



SmartBuy Down Payment Assistance (DPA) Program Matrix

Effective with locks as of **07/08/24** unless otherwise noted (**changes in bold font**)

	5 YEAR FORGIVABLE OPTION	10 YEAR REPAYABLE OPTION	SHARED APPRECIATION MORTGAGE (SAM)
General Description	<ul style="list-style-type: none"> ✓ 3.5% Down Payment Assistance (DPA) program requiring the delivery of the underlying first lien (FHA, USDA, 203(k) Limited or HUD 184*) with the subordinated second lien Note: Effective with 7/15/24 locks, Forgivable 5.0% option has been suspended ✓ Available nationally (except New York) with no first time homebuyer restrictions ✓ DPA source of funds from non-profit meets agency requirements 	<ul style="list-style-type: none"> ✓ 3.5% or 5.0% Down Payment Assistance (DPA) program requiring the delivery of the underlying first lien (FHA, USDA, 203(k) Limited or HUD 184*) with the subordinated second lien ✓ Available nationally (except New York) with no first time homebuyer restrictions ✓ DPA source of funds from non-profit meets agency requirements 	<ul style="list-style-type: none"> ✓ 3.5% Down Payment Assistance (DPA) program requiring the delivery of the underlying first lien (FHA-only) with the subordinated second lien ✓ Shared Appreciation at the end of year five or maturity event ✓ Available in select markets with no first time homebuyer restrictions ✓ DPA source of funds from non-profit meets agency requirements
DPA Second Lien: Term and Structure	<p>The second lien is fully forgiven after 5 years if the borrower meets criteria.</p> <ul style="list-style-type: none"> • 30 year fixed rate mortgage forgivable after 5 years*; 0% interest rate, no monthly payments * The second lien is forgiven if there is no 90 day or greater delinquency on the first 60 payments of the underlying first lien and property remains a primary residence • Requires distinct loan number on second lien separate from the first lien • No resubordinating • No additional liens allowed • Assumable subject to conditions 	<p>The second lien is not forgivable and <u>can be originated with multiple amortization terms</u>. Three options for fixed rate amortization and term:</p> <ul style="list-style-type: none"> • 10 year fully amortizing over 10 years • 20 year amortization with 10 year balloon • 30 year amortization with 10 year balloon • Requires distinct loan number on second lien separate from the first lien • No resubordinating • No additional liens allowed • Not assumable 	<ul style="list-style-type: none"> • The second lien is not forgivable • 30 year amortization with 10 year balloon • Non-profit receives 40% of the appreciation on or after the 60th payment unless property is sold, refinanced, or paid-in-full prior to that date. • Requires distinct loan number on second lien separate from the first lien • No resubordinating • No additional liens allowed • Not assumable • <i>*Appreciation is the difference between initial purchase price and gross proceeds from sale or current market value if refinanced; shared appreciation of 100% during years 1-3 and 60% during years 4-5 if maturity event before 60th payment.</i>
DPA Amount / Use of Funds	<ul style="list-style-type: none"> • 3.5% of home purchase price or appraised value, whichever is less • Down payment, closing costs and prepaid items including any items paid outside closing 	<ul style="list-style-type: none"> • 3.5% or 5.0% of home purchase price or appraised value, whichever is less • Down payment, closing costs and prepaid items including any items paid outside closing 	<ul style="list-style-type: none"> • 3.5% of home purchase price or appraised value, whichever is less • Down payment, closing costs and prepaid items including any items paid outside closing • DPA funds not included in appreciation amount



