ESSEX MORTGAGE
DPA CORRESPONDENT 3 YEAR FORGIVABLE/DEFERRED PROGRAM 100% CLTV
ALL STATES EXCEPT NY AND WA
LENDER GUIDELINE / TERM SHEET
Revised 07.28.2026

PROGRAM SPONSOR	National Homebuyers Fund (NHF)
SERVICER	Data Mortgage, Inc. dba Essex Mortgage
PARTICPATING LENDERS	Lenders interested in participating in this program must be an approved Correspondent Lender with Essex Mortgage as the Servicer. Lender must also complete an NHF Lender Profile and execute an NHF Program Lender Agreement. The NHF Lender Profile and NHF Program Lender Agreement are both available for download from the NHF Program Participant Guide at www.nhfloan.org.
DESCRIPTION	The program is designed to increase homeownership opportunities for low-to-moderate income individuals and families 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	Loan Types:
	• 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
	Loan Term:
	• 2^{nd} lien is due and payable at the time of the first mortgage unless the forgivable parameters below have been satisfied
	• Forgivable programs allowed: 3 **years**
	• Forgivable IF:
	    ○ Loan has reached its 3^{rd} year from Note date, **AND**
	    ○ A repayment event has not occurred, **AND**
	    ○ The borrower has continued to occupy the property as their primary residence.
	Repayment Events:
	• 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

	Maximum Loan Amount: • Conforming • High Balance is allowed on 3 yr forgivable period Max LTV/CLTV: • Follow FHA guidelines
DOWN PAYMENT AND CLOSING COST ASSISTANCE (DPA)	Down payment assistance (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 25 or 30-year Second Mortgage Loan Note (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 Essex Mortgage (the servicer), on behalf of NHF, upon purchase of the first mortgage loan. DPA Second Mortgage Loan Terms: • 25 or 30-year loan term (must match term on FHA 1st) • Non-amortizing loan with no monthly payments required. • The 2nd mortgage note rate is 0% • The 2nd mortgage amount must be rounded up to the nearest whole dollar. • No subordination allowed • Lender must conform to Federal RESPA and Truth-in-Lending (TILA) laws in disclosing the terms of the Second Mortgage
DPA DOCUMENTATION	Program Manager (NHF) shall provide the DPA Funding Commitment Notice, which can be obtained via the Essex Portal – https://essex.lauramac.io/#/. Lenders may obtain State Specific Security Instrument and Note via DocMagic or ICE Technologies (Encompass) information below: (MOM Instrument)

This Program Term Sheet is not a substitute for first mortgage guidelines. It is the responsibility of the Participating Lender to adhere to Servicer guidelines, federal RESPA laws and FHA.

	PLAN CODES:
	• ICE Technologies – 3 yr Forgivable (30 year term) – 10870017
	• ICE Technologies – 3 yr Forgivable (25 year term) – 10870021
	
	• Doc Magic: NHFESS_HBA03 - NHF DEFERRED 3YR HOMEBUYER ASSISTANCE LOAN SILENT SECOND ESSEX MORTGAGE AS SERVICER
	
	DPA Second Mortgage Loan Documents (Required):
	• DPA Funding Commitment Notice – must be dated prior to the Note date
	• Second Mortgage Note and Addendum – Fully endorsed to: National Homebuyers Fund, Inc., an Instrumentality of Government Section 115 entity
	• Lenders will use State Specific Security Instrument
	  ○ 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 with MIN registered with MERS prior to delivering to Essex for reimbursement
	• The Lender must complete the TOS/TOB transfer to NHF within 48 hours of Essex's reimbursement of the DPA funds.
	• MERS Org ID # = 1016798
	• Master Servicer MERS Org ID # = 1003160
	• Lender must adhere to any Local, State, and Federal compliance requirements.
	• Lender must provide a compliance certificate for the first lien only - and must be clear of all findings.
	• Lender is responsible for recording the Security Instrument.
	• Servicer Address:
	1417 North Magnolia Ave, Ocala, FL 34475
	
	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.

BORROWER ELIGIBILITY	Occupancy: • Borrower is not required to be a first-time homebuyer

	• Borrower 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**. Eligible Properties: • 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. Minimum Credit Score. • FHA with AUS Approval: 600 • FHA Manual Underwrite: 600 • Each borrower must have a minimum of one credit score Maximum DTI: • FHA with AUS approval - No Maximum DTI • FHA Manual Underwrite: Must meet FHA DTI guidelines Homebuyer Education: • 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	Mortgage Loan Interest Rates: • 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 Loan Registrations (Reservations): • 2nds are registered with NHF prior to closing with NHF via the Essex portal – **https://essex.lauramac.io/#**

	• NHF DPA Funding Commitment Notice and Second Loan Documents must be submitted with the mortgage loan file. Essex Mortgage cannot purchase a Mortgage Loan without these documents.
	• **NHF DPA Funding Commitment Notice must be dated at least one day prior to the Note date**
	
	First Mortgage Loan Lock:
	• 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.)
	Price Adjustments: All adjustments are cumulative
	• 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.
	Extension Fees:
	• See Price Sheet for Extension Fees
	Fees and Points Lender may charge to Borrower:
	• 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)
	Funds to Lender at Loan Purchase:
	• 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:
	  ○ Administration Fee - $395
	  ○ Tax Service Fee - $75
	  ○ Flood Certificate Fee - $5.00

LOAN DELIVERY AND PURCHASE	All Loan Docs for the 1st and 2nd lien must be provided to Essex on or before the lock expiration date. 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. See Required Documents List for additional information.
COMPLIANCE CERTIFICATE	Provide Compliance Certificate for the 1st lien from Mavent or ComplianceEase with an acceptable rating on all compliance reviews. No Compliance Certificate is required for the Forgivable DPA 2nd.