



FHA Zero Flex Forgivable / Deferred Program / DPA Lender Guideline / Term Sheet

PROGRAM SPONSOR	National Homebuyers Fund (NHF)
SERVICER	Data Mortgage, Inc. dba
PARTICIPATING LENDERS	Lenders interested in participating in this Program must complete an NHF Lender Profile, execute an NHF Program Lender Agreement, and be an Approved Correspondent Lender with the Servicer.
DESCRIPTION	The program is designed to increase homeownership opportunities for low-to-moderate income individuals and families in nationwide (excluding New York, Washington and Kentucky). 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 • Cooperative housing (co-op) is not eligible. <p>Loan Term:</p> <ul style="list-style-type: none"> • Due and payable in 30 years • 2nd Lien is due and payable at the time of the first mortgage unless the forgivable parameters below have been satisfied. • Forgivable IF 1. loan has reached 10 yrs. from Note date AND 2. a Repayment event has not occurred, AND 3. 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"> • 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 3.5% of the Sales Price or Appraised Value (lesser of) <p>DPA Form:</p> <ul style="list-style-type: none"> A deferred 30-year Second Mortgage Loan (no interest) Promissory Note Addendum Loan Forgiveness Feature Disclosure <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 the Investor, on behalf of NHF, upon purchase of the First Mortgage Loan <p>DPA Second Mortgage Loan Terms:</p> <ul style="list-style-type: none"> 30-year Term. Note Rate of the Second Mortgage is 0%. Non-amortizing loan with no monthly payments. The 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 the nearest dollar. No subordination allowed. <p>Lenders must conform to federal RESPA and Truth-in-lending laws in disclosing the terms of the Second Mortgage.</p>
<p>DPA DOCUMENTATION</p>	<p>Program Manager (NHF) shall provide the DPA Funding Commitment Notice is obtained via the Windsor portal, TPO Connect</p> <p>Lenders may obtain State Specific Security Instruments and Notes via DocMagic: MOM Instrument or Encompass</p> <p>DPA Second Mortgage Loan Documents (Required):</p> <ul style="list-style-type: none"> DPA Funding Commitment Notice – must be dated prior to the Note date. Second Mortgage Note and Addendum - Second Mortgage Note – Fully endorsed to: National Homebuyers Fund, Inc., an Instrumentality of Government Section 115 entity. The Lender will use State specific Security Instrument Lender must serve as the Lender for the Second Note and Security Instrument. The Lender must complete the MERS MOM Security Instrument with a MIN number. The MIN must be registered with MERS prior to delivering to the Investor for reimbursement. The Lender must complete the TOS/TOB transfer to NHF within 48 hours of Windsor’s reimbursement of the DPA funds.

	<p>Lenders must adhere to any Local, State, and Federal compliance requirements. The Lender must provide a separate clear compliance certificate for the first loan.</p> <ul style="list-style-type: none"> • The Lender is responsible for recording the Security Instrument. • Servicer Address: 5101 S Broadband Ln, Sioux Falls, SD 57108 • Compliance Certifications required – must be clear of all findings. <p>The 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.</p>
BORROWER ELIGIBILITY	<p>Occupancy:</p> <ul style="list-style-type: none"> • No first-time homebuyer requirement • The Borrower must occupy the residence as their primary residence within (60) days of closing • Borrowers may have ownership in other property at the time of closing, per agency guidelines. • Non-occupant co-borrowers are 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 not be in litigation) • Double-wide manufactured housing available - LLPA applies. <p>Follow agency guidelines.</p> <p>Minimum Credit Score for Manual and AUS:</p> <ul style="list-style-type: none"> • FHA: 680 • Each Borrower must have a minimum of one credit score. <p>Maximum DTI for Manual UW and AUS:</p> <ul style="list-style-type: none"> • Maximum DTI - 45% (no exception even with AUS approval/accept) <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	<p>Follow agency guidelines.</p>



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<p>INTEREST RATES AND MORTGAGE LOCKS</p>	<p>Mortgage Loan Interest Rates:</p> <ul style="list-style-type: none"> • Mortgage Loan Interest Rates and DPA Assistance options are available on the Windsor Daily Rate Sheet. First-lien loans are required to be locked prior to investor purchase, which is completed via the Windsor TPOC portal. Lock Confirmations will be emailed by the Windsor Lock Desk • 2/1 Buydowns are Permitted on the FHA First - adhere to all FHA requirements regarding Buydowns. <p>Loan Registrations (Reservations):</p> <ul style="list-style-type: none"> • 2nds are registered prior to closing with NHF via the Windsor TPOC portal. • NHF DPA Funding Commitment Notice and Second Loan Documents must be submitted with the mortgage loan file. The servicer shall not purchase a Mortgage Loan without these documents. • NHF DPA Funding Commitment Notice must be dated prior to the Note date. <p>First Mortgage Loan Lock:</p> <p>Mandatory Locks</p> <ul style="list-style-type: none"> • 15 and 30 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 Windsor Lock Policy for further details. <p>Price Adjustments: All adjustments are cumulative.</p> <ul style="list-style-type: none"> • Loans are subject to LLPA's, and Fees as noted on the price sheet (adjustments are assessed at the time of purchase) <p>Extension Fees</p> <ul style="list-style-type: none"> • See Price Sheet for Extension Fees <p>Fees and Points Lender may charge to Borrower:</p> <ul style="list-style-type: none"> • Must pass all points and fee testing. Participating Lender 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. <p>Funds to Lender from Servicer at Loan Purchase:</p> <ul style="list-style-type: none"> • DPA 2nd lien is reimbursed at 100% of the Note amount at the time of 1st lien purchase. • The first mortgage is purchased based on a locked price less fees and escrow balance. • RESPA notice/Goodbye cutoff is 15th of the month. • Administration fee – to Windsor \$395, \$75 tax service, \$5 flood certificate fee on first only
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LOAN DELIVERY AND PURCHASE	Contact Master servicer for specific delivery instructions. NHF DPA Funding Commitment Notice and Second Loan Documents must be submitted with the mortgage loan file. Investor shall not purchase a Mortgage Loan without these documents.
COMPLIANCE CERT	Provide a compliance certificate for the 1st Transaction from Mavent or ComplianceEase.

Document History

Date	Revision	Reviewed/Approved	Request to MSS/WMS
09.17.24	Removed WM as Servicer	w/Kevin Nelson	09.17.24
09.19.24	Revised Credit score to a minimum of 680 and Maximum DTI with or w/o AUS approval to 45% - added the same for manual UW	TJ Miller	09.19.24
10.25.24	Revised Credit Score to 660	Zachary Kempf	10.25.24
11.05.24	Revised Credit Score to 680	Luke Hepner, TJ Miller	11.05.24
06.05.25	Removed 7 and 45 day Mandatory and Best Efforts Locks Available	Kevin Carlson	06.05.25