REFER TO AGENCY GUIDELINES TO DETERMINE FIRST LIEN ELIGIBILITY SUBJECT TO BELOW OVERLAYS			
	5 YEAR FORGIVABLE OPTION	10 YEAR REPAYABLE OPTION	SHARED APPRECIATION MORTGAGE (SAM)
First Lien: Loan Products / Transaction Type / Occupancy	<ul style="list-style-type: none"> FHA 203(b), (234(c) for condo), USDA, 203(k) Limited or HUD 184* <i>*Note: HUD 184 Native American Program available through Click n' Close's <u>1st Tribal Division</u></i> 30 year Fixed Rate only Purchase transactions only Owner-occupied only; property must remain primary residence throughout the term of the second lien 		<ul style="list-style-type: none"> FHA 203(b) 30 year Fixed Rate only Purchase transactions only Owner-occupied only; property must remain primary residence throughout the term of the second lien
Borrower Eligibility	<ul style="list-style-type: none"> Based on FHA, USDA, or HUD 184* program guidelines No revocable trusts Not required to be first-time homebuyers No income restrictions beyond USDA guidelines 		<ul style="list-style-type: none"> Based on FHA program guidelines No revocable trusts Not required to be first-time homebuyers No income restrictions
Property Locations	<ul style="list-style-type: none"> Available in all states except New York (not available in U.S. territories) TBD Locks / "Lock and Shop" allowed (available with locks as of 6/25/24; loan level price adjustment applicable) 		<ul style="list-style-type: none"> Available in most states/areas except for the following: New York, U.S. Territories, Flood Zones, Coastal Barrier Resources Area (CBRA) and Oceanfront properties
Credit Score	<ul style="list-style-type: none"> <u>Minimum representative credit score of 620</u>, (loan level price adjustment (LLPA) for credit scores below 640) All borrowers must have at least one score 	<ul style="list-style-type: none"> <u>Minimum representative credit score of 660</u> All borrowers must have at least one score 	<ul style="list-style-type: none"> <u>Minimum representative credit score of 660</u> All borrowers must have at least one score
"Blended Score" Qualifying Flexibility	<ul style="list-style-type: none"> Minimum "<u>Blended Score</u>" of 660 Allows qualification by averaging representative credit score of occupying borrowers Primary wage earner must have >= 60% of household income (including non-qualifying) AND have the higher credit score No minimum credit score for lower wage earner Must maintain AUS approval Blended Score for qualification purposes only; Pricing remains based on borrower's individual representative credit score 		<ul style="list-style-type: none"> Minimum "<u>Blended Score</u>" of 670 Allows qualification by averaging representative credit score of occupying borrowers Primary wage earner must have >= 60% of household income (including non-qualifying) AND have the higher credit score No minimum credit score for lower wage earner Must maintain AUS approval Blended Score for qualification purposes only; Pricing remains based on borrower's individual representative credit score
Underwriting	<ul style="list-style-type: none"> Approval by an Automated Underwriting System (DU, LPA, GUS) Manual underwriting exception allowed subject to FHA / USDA requirements 	<ul style="list-style-type: none"> Approval by an Automated Underwriting System (DU, LPA, GUS) No manual underwriting on Repayable DPA loans 	<ul style="list-style-type: none"> Approval by an Automated Underwriting System (DU, LPA, GUS) Manual underwriting exception allowed subject to FHA requirements
Debt-to-Income (DTI)	<ul style="list-style-type: none"> Maximum DTI ratio per AUS approval Maximum DTI per agency manual underwriting requirements 	<ul style="list-style-type: none"> Maximum DTI ratio per AUS approval No manual underwriting on Repayable DPA loans 	<ul style="list-style-type: none"> Maximum DTI ratio per AUS approval Maximum DTI per agency manual underwriting requirements



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	5 YEAR FORGIVABLE OPTION	10 YEAR REPAYABLE OPTION	SHARED APPRECIATION MORTGAGE (SAM)
Loan-to-Value	<ul style="list-style-type: none"> Minimum LTV – 90.00% Maximum LTV/CLTV – Based on FHA / USDA guidelines 	<ul style="list-style-type: none"> Minimum LTV – 90.00% Maximum LTV/CLTV – Based on FHA / USDA guidelines (Note: Per USDA, maximum CLTV limited to <= market value of property for repayable DPA) 	<ul style="list-style-type: none"> Minimum LTV – 90.00% Maximum LTV/CLTV – Based on FHA guidelines
Property Types / Units	<ul style="list-style-type: none"> Single-family detached/attached, condos and PUDs Manufactured housing eligible subject to criteria below No unique property types 1 – 2 units 		<ul style="list-style-type: none"> Single-family detached/attached, condos and PUDs No Manufactured housing No unique property types 1 unit only
Manufactured Housing	<ul style="list-style-type: none"> Minimum representative credit score of <u>660</u> Single-wide units are not eligible Eligibility subject to FHA / USDA requirements 		Ineligible
Buydowns	<ul style="list-style-type: none"> Permanent rate buydown allowed Temporary 2-1 buydown allowed (loan level price adjustment applicable) 		<ul style="list-style-type: none"> Permanent rate buydown allowed Temporary 2-1 buydown allowed (loan level price adjustment applicable)
High Balance	High Balance restricted to repayable options only	<ul style="list-style-type: none"> Available for both <u>3.5% and 5.0% Repayable DPA</u> options High Balance loans defined per Ginnie Mae (subject to loan level price adjustment (LLPA)) 	<ul style="list-style-type: none"> High Balance loans allowed as defined per Ginnie Mae (subject to loan level price adjustment (LLPA))
Escrow Holdbacks	Escrow holdbacks allowed subject to the following: <ul style="list-style-type: none"> Weather related items with aggregate cost not to exceed \$10,000 Postponed items do not affect occupancy Must be completed and inspected within 180 days of the Note date Mortgagee to establish escrow account and final completion 		
Mortgage Credit Certificate	Allowed subject to agency guidelines for eligibility and qualifying purposes (available with locks as of 6/25/24)		
Eligible Lenders / Channels	<ul style="list-style-type: none"> Must be approved by Click n' Close, Inc's (CNC) Correspondent Division as delegated lender (also available in CNC's Wholesale Divisions) Retail originations including related parties and joint ventures 		
Allowable Lender Fees	Fees charged to the Borrower must comply with all applicable federal, state and local laws and disclosure requirements		
Investor TRID / Disclosure Requirements	Second Lien (forgivable, no payment) – Separate TRID disclosure not required	Second Lien (repayable) – separate TRID disclosure required (with distinct loan number) No lender fees on the second lien; allowable fees restricted to: <ol style="list-style-type: none"> prepaid interest reasonable recording and settlement fees MERS registration and transfer fees <u>Note:</u> 10 Year Repayable with 20 and 30 year amortization require a balloon disclosure per CFPB	Second Lien (Shared Appreciation Note) – separate TRID disclosure required (with distinct loan number) No lender fees on the second lien; allowable fees restricted to: <ol style="list-style-type: none"> prepaid interest reasonable recording and settlement fees MERS registration and transfer fees Note: Special disclosure required for Shared Appreciation and Balloon feature on second lien



