. • May be less than the total actual household income. <p>Follow agency guidelines.</p> <p>Minimum Credit Score:</p> <ul style="list-style-type: none"> • FHA/USDA: 600 • Each borrower must have a minimum of one credit score <p>Maximum DTI:</p> <ul style="list-style-type: none"> • AUS approval required <p>Homebuyer Education:</p> <ul style="list-style-type: none"> • At least one borrower must receive housing counseling from a HUD approved non-profit housing counseling agency
<p>MORTGAGE INSURANCE</p>	<p>Follow agency guidelines.</p>
<p>INTEREST RATES AND MORTGAGE LOCKS</p>	<p>Mortgage Loan Interest Rates:</p> <ul style="list-style-type: none"> • Mortgage Loan Interest Rates and DPA Assistance options are available on the NHF Portal, however Essex Mortgage will send lock confirmations via email. <p>Loan Registrations (Reservations):</p> <ul style="list-style-type: none"> • 2nds are registered prior to closing with NHF • NHF DPA Funding Commitment Notice and Second Loan Documents must be submitted with the mortgage loan file. Servicer shall not purchase a Mortgage Loan without these documents. • NHF DPA Funding Commitment Notice must be dated prior to the Note date. <p>First Mortgage Loan Lock:</p> <p>Mandatory Locks</p> <ul style="list-style-type: none"> • 15/30/45 day Mandatory Locks available. Files must to be delivered within 5 days of lock. <p>Price Adjustments: All adjustments are cumulative</p> <ul style="list-style-type: none"> • Loans are subject to LLPA's and Fees (adjustments are assessed at time of purchase): See Price Sheet for LLPA's

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<p>INTEREST RATES AND MORTGAGE LOCKS CONT.</p>	<p>Extension Fees</p> <ul style="list-style-type: none"> • See Price Sheet for Extension costs <p>Loans that are cancelled at any point in the transaction are subject to a \$400.</p> <p>Fees and Points Lender may charge to Borrower:</p> <ul style="list-style-type: none"> • Origination Fee or discount: up to 2.00% of the First Mortgage. • Must pass points and fees testing <p>Participating Lender may charge customary and reasonable closing costs and fees with full disclosure in accordance with loan agency and federal, state and local laws and regulations.</p> <p>Funds to Lender from Servicer at Loan Purchase:</p> <ul style="list-style-type: none"> • 100% of the outstanding principal amount of the First Mortgage Loan and the DPA • Administration fee – to Essex \$395 on first only
<p>LOAN DELIVERY AND PURCHASE</p>	<p>Contact Master servicer for specific delivery instructions. NHF DPA Funding Commitment Notice and Second Loan Documents must be submitted with the mortgage loan file. Servicer shall not purchase a Mortgage Loan without these documents.</p>
<p>COMPLIANCE CERT</p>	<p>Provide a compliance certificate for the 1st Transaction</p>



NATIONAL HOMEBUYERS FUND (NHF) STANDARD CORRESPONDENT PROGRAM

10 YEAR AMORTIZED 2 PLUS

LENDER GUIDELINE / TERM SHEET – FHA/USDA LOANS

PROGRAM SPONSOR	National Homebuyers Fund (NHF)
SERVICER	Data Mortgage, Inc. dba Essex Mortgage
PARTICIPATING LENDERS	<p>Lenders interested in participating in this Program must complete an NHF Lender Profile, execute an NHF Program Lender Agreement, and be an Approved Correspondent Lender with the Servicer.</p> <p><i>The NHF Lender Profile and NHF Program Lender Agreement are available for download from the NHF Program Participant Guide at www.nhfloan.org.</i></p>
DESCRIPTION	NHF Program is designed to increase homeownership opportunities for low-to-moderate income individuals and families in nationwide (excluding New York and Washington state). Down Payment Assistance (DPA) is available in the form(s) stated below.
FIRST MORTGAGE LOAN TYPES AND TERMS	<p>Loan Types:</p> <ul style="list-style-type: none"> • FHA: 203(b), 203(b)(2), and 234(c); in accordance with FHA guidelines. <ul style="list-style-type: none"> ◦ Cooperative housing (co-op) is not eligible. • USDA RD: In accordance with USDA guidelines. <p>Loan Term:</p> <ul style="list-style-type: none"> • Due and payable in 30 years <p>Maximum Loan Amount:</p> <ul style="list-style-type: none"> • Conforming Balance only <p>Max LTV/CLTV:</p> <ul style="list-style-type: none"> • Follow loan agency guidelines

**NATIONAL HOMEBUYERS FUND (NHF)
STANDARD CORRESPONDENT PROGRAM
10 YEAR AMORTIZED 2 PLUS
LENDER GUIDELINE / TERM SHEET – FHA/USDA LOANS**

**DOWN PAYMENT AND
CLOSING COST
ASSISTANCE (DPA)**

DPA is available from NHF for Purchase transactions as outlined below:

DPA Amount:

- Up to 3.5% of the Sales Price or Appraised Value (lesser of)

DPA Form:

- NHF 10-year Second Mortgage Loan Note

DPA General Terms:

- Proceeds may be used for down payment and/or closing costs;

There must be no cash back to the borrower from the DPA proceeds; Lender up-fronts

the DPA amount at closing to be reimbursed by the Servicer, on behalf of NHF, upon purchase of the First Mortgage Loan.

DPA Second Mortgage Loan Terms:

- 10 year Term;
- Note Rate is 2.0% greater than rate on 1st loan
- 10 yr fully amortizing loan
- Monthly payments required
- Second loan amounts must be rounded up to nearest dollar;
- No subordination allowed;

Lender must conform to federal RESPA and Truth-in-lending laws in disclosing the terms of the Second Mortgage.

