

**ESSEX MORTGAGE
101.5% DPA CORRESPONDENT PROGRAM
10 YEAR AMORTIZED 2 PLUS
LENDER GUIDELINE / TERM SHEET**

PROGRAM SPONSOR	National Homebuyers Fund (NHF)
SERVICER	Data Mortgage, Inc. dba Essex Mortgage
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 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 <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"> • High Balance loan permitted - see price sheet <p>Max LTV/CLTV:</p> <ul style="list-style-type: none"> • Follow loan agency guidelines

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<p>DOWN PAYMENT AND CLOSING COST ASSISTANCE (DPA)</p>	<p>DPA is available from NHF for Purchase transactions as outlined below:</p> <p>DPA Amount:</p> <ul style="list-style-type: none"> • Up to 5.0% of the Sales Price or Appraised Value (lesser of) <p>DPA Form:</p> <ul style="list-style-type: none"> • NHF 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 no cash back to the borrower from the DPA proceeds; Lender upfronts the DPA amount at closing to be reimbursed by Essex Mortgage, on behalf of NHF, upon purchase of the First Mortgage Loan <p>DPA Second Mortgage Loan Terms:</p> <ul style="list-style-type: none"> • 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; <p>Lender must conform to federal RESPA and Truth-in-lending laws in disclosing the terms of the Second Mortgage</p> <ul style="list-style-type: none"> • Late charge amount assessed if payment is not made within 15 days of the due date. The late charge amount is 5% or the maximum amount if a statutory limit is less than 5%
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DPA
DOCUMENTATION

Program Manager (NHF) shall provide the DPA Funding Commitment Notice. It can be obtained via the Essex Portal, TPO Connect.

<https://7608605446.encompassstpoconnect.com/#/content/idplogin>

Lenders may obtain State Specific Security Instrument and Note via DocMagic or ICE Technologies (information below): (MOM 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 for the Second Note and Security Instrument;
 - Security Instrument should contain MERS “MOM” language as well as a MIN number
- 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 separate clear compliance certificate for the first loan.

Lender is responsible for recording the Security Instrument.

- Servicer Address:
 - 1417 North Magnolia Ave, Ocala, FL 34475
- 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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BORROWER ELIGIBILITY	<p>Occupancy:</p> <ul style="list-style-type: none"> • Borrower is not required to be a first-time homebuyer • 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 <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>Minimum Credit Score:</p> <ul style="list-style-type: none"> • FHA: 600 • Each borrower must have a minimum of one credit score <p>Maximum DTI:</p> <ul style="list-style-type: none"> • AUS approval (No Maximum DTI) • Manual Underwrite Requirements: <ul style="list-style-type: none"> ◦ Minimum credit score - 660 AND ◦ Maximum DTI - 45% <p>Homebuyer Education:</p> <ul style="list-style-type: none"> • Homebuyer’s Education for at least one borrower to be provided by a Fannie/Freddie or HUD approved non-profit counseling agency
MORTGAGE INSURANCE	Follow agency guidelines

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INTEREST RATES
AND
MORTGAGE LOCKS

Mortgage Loan Interest Rates:

- See Price Sheet for available interest rate ranges
- 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 TPOC portal = <https://7608605446.encompassspoconnect.com/#/content/idlogin>
- 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 prior to the Note date

First Mortgage Loan Lock:

Best Efforts and Mandatory Locks

- 7/15/30/45 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. See the Essex Lock Policy for further details

Price Adjustments: All adjustments are cumulative

- Loans are subject to the LLPA's and Fees as noted on the price sheet. (adjustments are assessed at time of purchased)

Property

- LLPA for double wides - Single wides not permitted
- 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 on first lien with full disclosure in accordance with agency and federal, state and local laws and regulations.

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
- First Mortgage is purchased based on locked price less fees and escrow balance
- RESPA Notice/Goodbye cutoff is 15th of the month
- Administration fee – to Essex \$395, \$75 tax service, \$5 flood certificate fee on first only

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<p>LOAN DELIVERY AND PURCHASE</p>	<p>All Loan Docs for first lien 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. See Required Documents list for additional information</p>
<p>COMPLIANCE CERT</p>	<p>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</p>