



FHA ZERO FLEX FORGIVABLE / DEFERRED PROGRAM / DPA LENDER GUIDELINE / TERM SHEET

PARTICIPATING LENDER	Windsor Mortgage is a service provided by Plains Commerce Bank. NMLS #463950
DESCRIPTION	This 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	<p>Loan Types:</p> <ul style="list-style-type: none"> FHA: 203(b); 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"> 2nd Lien is due and payable at the time of the first mortgage unless the forgivable parameters below have been satisfied Forgivable IF <ol style="list-style-type: none"> loan has reached 10 yrs from Note date AND a Repayment event has not occurred, AND The borrower has continued to occupy the property as their primary residence. <p>Repayment Events</p> <ul style="list-style-type: none"> 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. <p>Maximum Loan Amount:</p> <ul style="list-style-type: none"> Follow FHA guidelines for area, property type, loan purpose, etc.. Must be a conforming loan balance only. <p>Max LTV/CLTV:</p> <ul style="list-style-type: none"> Follow loan agency guidelines

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DOWN PAYMENT AND CLOSING COST ASSISTANCE (DPA)

DPA is available for FHA Purchase transactions as outlined below:

DPA Amount:

- Up to 3.5% of the Sales Price or Appraised Value (lesser of)

DPA Form:

- A deferred 30-year Second Mortgage Loan (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;

We up-front the DPA amount at closing to be reimbursed upon purchase of the First Mortgage Loan.

DPA Second Mortgage Loan Terms:

- 30-year Term;
- Note Rate of Second Mortgage is 0%;
- Non-amortizing loan with no monthly payments;
- Second Mortgage is due and payable upon sale, refinance or payoff of the First Mortgage; If forgivable terms are not satisfied
- Second loan amounts must be rounded up to nearest dollar;
- No subordination allowed;

We must conform to federal RESPA and Truth-in-lending laws in disclosing the terms of the Second Mortgage.

DPA DOCUMENTATION

Program Manager shall provide the DPA Funding Commitment Notice and Reservation Confirmation forms via the servicer's TPO Connect portal. See Investor guide for additional details

We obtain State Specific Security Instrument and Note VIA ICE Technologies (Encompass).

PLAN CODES

ICE Technologies - 10870015

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DPA DOCUMENTATION, continued

DPA Second Mortgage Loan Documents (Required):

- DPA Funding Commitment Notice – **must be dated prior to the Note date**
- Second Mortgage Note and Addendum - Second Mortgage Note - see the Investor Guide
- We will use State specific Security Instrument
 - We must serve as the Lender and beneficiary for the Second Note and Security Instrument;
 - Security Instrument should contain MERS "MOM" language as well as a MIN number

We must complete the TOS/TOB transfer within 48 hours of the servicer's reimbursement of the DPA funds.

- MERS Org ID # = see investor guide
- Master Servicer MERS Org ID # = see investor guide

We must adhere to any Local, State, and Federal compliance requirements.

- We must provide a separate clear compliance certificate for the first loan.
- We are responsible for recording the Security Instrument.
 - Servicer Address:
see Investor Guide

We are required to reflect the correct 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.

Their EIN is = see Investor Guide

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<p>BORROWER AND PROPERTY ELIGIBILITY</p>	<p>Occupancy:</p> <ul style="list-style-type: none"> • No first-time homebuyer requirement. • 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 on FHA loans only. <p>Eligible Properties:</p> <ul style="list-style-type: none"> • Single Family Residences • 2 units – LLPA applies • PUDs • Townhouses • Condominiums (Must be agency approved and not be in litigation). • Double-wide manufactured housing available - LLPA applies <p>Follow agency guidelines.</p> <p>Minimum Credit Score:</p> <ul style="list-style-type: none"> • FHA: 600 <p>Each borrower must have a minimum of one credit score</p> <ul style="list-style-type: none"> • Maximum DTI: AUS approval required <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.
<p>MORTGAGE INSURANCE</p>	<p>Follow agency guidelines.</p>

<p>INTEREST RATES AND MORTGAGE LOCKS</p>	<p>Mortgage Loan Interest Rates:</p> <ul style="list-style-type: none"> See Price sheet for interest rate ranges. Lock via TPOC <p>Loan Registrations (Reservations):</p> <ul style="list-style-type: none"> 2nds are registered prior to closing with the Fund The DPA Funding Commitment Notice and Second Loan Documents must be submitted with the mortgage loan file. The Servicer will not purchase a Mortgage Loan without these documents. The DPA Funding Commitment Notice must be dated prior to the Note date. <p>First Mortgage Loan Lock Best Efforts</p> <ul style="list-style-type: none"> 15 or 30 day Best Efforts. Files must be delivered within 10 days of lock expiration date. <p>Price Adjustments: All adjustments are cumulative</p> <ul style="list-style-type: none"> Loans are subject to LLPA's and Fees (adjustments are assessed at time of purchase): See Price Sheet for LLPA's <p>Extension Fees</p> <ul style="list-style-type: none"> See Price Sheet for Extension costs
<p>FEE'S AND POINTS</p>	<p>Maximum Origination Fee/ Discount Points of 2%</p> <p><u>Locked BPC</u></p> <ul style="list-style-type: none"> Buyer Paid comp and Discount points cannot exceed 2% <p><u>Locked LPC</u></p> <ul style="list-style-type: none"> If locked Lender paid comp then just discount points cannot exceed 2% TPO may charge customary and reasonable closing costs and fees with full disclosure in accordance with loan agency and federal, state and local laws and regulations. \$1,095 admin fee and 3rd party processing can be charged and will not be included in the 2% comp requirement. Please note that you will still have to pass our standard QM points and fees test.
<p>LOAN DELIVERY AND PURCHASE</p>	<p>See Investor Guide</p>
<p>COMPLIANCE CERT</p>	<p>Provide a compliance certificate for the 1st Transaction</p>
<p>See FHA Zero Flex Fact sheet for additional information</p>	