



ESSEX MORTGAGE
 WASHINGTON STATE DPA CORRESPONDENT PROGRAM
 10 YEAR AMORTIZED 2 PLUS
 LENDER GUIDELINE / TERM SHEET
 Revised 04_03_2026

PROGRAM SPONSOR	TRFA
SERVICER	BSI Financial Services
PARTICIPATING LENDERS	Lenders interested in participating in this program must be an approved Correspondent Lender with Essex Mortgage.
DESCRIPTION	The program is designed to increase homeownership opportunities for low-to-moderate income individuals and families in 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 30 year and 25 year terms are available. Cooperative Housing (co-op) is not eligible. <p>Loan Term:</p> <ul style="list-style-type: none"> Due and payable in 25 years and 30 years <p>Maximum Loan Amount:</p> <ul style="list-style-type: none"> Conforming High Balance is not allowed <p>Max LTV/CLTV:</p> <ul style="list-style-type: none"> Follow FHA guidelines
<p>DOWN PAYMENT AND CLOSING COST ASSISTANCE (DPA)</p> <ul style="list-style-type: none"> 3.5% (100% CLTV) 5% (101.5% CLTV) 	<p>Down payment assistance (DPA) is available from TRFA for purchase transactions as outlined below:</p> <p>DPA Amount:</p> <ul style="list-style-type: none"> Up to 3.5% or 5% of the sales price or appraised value (lesser of) <p>DPA Form:</p> <ul style="list-style-type: none"> 10-year Second Mortgage Loan Note <p>DPA General Terms:</p> <ul style="list-style-type: none"> Proceeds may be used for down payment and/or closing costs. There must be <u>no cash back</u> to the borrower from the DPA proceeds. Lender upfronts the DPA amount at closing to be reimbursed by Essex Mortgage, on behalf of TRFA, upon purchase of the first mortgage loan. <p>DPA Second Mortgage Loan Terms:</p> <ul style="list-style-type: none"> 10 year fully amortizing loan term; monthly payments required. The 2nd mortgage note rate is 2% greater than the 1st mortgage note rate. The 2nd mortgage amount must be rounded up to the nearest whole dollar. No subordination allowed.



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	<ul style="list-style-type: none"> Lender must conform to Federal RESPA and Truth-in-Lending (TILA) laws in disclosing the terms of the Second Mortgage Monthly payments required. Any required rider on the 1st will also be required on the 2nd <p>Late Charge Amount:</p> <ul style="list-style-type: none"> Assessed if payment is not made within 15 days of the due date. The late charge is 5% or the maximum amount if a statutory limit is less than 5%.
<p>DPA DOCUMENTATION</p>	<p>Essex will provide the Funding Obligation Letter once the 2nd lien is registered with Essex.</p> <p>TRFA does not provide the 2nd lien loan documents therefore, Lenders will need to generate both a State Specific Security Instrument and Note via their closing document process.</p> <p>Plan Codes:</p> <ul style="list-style-type: none"> DocMagic – DSI_CONV (ESS_WADPA10 - WA DPA 10YR AMORTIZED 2 PLUS, SECOND LIEN - ESSEX MORTGAGE) Encompass (ICE) – Coming Soon (All Fixed Rate Conventional Junior Lien Loans) DPA Funding Obligation Letter– must be dated prior to the Note date Second Mortgage Note – State specific 2nd lien Note - Fully endorsed to: Blank Lender will use State specific 2nd lien Security Instrument <ul style="list-style-type: none"> Lender must serve as the Lender for the Second Note and Security Instrument; Security Instrument should contain MERS *MOM* language as well as a MIN Number Lender must adhere to any Local, State, and Federal compliance requirements. Lender must provide a separate clear compliance certificate for the first loan. Lender will use their Servicing Address for the 2nd lien Note Servicer Address for Goodbye Letter : <ul style="list-style-type: none"> BSI Financial Services, 1200 E. Campbell Rd. St 108, Richardson, TX 75081 Compliance Certifications required – must be clear of all findings Lender is required to reflect TRFA 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, TRFA’s EIN is 92-1734913.
<p>BORROWER ELIGIBILITY</p>	<p>Occupancy:</p> <ul style="list-style-type: none"> Borrower is not required to be a first-time homebuyer