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DPA DOCUMENTATION

Program Manager (NHF) shall provide the DPA Funding Commitment Notice on its Reservation Portal at <https://nhfresportal.nhfloan.org/login.aspx>. Lenders may obtain State Specific Security Instrument and Note via DocMagic or ICE Technologies (information below): (Non- MERS Instrument)

PLAN CODES:

- DocMagic - NHFESS_HBA – NHF 10YR FIXED RATE SECOND with ESSEX MORTGAGE AS SERVICER
- ICE Technologies - 10870016

DPA Second Mortgage Loan Documents (Required):

- DPA Funding Commitment Notice – **must be dated prior to the Note date**
- Second Mortgage Note – Fully endorsed to: National Homebuyers Fund, Inc., an Instrumentality of Government Section 115 entity
- Lender will use State specific Security Instrument
 - Lender must serve as the Lender and beneficiary for the Second Note and Security Instrument;
- Lender must complete an Assignment of Mortgage/Deed of Trust and record to: National Homebuyers Fund, Inc., an Instrumentality of Government Section 115 entity, whose address is 1215 K Street, Suite 1650, Sacramento, California 95814, and any successor or assigns

Lender must adhere to any Local, State, and Federal compliance requirements. Lender must provide a separate clear compliance certificate for the first loan.

- Lender is responsible for recording the Security Instrument. (Non – MERS)
- Servicer Address:
 - 2100 SE 17th Street #112, Ocala, FL 34471
- Compliance Certifications required – must be clear of all findings

Lender is required to reflect NHF's EIN on HUD's FHA Loan Underwriting and Transmittal Summary in conjunction with secondary financing assistance or to the borrower when the borrower is receiving an FHA First Mortgage. NHF's EIN is 42-1549314.

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<p>BORROWER ELIGIBILITY</p>	<p>Occupancy:</p> <ul style="list-style-type: none"> • No first-time homebuyer requirement. • Borrower must occupy the residence as their primary residence within (60) days of closing). • Borrowers may have ownership in other property at time of closing, per agency guidelines. • Non-occupant co-borrowers allowed on FHA loans only. <p>Eligible Properties:</p> <ul style="list-style-type: none"> • Single Family Residences • 2 units – LLPA applies • PUDs • Townhouses • Condominiums (Must not be in litigation). • Double wide manufactured housing available – see price sheet for LLPA
<p>BORROWER ELIGIBILITY CONT.</p>	<p>Qualifying Income:</p> <ul style="list-style-type: none"> • Up to 160% of SMI or AMI. Please note income limit on the 92900-LT. See price sheet for LLPA for income greater than 130% of AMI/SMI (any exception must be approved by the master servicer) • Use 1003 qualifying income only. • May be less than the total actual household income <p>Follow agency guidelines.</p> <p>Minimum Credit Score:</p> <ul style="list-style-type: none"> • FHA/USDA: 600 • Each borrower must have a minimum of one credit score <p>Maximum DTI:</p> <ul style="list-style-type: none"> • AUS approval required <p>Homebuyer Education:</p> <ul style="list-style-type: none"> • At least one borrower must receive housing counseling from a HUD approved non-profit housing counseling agency
<p>MORTGAGE INSURANCE</p>	<p>Follow agency guidelines.</p>

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<p>INTEREST RATES AND MORTGAGE LOCKS</p>	<p>Mortgage Loan Interest Rates:</p> <ul style="list-style-type: none"> • See Price Sheet for available interest rate ranges <p>Loan Registrations (Reservations):</p> <ul style="list-style-type: none"> • 2nds are registered with NHF prior to closing • NHF DPA Funding Commitment Notice and Second Loan Documents must be submitted with the mortgage loan file. Servicer shall not purchase a Mortgage Loan without these documents. • NHF DPA Funding Commitment Notice must be dated prior to the Note date <p>First Mortgage Loan Lock:</p> <p>Mandatory Locks</p> <ul style="list-style-type: none"> • 15/30/45 day Mandatory Locks available. Files must to be delivered within 5 days of lock date <p>Price Adjustments: All adjustments are cumulative</p> <ul style="list-style-type: none"> • Loans are subject to the LLPA's and Fees as noted on the price sheet. (adjustments are assessed at time of purchased):
<p>INTEREST RATES AND MORTGAGE LOCKS CONT.</p>	<p>Property</p> <ul style="list-style-type: none"> • Double wide manufactured housing – LLPA on Price Sheet <p>Extension Fees</p> <ul style="list-style-type: none"> • See Price Sheet for Extension Fees <p>Loans that are cancelled at any point in the transaction are subject to a \$400 fee</p> <p>Fees and Points Lender may charge to Borrower:</p> <ul style="list-style-type: none"> • Origination Fee or discount: up to 2.00% of the First Mortgage. • Must pass points and fees testing <p>Participating Lender may charge customary and reasonable closing costs and fees with full disclosure in accordance with loan agency and federal, state and local laws and regulations.</p> <p>Funds to Lender from Servicer at Loan Purchase:</p> <ul style="list-style-type: none"> • 100% of the outstanding principal amount of the First Mortgage Loan and the DPA. • Administration fee – to Essex \$395 on first only
<p>LOAN DELIVERY AND PURCHASE</p>	<p>Contact Master servicer for specific delivery instructions. NHF DPA Funding Commitment Notice and Second Loan Documents must be submitted with the mortgage loan file. Servicer shall not purchase a Mortgage Loan without these documents.</p>
<p>COMPLIANCE CERT</p>	<p>Provide a separate compliance certificate for both the 1st and 2nd liens</p>