

DPA FAQ'S

- Available in 48 states (except for NY and WA.)
- The second lien will need to be set up as a separate loan.
- Reserve the funds for the second lien in Essex TPO Connect portal. The 2nd lien must meet Federal RESPA and Truth in Lending laws.
- Borrower Homebuyer Education certificate is required.
- Compliance reports required on both 1st and (fully amortized) 2nd liens.
- 1st lien must be 30 year FHA 203(b), 203(b)(2), or 203(c)
- Both 1st and 2nd liens must be sold to Essex.
- 1st lien collateral must be sent in a separate package from the 2nd lien.
- Essex Approved Document providers are DocMagic and Encompass / ICE. Pricing is available in Optimal Blue.
- This is a servicing released execution.
- 7,15, 30, and 45 day BE or Mandatory lock options are available.
- 2/1 Buydowns available on the FHA 1st.
- Loans must be delivered on or prior to the lock expiration date.
- Admin fee of \$395, tax service fee of \$75, and flood fee of \$5 apply to the 1st lien. No fees apply to the 2nd lien.
- 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.
- 600 minimum credit score and no DTI overlay with DU or LP approval.
- Manually underwritten files require 660+ score and DTI no more than 45.0.
- High priced (HPML) loans are allowed.

Interactive Calculator

Example 1 Purchase Price and Appraised Value are Equal with 1st under County Limit 1st TD DPA 2nd

Purchase Price and			
Appraised Value are Equal		of Purchase Price	of Purchase Price
Base Loan Amounts			
Final LTVs			

Example 2 Purchase Price Exceeds Appraised Value

Purchase Price Exceeds			
Appraised Value		of Appraised Value	of Appraised Value
Base Loan Amounts			
Final LTVs			

Borrower must make up the difference with sourced funds

Example 3 Borrower wishes to put money down and still use DPA financing

Purchase Price & Appraised Value			
Borrower Down Payment			
Total Financed Amount		of Total Financing	of Total Financing
Base Loan Amounts			
Final LTVs			

Example 4 Purchase Price is well above County Loan Limit

Applicable County Loan Limit			
Purchase Price & Appraised Value			
Maximum base loan amount 1st			
Total Max Financed Amount Equals			
Base 1st TD divided by .965 (rounded)			
Less 1st TD Base Loan Amount			
DPA 2nd Loan Amount			
Total Financed Amount		of Total Financing	of Total Financing
Base Loan Amounts			
Final LTVs			