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	<ul style="list-style-type: none"> • Borrower(s) must occupy the residence as their primary residence within sixty (60) days of closing. • Borrowers may have ownership of other property at time of closing, per Agency guidelines. • Non-occupant co-borrower(s) allowed pursuant to FHA loans guidelines and must be on title. <p>Eligible Properties:</p> <ul style="list-style-type: none"> • Single family residences • 2 units – LLPA applies • PUDs • Townhouses • Condominiums – (must be Agency approved or obtain Single Unit Approval and must not be in litigation). • Manufactured housing – (no singlewides and must otherwise meet FHA requirements.) See Price Sheet for LLPA. <p>Minimum Credit Score.</p> <ul style="list-style-type: none"> • FHA with AUS Approval: 600 • FHA Manual Underwrite: 660 • Each borrower must have a minimum of one credit score <p>Maximum DTI:</p> <ul style="list-style-type: none"> • FHA with AUS approval - No Maximum DTI • FHA Manual Underwrite: Maximum DTI – 45% <p>Homebuyer Education:</p> <ul style="list-style-type: none"> • At least one occupying borrower must complete a Homebuyer’s Education course from FNMA/FHLMC or any HUD approved provider
MORTGAGE INSURANCE	Follow Agency guidelines.
INTEREST RATES AND MORTGAGE LOCKS	<p>Mortgage Loan Interest Rates:</p> <ul style="list-style-type: none"> • See Price Sheet for available interest rate ranges and loan terms. • 2/1 Buydowns are permitted on the FHA First – adhere to all FHA requirements regarding Buydowns <p>Loan Registrations (Reservations):</p> <ul style="list-style-type: none"> • 2nds are registered with TRFA prior to closing via the Essex portal – https://essex.lauramac.io/# • DPA Funding Obligation Letter and Second Loan Documents must be submitted with the mortgage loan file. Essex Mortgage cannot purchase a Mortgage Loan without these documents.



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	<ul style="list-style-type: none"> • TRFA DPA Funding Obligation letter must be dated at least one day prior to the Note date <p>First Mortgage Loan Lock:</p> <ul style="list-style-type: none"> • Best Efforts and Mandatory Locks available • 7/15/30/45/60-day Mandatory and Best Effort Locks available. Files must be delivered by the lock expiration date and must be purchased within 7 calendar days of the lock expiration date. See the Essex Lock Policy for further details. (Mandatory locks canceled or not delivered are subject to pair-off fee.) <p>Price Adjustments: All adjustments are cumulative</p> <ul style="list-style-type: none"> • Loans are subject to the LLPAs, and Fees as noted on the price sheet (adjustments are assessed at the time of purchase.) • LLPA for manufactured properties. Single wide properties are not permitted. <p>Extension Fees:</p> <ul style="list-style-type: none"> • See Price Sheet for Extension Fees <p>Fees and Points Lender may charge to Borrower:</p> <ul style="list-style-type: none"> • Must pass all Points and Fees Testing • Participating Lender may charge customary and reasonable closing costs and fees with full disclosure in accordance with loan agency, Federal, State and local laws and regulations on the FHA 1st • No Lender Fees are allowed on the DPA 2nd (3rd party closing costs are acceptable) <p>Funds to Lender at Loan Purchase:</p> <ul style="list-style-type: none"> • DPA 2nd lien is reimbursed at 100% of the Note Amount at the time of the first lien purchase • The first mortgage is purchased based on locked price, less fees and escrow balance. • RESPA Notice / Goodbye cut-off is the 15th of the month. • Fees to Essex may be charged on the first mortgage only: <ul style="list-style-type: none"> ○ Administration Fee - \$395 ○ Tax Service Fee - \$75 ○ Flood Certificate Fee - \$5.00
<p>LOAN DELIVERY AND PURCHASE</p>	<p>All Loan Docs for the 1st and 2nd lien must be provided to Essex on or before the lock expiration date.</p> <p>TRFA DPA Funding Obligation Letter and Second Loan Documents must be submitted with the mortgage loan file. Servicer shall not purchase a Mortgage Loan without these documents.</p>



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	See Required Documents List for additional information.
COMPLIANCE CERTIFICATE	Provide a separate compliance certificate for both the 1st and 2nd liens from Mavent or Compliance Ease with an acceptable rating on all compliance reviews