



ESSEX MORTGAGE

DOWN PAYMENT ASSISTANCE (DPA) PROGRAM

An exciting opportunity to expand to new markets in 2026

www.essexcorrespondent.com



WHO IS NHF & TRFA

National Homebuyer's Fund (NHF):

- Established in 2002
- NHF is a Non-Profit Public Benefit Corporation
- NHF is also an Instrumentality of Government under IRS Code Section 115

NHF Accomplishments:

- Helped Finance more than 67,000 Home Purchases
- These Purchases Totaled more than \$15 Billion
- Provided over \$617.6 Million in Down Payment Assistance



TRFA (Washington State):

- TRFA is a Tribal-affiliated financing entity

COMMITTED TO RESPONSIBLE HOMEOWNERSHIP



MYTHS AROUND DPA

At Essex, we will show you how any myths around DPA's have been dispelled. Our product is effortless and uncomplicated to offer to your clients.

We believe the DPA is one of the best tools that lenders have in today's market and for the foreseeable future.





DPA CAN BE A STRATEGIC TOOL

- Allows borrowers to Buy Now instead of delaying and possibly missing a great opportunity to own
- Reduces up front cash freeing up funds to use for other purposes such as debt payoff or investing in a retirement account
- Allows borrowers to leverage Real Estate to optimize their net worth over time
- Some Down Payment Assistance may not need to be repaid
- Our DPA can be combined with an MCC program in some states
- This is a strategy, not a permanent financing solution





ESSEX DPA SOLUTIONS

- National Program Guidelines in 49 states (except NY)
- No Income limits
- Lower credit scores and higher DTI accepted
- Allowing more borrowers to qualify
- Priced to require less cash to close
- Funds Never Run Out
- Our DPA is fully delegated for faster closings





DPA OVERVIEW

FHA: 100% CLTV Financing or 101.5% CLTV Financing

- FHA 1st Lien = 96.5% LTV
- DPA 2nd Lien = 3.5% or 5.0% of Purchase Price, or Appraised Value, Lesser of the two
- Funds Can Be Used For Down Payment and/or Closing Costs
- Borrowers can not receive cash back at closing
- 2/1 Buydowns and High Balance Available*



100% or 101.5% CLTV Financing in 48 States (NHF)
Except New York & Washington State

100% or 101.5% CLTV Financing in WA State (TRFA)

* High Balance Not available in Washington State



BORROWER ELIGIBILITY

Guidelines: Minimal Overlays

- 600 Minimum FICO Score Per Borrower
- DU or LP Approval Required: No Max DTI
- Manual Underwrites allowed subject to:
 - 660 minimum credit score
 - 45.0 maximum DTI
- No First-Time Homebuyer Requirement
- Homebuyer Education Required
 - Fannie Mae's HomeView Course is free
 - <https://www.fanniemae.com/education>
- Non-Occupant Co-Borrowers allowed and must be on title
- Co-signers are NOT allowed
- Follow Agency Guidelines for UW
- Primary Residence Only

Loan Limits: Follow FHA Guides

- Maximum HUD County Limit Applies to Base FHA

Eligible Properties

- Single Family Residences: 1 Units
- Duplexes: 2 Units
- Manufactured Homes: Double & Triple Wide Only
- PUDs
- Townhouses
- Condos: Agency Approved or Single Unit Approval accepted / No Litigation

