



DPA Matrix

Down Payment Assistance Amount	Structure, Term and Rate	Down Payment Assistance Amount	Structure, Term and Rate
3.5%	Repayable: <ul style="list-style-type: none"> • 10 year term, • interest rate at 2% higher than first mortgage. 	5%	Repayable: <ul style="list-style-type: none"> • 10 year term, • interest rate at 2% higher than first mortgage.
	Forgivable: <ul style="list-style-type: none"> • 30 year term, no payments due • interest rate at 0% • Loan will be forgiven after 36 months of on-time consecutive 1st lien payments 		Forgivable: <ul style="list-style-type: none"> • 30 year term, no payments due • interest rate at 0% • not available for High Balance • Loan will be forgiven after 120 months of on-time consecutive 1st lien payments

First Lien Requirements								
Property Type	Occupancy	Purpose	Loan Amount	Min. FICO	Min. LTV	Max LTV	Product 1st Lien	Term
1 unit	Primary	Purchase	County Limit	600	90	96.50%	30 yr Fixed	360

Homeownership Education Requirements Prior to Closing				Overlays	
FICO		Approved Counseling Courses		Manufactured	DU Approved Only. Manual UW ineligible.
600-619	Required (No cost to borrower)	Money Management International			Non-Occupant Co-borrowers not allowed
620-639	Required through any listed	Any HUD Approved Counseling		FICO, Payment Shock and DTI	
		Framework		FICO 660 and above w/Max DTI of 50%	Payment shock not to exceed 175%
		HomeView			
640		Not Required		FICO 659 and below with Max DTI of 45%	Payment shock not to exceed 150%

Chenoa Specifications

Origination Fee	<ul style="list-style-type: none"> • BPC Only <ul style="list-style-type: none"> • Max Fee: 1.5% 				
Maximum Loan Amount	<ul style="list-style-type: none"> • Per County Limits (1st lien) • High Balance - any loan that exceeds the FHFA (conforming loan limit) <ul style="list-style-type: none"> • Repayable – allowed for 3.5% and 5% assistance • Forgivable – allowed for 3.5% assistance only 				
Forgivable 2nd Mortgage Terms	<p>Down payment assistance in the form of soft/forgivable secondary financing. Second lien is a 30-year term with 0% interest and no payments due.</p> <ul style="list-style-type: none"> • 3.5% DPA: The loan will be forgiven after 36 consecutive on time payments • 5% DPA: The loan will be forgiven after 120 consecutive on time payments 				
AMI Limit	<p>No income limits. LLPA added if income is > 135% AMI.</p> <ul style="list-style-type: none"> • HUD AMI Limit 				
Payment Shock, DTI and FICO	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%; text-align: center;">Max 175% Payment Shock</td> <td>• No income limits. LLPA added if income is > 135% AMI.</td> </tr> <tr> <td style="text-align: center;">Max 150% Payment Shock</td> <td>• FICO 659 and below with Max DTI of 45%</td> </tr> </table>	Max 175% Payment Shock	• No income limits. LLPA added if income is > 135% AMI.	Max 150% Payment Shock	• FICO 659 and below with Max DTI of 45%
Max 175% Payment Shock	• No income limits. LLPA added if income is > 135% AMI.				
Max 150% Payment Shock	• FICO 659 and below with Max DTI of 45%				
Homebuyer Education	<p>Based on credit score:</p> <p>600-619: Required. Must be through Money Management International. (No extra cost to borrower)</p> <p>620-639: Required. Must be through any HUD-approved education course.</p> <p>640+: No overlay.</p>				
First Mortgage	30-year term, fixed rate, full amortization. Must be sold to CBC.				
Property Types	<ul style="list-style-type: none"> • 1 unit only - SFR, PUD, townhome, condo, attached, detached, modular. • Manufactured allowed on Approve/Eligible Loans only. Non-occupant not allowed 				
Non-Occupant Coborrower	Allowed (family members or relatives only, as defined by FHA). When the loan includes a non-occupant co-borrower, the qualifying income of only the occupying borrower(s) is used to determine program qualifications under AMI limits. Non-occupant not allowed on Manufactured Home.				
LTV/CLTV	<p>LTV: Must be 90%-96.5%.</p> <p>CLTV: No overlay.</p>				
Manual Underwriting	Not Allowed				
Borrower Contribution	0				
Self-employed Borrower Business Verification	Self-employed borrowers must have their business verified as open and operating within ten (10) calendar days prior to the Note date. Documentation must be provided with one of the following to confirm that the business is open and operating:				