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	5 YEAR FORGIVABLE OPTION	10 YEAR REPAYABLE OPTION	SHARED APPRECIATION MORTGAGE (SAM)
Non-Profit Administrative Fee	\$500 administrative fee netted at funding of second lien purchase		
Loan Commitment Fee	\$250 commitment fee netted at funding of first lien purchase		
Limited 203(k) Mortgage Program Fee	\$250 netted at funding of first lien purchase		Not Applicable
MERS / MIN	MERS registration and a unique MIN number are required on both the 1st lien and 2nd lien DPA Within 5 days of the servicing transfer, Investor and Servicer should be updated as follows: 1 st lien MERS ORG ID (<u>INVESTOR & SERVICER</u>) – 1001320 (Click n' Close, Inc.) 2 nd lien DPA MERS ORG ID: <ul style="list-style-type: none"> • <u>INVESTOR</u> – 1016709 (Rosebud Economic Development Corporation) • <u>SERVICER</u> – 1001320 (Click n' Close, Inc.) 		
Electronic Collateral	eNotes and eMortgages are allowed on first lien only (Please contact Correspondent@clicknclose.com for lender approval and set-up instructions)		
Early Payment Default	Applies to any Mortgage Loan if a Mortgagor is ninety (90) days or more delinquent with any of the first six (6) monthly payments due following the date on which Purchaser funds such Mortgage Loan or disburses funds to purchase such Mortgage Loan.		
Full Payoff within 180 Days of Loan Purchase	Seller must repay the greater of the purchase premium OR 1% of the unpaid principal balance (UPB) of the first lien sold to CNC (purchased UPB). Seller must also ensure full remittance of the first and second lien funds if received from the borrower during the interim servicing period		
Limited 203(k) Mortgage Recourse	Seller maintains full recourse until all of the work is completed and the FHA case is closed out electronically in FHA Connections. Project changes and extensions requested after CNC has purchased the first lien must be approved by CNC. Draw requests and extensions must be sent to tradedesk@clicknclose.com.		Not Applicable

Final Documents / Post-Purchase Conditions Policy

CNC has implemented a formal policy related to the timely submission of Final Documents including any outstanding post-purchase conditions. Electronic copies of documents such as title policy, 2nd lien note, 2nd lien allonge and 2nd lien recorded mortgage can be sent to conditions@clicknclose.com. Original recorded mortgages and other original post-purchase documents should be mailed to:

Click n' Close, Inc.
ATTN: Final Documents
 15301 Spectrum Drive, Suite 405
 Addison, Texas 75001-6877

Final Documents / Post-Purchase Conditions (timeline based on date of purchase by CNC)	CNC Policy / Process	Fee Amount
< = 120 days from purchase	Standard timeline for submission of documentation	N/A
121 days to 180 days	Exception reports sent to Seller for resolution	N/A
181 days to 270 days	Escalation to Seller's management and subject to loan level fee (waived if remediated within 7 business days from exceeding the 180 day mark)	\$100 per outstanding document (90 day increments)



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Final Documents / Post-Purchase Conditions (timeline based on date of purchase by CNC)	CNC Policy / Process	Fee Amount
271 days to 360 days	Escalation to Seller's management and loan level fees assessed	\$100 per outstanding document (90 day increments)
360+ days	Escalation to Seller's management; loan subject to possible repurchase or curative expenses in addition to fee(s)	\$50 per outstanding document (per month)