



DPA ADVANTAGE

PROGRAM SPECIFICATIONS	
Channels	<ul style="list-style-type: none"> • Broker • Correspondent <ul style="list-style-type: none"> ◦ Non-Delegated (UW) <ul style="list-style-type: none"> ▪ An Alternate Lender Form must be completed and executed ◦ Delegated (UW) <p>Important:</p> <ul style="list-style-type: none"> • Correspondent Non-Delegated Clients can draw own closing documents, but closing cannot occur until a minimum of 3 days after the DPA funds have been ordered and AFR has issued a final clear to close. • Correspondent must provide the settlement agent's wire instructions. • See Homebuyer Education Requirements and Geographic Restrictions for additional Correspondent requirements. • See eligible and ineligible programs for Broker, Correspondent transactions for 2% and 3.5% DPA.
FICO	<p>620 Minimum Qualifying Credit Scores:</p> <ul style="list-style-type: none"> • 1 credit score required for all qualifying borrowers, • User the middle score if 3 credit scores, or • The lowest of the two if 2 credit scores. • Lowest representative score from all borrowers will be used for qualification purposes.
UW Method	<ul style="list-style-type: none"> • TOTAL Scorecard <ul style="list-style-type: none"> ◦ Desktop Underwriter (DU) ◦ Loan Prospector (LP)
AUS Recommendation	<ul style="list-style-type: none"> • Approve/Eligible - DU • Refer/Eligible - DU • Risk Class Accept - LPA • Risk Class Refer - LPA
Submission Types	Fully disclosed submissions with all 6 points of information are required; AFR will not permit TBD submissions on this program.
Eligible Borrowers	<p>Any of the following:</p> <ul style="list-style-type: none"> • the Borrower's income (or, in the event of multiple Borrowers on a loan application, their income collectively) is equal to or less than 140% of the state or county median income regardless of family size based upon the state or county where the Security Property is located; Click here for the State/County Median Income Tool: https://homeready-eligibility.fanniemae.com/homeready/ • Any Borrower on the loan application is planning to become or is a current, retired, volunteer or non-paid: <ul style="list-style-type: none"> ◦ first responder (police officer, firefighter, public safety officer, paramedic, emergency medical technician (EMT) or similar; ◦ educator; ◦ medical personnel (nurse, doctor, phlebotomists, health ambassador, or hospital, American Red Cross worker, or similar); ◦ civil servant in a Federal, state or local municipality; or ◦ military personnel. • Any Borrower on the loan application is a First-Time Home Buyer who meets the following criteria: <ul style="list-style-type: none"> ◦ is purchasing the Subject Property; ◦ will reside in the Subject Property as their principal residence; ◦ has had no ownership interest (sole or joint) in a residential property during the three-year period preceding the date of the application, or is an individual who is a homemaker or single parent that has no ownership interest in a principal residence (other than a joint ownership interest with a (former) spouse) during the three-year period preceding the date of the application. • The subject property is located in an underserved census tract