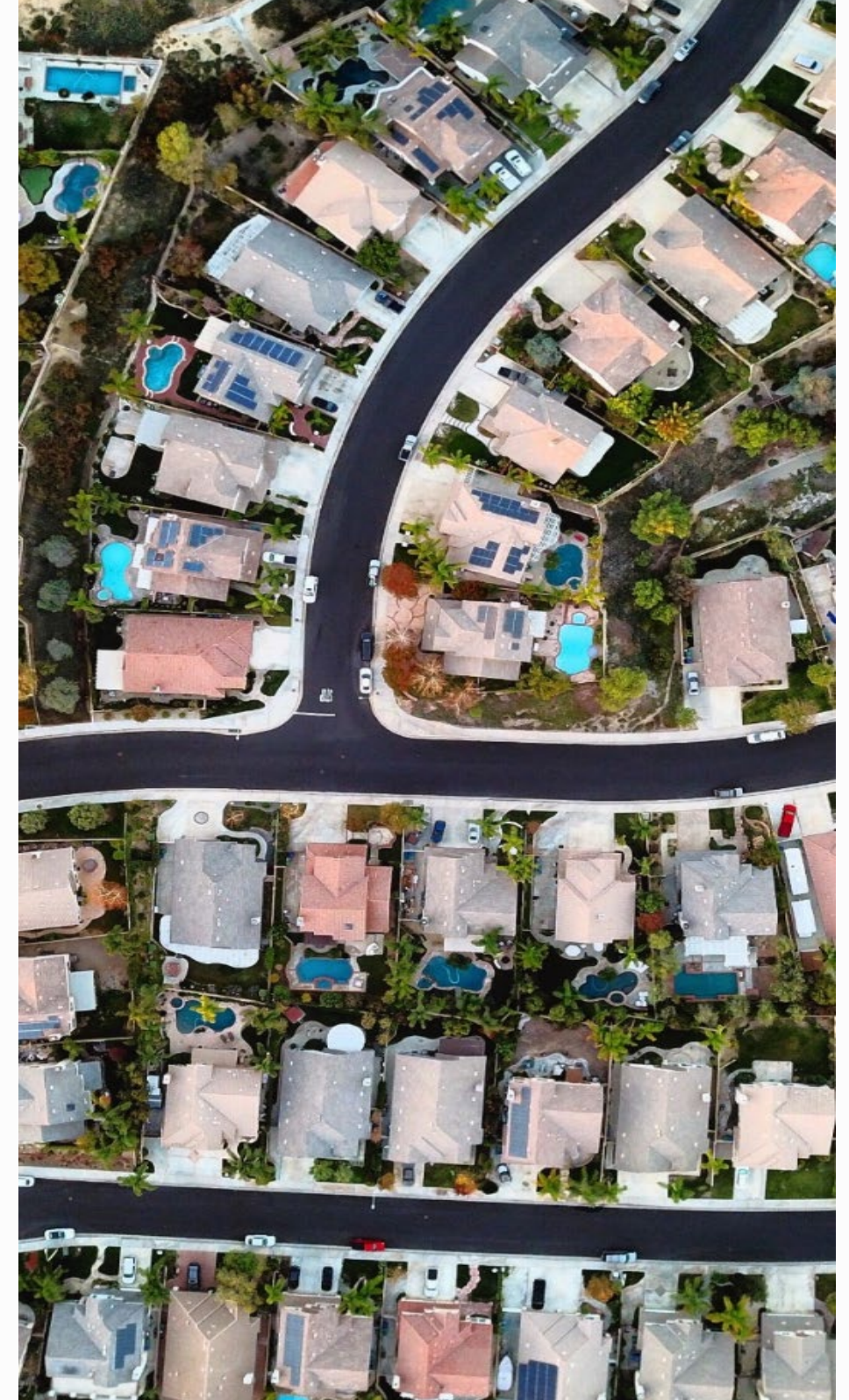




OPTION 1: 2ND LIEN (REPAYABLE) DETAILS

Interest Rate = 1st Note Rate Plus 2%

- 3.5% or 5.0% lesser of Sales Price or Appraised Value
- Payments are not Deferred
- 2/1 Buydowns permitted
- High Balance OK (except in Washington State)
- 10-year term; 10-year fully amortized
- Payable Upon Sale, Refinance, or Pay-Off
- Cannot Be Subordinated





OPTION 2: 2ND LIEN (FORGIVABLE) DETAILS

Not available in Washington State

Interest Rate = 0%

- 3.5% of Lesser of Sales Price or Appraised Value
- No Payments for Life of Loan
- No Interest Accrues
- Loan is forgivable after 3 years. Must still be owner occupied with no default on the FHA 1st
- Payable Upon Sale, Refinance, or Pay-Off (if not already forgiven)
- Cannot Be Subordinated
- 30-year term
- High Balance available
- 2/1 Buydowns available





DPA: PROGRAM FEES

Closing Costs Allowed:

- All Normal and Customary Fees are Allowed
 - Fees: Appraisal, Credit Reporting, Survey, Title Insurance, etc.
- Must comply with Agency, Federal, and State Requirements
- No Lender fees can be Charged on 2nd Lien
 - Exception: Title or Escrow Fees
 - Must “Pass” all Points and Fees Tests





DPA DU / LP TIPS

Make sure the file is setup correctly:

On the FHA Transmittal Summary (92900-LT)
You must fill out the Secondary Financing section:

Secondary Financing

Source/EIN

Gov't NP Family

Other

Amount

NHF EIN Number:

NHF EIN Number: 42-1549314

TRFA EIN Number:

TRFA EIN Number: 92-1734913 (WA only)

IHFC EIN Number: 92-1734913 (WA State)

Source of Funds = **Secured Borrowed Funds**

Thin credit? Have the borrower shore it up by adding utilities, rental rating, coborrower (even non occupant.)

