



Click n' CloseTM
Correspondent

SmartBuyTM Down Payment Assistance

WEBINAR

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About Click n' Close, Inc.

- Formerly Mid America Mortgage – rebranded in 2022 to Click n' Close.
- Click n' Close Correspondent offers one of the broadest product offerings out of all National DPA Investors.
- 2.5B + in SmartBuy loans originated serving over 10,000 families.
- Managing a servicing portfolio exceeding \$10B, maintained in house.
- Partners with REDCO, a national non-profit DPA provider, to fund the second lien portion of down payment assistance (DPA) transactions.



The SmartBuy DPA Solution:

- Removes down payment barriers with built-in assistance
- Expands borrower eligibility through flexible program options
- Offers a competitive edge versus state and local bond DPA programs
- Helps Loan Officers grow production and extend market reach
- Expands homeownership opportunities for underserved buyers

The Challenge:

- Rising home prices create affordability pressures
- Many borrowers face barriers to entry
- Limited cash reserves restrict down payment options

Why SmartBuy™ Down Payment Assistance?



SmartBuyTM DPA Program Advantages

FHA 203(b) or USDA 1st Lien

Minimum LTV of 90%

Max LTV/CLTV follow Agency Guidelines

30-year Fixed Rate Term

5/1 FHA ARM – Repayable 3.5% Only

No Income Limitations (except USDA)

No 1st Time Homebuyer Requirements

Homeowner Education not Required

No DTI Overlays

1 & 2 Unit Properties

PUDS

Condos

Manufactured Homes (no singlewides)

The second lien funds can be used as a down payment and/or closing costs towards the purchase of a primary residence.

Participation in the DPA program requires delivery of both the FHA or USDA first lien and the corresponding subordinated second lien.

Program Available Nationwide (excluding NY)

Fully Delegated Program

SmartBuy Second Lien Options



Forgivable Option

- 3.5% 2nd Lien
- Minimum 640 FICO Score
- AUS/Manual Underwriting Eligible
- No DTI overlays, follow Agency Guidelines
- 3-Yr and 5-Yr forgiveness period options
- Forgivable as long as borrower has no 90+ day delinquencies on the first lien
- 0% interest, no P&I payment, no accrued interest

Repayable Option

- 3.5% or 5% 2nd Lien Option
- Minimum 660 FICO Score
- AUS approval only
- No DTI overlays, follow Agency Guidelines
- 7.99% Interest Rate
- 10-year Amortization & 30-year Amortization with a 10-year Balloon
- 5/1 FHA ARM option available on the 3.5% option

No extra steps to approve your second lien.

Escrow Holdbacks allowed:

- Repair items must be minor and non-structural, and may not affect the health, safety, security or livability of the property.
- Follow Agency guidelines for Escrow Holdback requirements.
- Repairs must be completed and inspected within 120 days of the Note date.
- Mortgagee to establish escrow account and final completion.

Mortgage Credit Certificates (MCC's) allowed:

- May be used as qualifying income per agency guidelines
- Income Calculated as $(\text{loan amt} \times \text{note rate} \times \text{MCC\%}) / 12$, capped at IRS limit)
- Copy of MCC and calculation documentation required in the loan file



Additional Eligibility



Manufactured Home Requirements:

- Singlewides are not allowed
- Minimum 660 FICO requirement
- Eligibility subject to FHA/USDA requirements

203K Limited Eligible

Additional Information

TRID Requirements

- TRID Disclosures are required on both liens
- 2nd lien set up as a Conventional loan
- Repayable Term is 120 (10 years)/Forgivable Term 360 (30 years)

Lender Fees

- All Lender Fees must be charged on 1st lien LE and CD
- No Lender Fees allowed on 2nd lien
- Normal and Customary Settlement charges are allowed on 2nd lien
- For Example: Title Policy, Settlement Fee, Prepaid Interest

Title Policy

- Not required on 2nd lien

Resubordination
of 2nd lien is not
allowed

Must remain as
Owner Occupied
through
Forgiveness period



Forgivable vs Repayable Payment Comparison



Forgivable Option

Purchase Price: \$350,000

1st Lien

Loan Amount: \$337,750

Interest Rate*: 6.5%

P&I: \$2,134.81

2nd Lien

Loan Amount: \$12,250

Interest Rate: 0%

P&I: \$0

Total P&I: \$2,134.81

Repayable Option

Purchase Price: \$350,000

1st Lien

Loan Amount: \$337,750

Interest Rate*: 6.25%

P&I: \$2,079.58

2nd Lien

Loan Amount: \$12,250

Interest Rate: 7.99%

P&I: \$148.56

Total P&I: \$2,228.14

* These rates are examples for comparison purposes only



State and Local Bond Comparison

- No First Time Homebuyer Requirement
- Homebuyer Counseling not required (but suggested)
- No DTI overlays
- No Income Restrictions (except for USDA requirements)
- Nationwide eligibility (with the exception of NY)
- Lower Fees
- Temporary Interest Rate Buydowns allowed (2-1& 1-0)
- Permanent Interest Rate Buydowns allowed
- Seller Concessions allowed to Agency Guidelines
- DPA Funds are not restricted to state and federal funding

Additional Smart Uses of DPA vs 3.5% Cash Down Payment

Pay Down High-Interest Credit Card Debt

- Use preserved cash to reduce or eliminate high-interest revolving debt
- Lowers monthly obligations, improves cash flow, and supports long-term affordability

Reduce Monthly Payment Pressure

- Preserves cash can help borrowers manage higher monthly expenses (utilities, HOA, Insurance)
- Especially important in the first 6-12 months of homeownership

Avoid New Debt After Closing

- Using DPA helps borrowers avoid putting post-closing expenses on credit cards

Maintain Financial Flexibility

- Cash on hand gives borrowers options if income changes or unexpected costs arise
- Flexibility is often more valuable than tying up funds in equity at purchase

Support a Smoother Transition into Homeownership

- Homeownership comes with new and recurring costs
- Preserved cash reduces financial stress during the adjustment period

Strengthen Overall Loan Sustainability

- DPA can support long-term performance, not just qualification
- Sustainable homeownership benefits the borrower and the lender

Check out our resources!

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Introducing SmartBuy™ Down Payment Assistance Program

Flexible, nationwide DPA powered by
Click n' Close Correspondent Lending

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QUESTIONS



**We will now
answer questions**

Thank you!

Need assistance? We're ready to help!

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Delivery and Conditions:

conditions@clicknclose.com

We will forward the presentation in a follow-up email!

www.clicknclosecorrespondent.com