<p>Self-employed Borrower Business Verification (Continue)</p>	<ul style="list-style-type: none"> • Evidence of current work (executed contracts or signed invoices that indicate the business is operating on the day the correspondent verifies self-employment) • Evidence of current business receipts within ten (10) days of the Note date (payment for services performed) • Correspondent certification that the business is open and operating (correspondent confirmed through a phone call or other means) • Business website demonstrating activity supporting current business operations (timely appointments for estimates or service can be scheduled)
<p>Forgiveness Conditions</p>	<p>Applies only to the Forgivable 2nd</p> <ul style="list-style-type: none"> • Chenoa Fund 3.5% DPA <ul style="list-style-type: none"> • Forgiven once the borrower makes 36 consecutive on-time payments on the FHA first mortgage. (The borrower must request forgiveness once forgiveness conditions are met and provide payment for processing the lien release.) • This forgiveness period resets if the borrower makes a late payment on the first mortgage. • If this forgiveness condition is not met before the end of the 30-year term, then the loan may be forgiven at the borrower's request and upon the borrower's payment of processing the lien release. • This loan permanently loses its forgivable status if, during the initial 36 payments on the first mortgage, the borrower refinances the first mortgage and state law allows the second mortgage to subordinate without prior consent from CBCMA. • Chenoa Fund 5.0% DPA <ul style="list-style-type: none"> • Forgiven if all borrower payments are less than 60 days late on the first 120 payments on the FHA first mortgage. (The borrower must request forgiveness once forgiveness conditions are met and provide payment for processing the lien release.) • This forgiveness period does not reset if any of the first 120 payments on the FHA first mortgage are 60 or more days late; in such a situation, the loan would not be forgiven after the first 120 payments on the FHA first mortgage, but the loan would still have a 0% interest rate and no monthly payment for the rest of the 30-year term. • If this loan is not forgiven after the first 120 payments on the FHA first mortgage and this loan reaches the end of its 30-year term, then the loan may be forgiven at the borrower's request and upon the borrower's payment of processing the lien release. • This loan permanently loses its forgivable status if during the initial 120 payments on the first mortgage the borrower refinances the first mortgage and state law allows the second mortgage to subordinate without prior consent from CBC.
<p>URLA</p>	<p>Present housing MUST be completed in 1003. No exceptions.</p>

Ineligible Features	<ul style="list-style-type: none"> • Building on own land • Construction to Perm • Easements and deed restrictions that affect marketability • Proposed or under construction • Illegal Accessory Units
Gaps in Employment	HUD requires all loan applications to contain a complete two-year history of employment on the 1003. LOX for files with less than two (2) years of employment history required. The start date for this two-year history is the application date for the 1003.
Subordinate Financing	Borrowers may increase their minimum required investment (down payment) by putting down additional funds above and beyond the assistance received through the Chenoa Fund™ program as long as the loan-to-value ratio does not go below 90%.
State-specific Guidance	Alaska and South Carolina <ul style="list-style-type: none"> • The minimum second mortgage loan amount is \$5,000. Therefore, for purchase prices below \$166,666.67 with 3% assistance, \$143,800 with 3.5% assistance, or \$100,000 with 5% assistance, the DPA amount will be \$5,000 in those states.
	North Carolina <ul style="list-style-type: none"> • Per state law, origination fees are capped at 1% for loans under \$300,000. For loans equal to or above \$300,000, it may exceed the 1.5% origination fee cap if there are no fees charged in the origination section of the CD (Section A) other than the origination fee. Loans must comply with QM guidelines (i.e. the 3% points and fees test).
	Not offered in the state of New York.
Rental History	<ul style="list-style-type: none"> • Rental payment history may assist first time homebuyers (per FHA Mortgagee Letter 2022-17) • Rental payments can be combined for payment shock if borrowers have been living in separate residences. • Renting from family member: Must provide a copy of the executed lease agreement and 12 months canceled checks or bank statements. • Borrowers with “0” rental payment: rent free letter required. Max 45% DTI
Additional Properties Owned	Allowed, Motivational LOE is required to keep current residence while purchasing new. FHA guidelines regarding owner occupancy requirements must be met. An acceptable reason must be documented for the move, along with the intent behind retaining the current property. Occupancy reasonability must be documented and a QC review may be applied to the transaction. If the new residence is an additional 30 minutes of borrower’s commute to the borrower’s place of employment, satisfactory LOE and review is required.
Cash Back to Borrower	Borrowers may receive a refund of documented earnest money deposit and other documented, paid, third-party costs only.

Manufactured Home	<ul style="list-style-type: none"> • 1 unit Primary Residence, Fixed Rate, Fee Simple Only
	<ul style="list-style-type: none"> • Structural Engineer's report is required that meets HUD requirements. Existing engineer's cert acceptable as long as there is no new modifications made.
	<ul style="list-style-type: none"> • Affidavit of affixation, recorded, signed and written statement acknowledging that the manufactured home is attached and classified as real property required.
	<ul style="list-style-type: none"> • Property must not be located in a deed restricted area including restrictions for age and income
	<ul style="list-style-type: none"> • HUD Data Plates (Paper Certification located on the interior of the property) or IBTS Verification
	<ul style="list-style-type: none"> • Built on or after June 15, 1976
	<ul style="list-style-type: none"> • Built on a permanent chassis (attached to the land) in compliance with the applicable Manufactured Homes (HUD Codes) in effect as of the date the Manufactured Home was constructed.
	<ul style="list-style-type: none"> • Must be at least 12 feet wide (single-wide not allowed) and have a minimum of 600 square feet of gross living area.
	<ul style="list-style-type: none"> • Manufactured Condos, Co-ops, Mobile Home Parks, Proposed or under construction, construction to perm, building on own land not allowed
	<ul style="list-style-type: none"> • Dwellings cannot be located within Flood Zones A or V are ineligible. It is however acceptable for the land to be located within Flood Zone A or V.
	<ul style="list-style-type: none"> • Manufactured home must be on original site, relocated homes are not permitted
	<ul style="list-style-type: none"> • HUD Certification Labels (metal plates attached) or IBTS Verification if not attached to the property

HMAC is an Equal Housing Lender. NMLS# 1165808. The information in this document is intended for use by licensed mortgage bankers and mortgage loans officers, and may not to be viewed, used, or relied upon by consumers. The information disclosed in this document is subject to change without notice. Not available in all states.