Low scored borrowers will generally need a stable job history, deeper credit including on-time current accounts and reserves. Sometimes DTI limits come into play.

Borderline borrowers with additional higher risk factors including use of gift funds and property type MH or Condo will be harder to get approved.

Reserves, Reserves, Reserves

Change the FHA term to 25 years and rerun it as a last resort. This is available at the same price.





FAQ

- DPAs available in 49 states (except NY)
 - The second lien will need to be set up as a separate loan
 - Reserve the funds for the second lien in Essex's TPO portal. The 2nd lien must meet Federal RESPA and Truth in Lending laws
 - Borrower Homebuyer Education certificate is required (whether FTHB or not)
 - 1st lien must be 25 or 30-year FHA 203(b), 203(b)(2), or 203(c) (cannot combine with 203(k))
 - Both 1st and 2nd liens must be sold to Essex
 - Pricing is available in OB, PML, EPPS and others
 - 2/1 Buydowns available on the FHA 1st
 - FHA guidelines must be followed when underwriting and closing the 1st lien
 - Only third-party settlement costs related to closing the 2nd lien are allowed to be charged on the 2nd. No separate title policy is required for the 2nd lien
 - Seller concessions are allowed per FHA guidelines. Borrower cannot receive any cash back (other than their earnest money) in the transaction
 - High priced loans (HPML) are allowed
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DPA PRODUCT SUMMARY

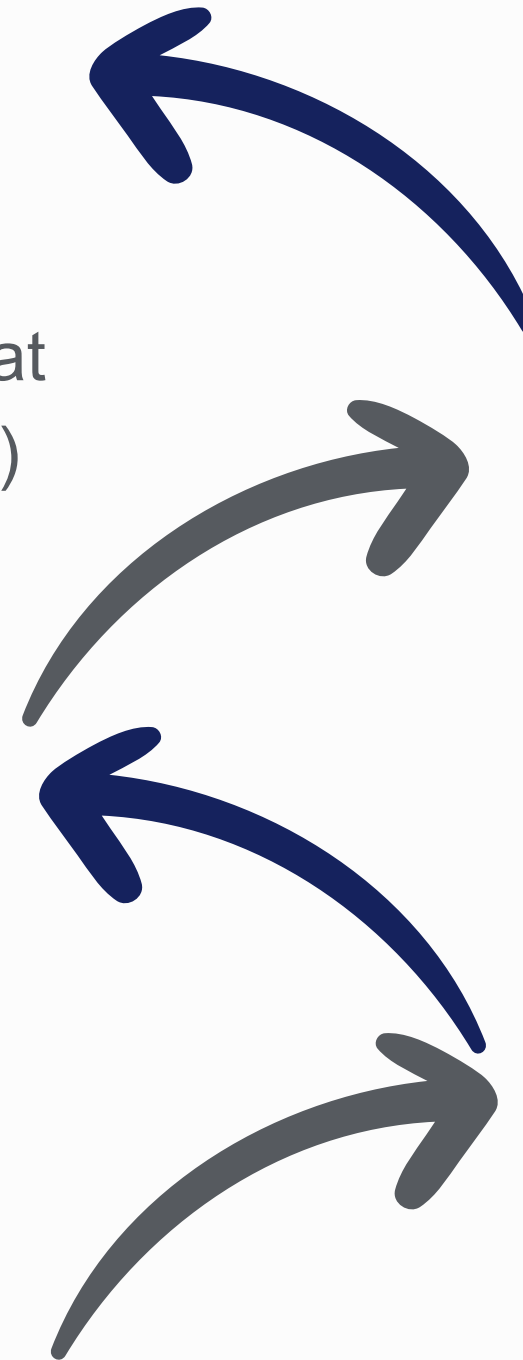
- 100% or 101.5% Financing up to the HUD County Loan Limit
- 0% DPA with Deferred Payments, Forgivable in 3 years (100% CLTV)
- Or “plus 2%” DPA 10 year Amortized at better pricing (100% or 101.5% CLTV)

- No Extra State Agency Underwrite
- Close DPA Loans as Fast as Other Loans
- Funds Never Deplete or Run Out

- Minimal Overlays: 600 FICO
- No Max DTI with DU or LP Approval
- Underwrite to Agency Guidelines

- NHF DPA available in 48 States: (Except NY & Washington State)
- TRFA DPA (amortized only) available in Washington State
- White label the program to fit your needs

- Priced so you can be profitable
- No First Time Buyer Requirements
- No Income Limits
- Non-occupant co-borrowers allowed



Any LO/Sales Questions?

THANK YOU!

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