	<ul style="list-style-type: none"> o Underserved Census Tract Look Up Tool • If none apply, at minimum the income and credit must meet FHA total score card or manual underwriting requirements. <p>Note: Borrower(s) must complete and execute the Down Payment Assistance Application</p>
Eligible Terms	<ul style="list-style-type: none"> • 20Yr., 25Yr., 30Yr. Fixed
Eligible Transaction Types	<ul style="list-style-type: none"> • Purchase
Eligible Property Types	<ul style="list-style-type: none"> • 1-4 Unit Primary Residence • Manufactured Housing <ul style="list-style-type: none"> o Single-width, Multi-width, MH Condo Projects o Leaseholds are not eligible and must be Fee Simple • FHA Approved Condos • PUDs
Eligible Programs	<p>The DPA Advantage Program can be used in conjunction with:</p> <p>NOTE: 2% DPA is eligible on Brokered with Borrower paid compensation or Correspondent Transactions. See table below:</p> <ul style="list-style-type: none"> • FHA 203(b) • FHA Repair Escrow • FHA Limited 203(k) • FHA Standard 203(k) <ul style="list-style-type: none"> o Reminder for 203(k) transactions: The DPA amount is calculated off the purchase price. MRI is based off purchase price plus alterations. <p>NOTE: 3.5% DPA is eligible on Brokered with Borrower paid compensation or Correspondent transactions. See table below:</p> <ul style="list-style-type: none"> • FHA 203(b) • FHA Repair Escrow • FHA Limited 203(k) • FHA Standard 203(k) <ul style="list-style-type: none"> o Reminder 203(k) transaction: The DPA amount is calculated off the purchase price. MRI is based off purchase price plus alterations. <p>Note: DPA may not be combined with FHA High Balance defined as greater than FHFA Conforming loan limit or FHA County loan limit, whichever is less.</p>
	<p>2% DPA Program cannot be used in conjunction with:</p> <ul style="list-style-type: none"> • FHA High balance • FHA 100 Down Program • FHA 203(h) Program • FHA GNND Program • FHA OTC • Any other DPA Program <p>3.5% DPA Program cannot be used in conjunction with:</p> <ul style="list-style-type: none"> • FHA High balance • FHA 100 Down Program • FHA 203(h) Program • FHA GNND Program • Any other DPA Program • FHA OTC
Minimum and Maximum LTV/CLTV/HCLTV	96.50%
Maximum DTI	<ul style="list-style-type: none"> • Approve/Eligible (DU) or Risk Class Accept (LPA) – Follow AUS • Refer/Eligible (DU), Risk Class Refer (LPA) / Manual Underwrite – Follow FHA Guidelines
Homeownership Counseling	<p>The Borrower must complete homeownership counseling (home buyer education course or pre-purchase counseling course) offered by an entity of the Borrower's choice which is approved by HUD/FHA, either online or in person. The cost of the course shall initially be paid by the Borrower (by credit card if they so choose), which the Lender shall credit back towards closing costs (up to \$100) at the time of closing as a lender credit.</p> <p>Click here for link to HUD Credit Counseling: https://apps.hud.gov/offices/hsg/sfh/hcc/hcs.cfm</p> <p>Correspondent clients must:</p> <ul style="list-style-type: none"> • provide the certificate and receipt for the course along with the initial Loan Estimate showing the fee disclosed to the Borrower.



	<ul style="list-style-type: none"> provide the Closing Disclosure showing the amount of the course (up to \$100) as a lender credit towards the closing costs. Important: This lender credit is the responsibility of the Correspondent client.
Geographic Restrictions	<ul style="list-style-type: none"> Washington <ul style="list-style-type: none"> This program is not permitted in the State of Washington Wisconsin <ul style="list-style-type: none"> Up to \$700 of the appraisal fee must be credited back towards the closing costs. <ul style="list-style-type: none"> Retail, Broker and Table Funded transactions will have the fee credited back as a lender credit towards closing costs on the Closing Disclosure. Correspondent clients must reflect the fee as a lender credit towards closing costs on the Closing Disclosure. Note: AFR to add the amount of the appraisal fee on the purchase advice. Hawaii <ul style="list-style-type: none"> AFR does not operate in the state of Hawaii and does not permit loans with a subject property in Hawaii for all programs in all channels with the exception of Correspondent Delegated UW transactions.
Correspondent Forms	<p>See FORMS Section in the Resource Center:</p> <ul style="list-style-type: none"> DPA Program Disclosure DPA Application Advantage
Correspondent and Delegated Correspondent Requirements	<p>For Non-Delegated, other than improved premium pricing, the process is not changing. A Delegated Correspondents Lender must:</p> <ul style="list-style-type: none"> Register and lock the loan at least 5 business days prior to closing Submit a fully executed/completed DPA package to AFR at least 5 business days prior to the requested closing date that includes: <ul style="list-style-type: none"> The fully executed Purchase Contract including all addendums The fully executed original 1003 AUS findings : <ul style="list-style-type: none"> DU: Approve/Eligible or Refer/Eligible LPA: Risk Class Accept or Risk Class Refer Fully complete wiring instructions, including contact information for the closing agent Fully executed Down Payment Assistance Application Assistance Grant Letter signed by the borrower(s) Fully executed DPA Program Disclosure Evidence of Homeowners Counseling (certificate and receipt for the course); along with Initial LE showing the fee of the course disclosed to the Borrower Prepare the closing package <p>Important: Loans locked with a DPA Advantage program are being locked as best efforts delivery. Once the loan closes, the best efforts lock will be changed to a mandatory delivery and a penalty of 500 bps will be applied on non-delivered loans.</p>
OVERLAYS	
<p>Follow all overlays outlined in the FHA 203(b) Program Matrix and:</p> <ul style="list-style-type: none"> Loan to Value (LTV) must be 96.5% 	
Disclaimer	<p>All overlays herein are subject to change by AFR without notice. Where AFR is silent the UW must follow FHA203(b) guidelines outlined in the 4000.1.</p>

