



## LENDING PROS FHA DPA PRODUCT MATRIX DPA PRO & DPA PRO PLUS & DPA PRO HOME ADVANTAGE

PRIMARY RESIDENCE STANDARD AND HIGH BALANCE LTV/CLTV MATRIX <sup>2,4</sup>				
Transaction Type <sup>1</sup>	Number of Units	Maximum LTV/CLTV/HCLTV		Minimum Credit Score
FHA Purchase	1-2 Units	DPA Pro <sup>3</sup>	96.50% LTV + 3.5% DPA = 100% CLTV	600 – AUS 660 – Manual
		DPA Pro Plus	96.50% LTV + 3.5% DPA = 100% CLTV	
		DPA Pro Home Advantage	96.50% LTV + 5.0% DPA = 101.5% CLTV	
<sup>1</sup> Row Homes in Baltimore City, MD: External-only BPO secondary valuation required within 10% tolerance <sup>2</sup> High Balance not allowed on the DPA Pro 3-yr or 5-yr forgivable term <sup>3</sup> The DPA Pro 5-yr and 10-yr forgivable term options are not eligible for loan submissions on or after Feb. 19 <sup>th</sup> , 2026 <sup>4</sup> High Balance not allowed in WA				

FIXED PRODUCT OFFERINGS	
<b>Fixed Rate Products</b>	<ul style="list-style-type: none"> <li>30-year fixed</li> </ul>

The FHA DPA product is designed to increase homeownership opportunities for low-to-moderate income individuals and families nationwide, excluding New York. Unless otherwise specified below, loans must adhere to FHA eligibility requirements, as outlined in the [FHA Single Family Housing Handbook 4000.1](#).

**The first lien is an FHA 30-year fixed rate, fully amortized mortgage.**

Down Payment Assistance allows up to 100% CLTV (or 101.5% CLTV for DPA Pro Home Advantage only) via the following three options:

**1) DPA Pro** - 2nd lien with a 0.00% Note rate, deferred payments with a 3-year, 5-year and 10-year forgivable term options (WA ineligible)

**Note:** The DPA Pro 5-yr and 10-yr forgivable term options are not eligible for loan submissions on or after Feb. 19<sup>th</sup>, 2026

**2) DPA Pro Plus** - 2nd lien with an interest rate equal to the first lien rate + 2%, 10-year amortization and monthly payments required

**3) DPA Pro Home Advantage** - 2nd lien with an interest rate equal to the first lien rate + 2%, 10-year amortization and monthly payments required



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TOPIC	CRITERIA
<b>Application/URLA – Initial and Final</b>	<ul style="list-style-type: none"> <li>Initial and Final URLA are both required per FHA guidelines</li> <li>At least one of the URLAs must be signed by the Mortgage Loan Originator (MLO), and at least one must have the 'Present Housing Expense' section completed (no exceptions)</li> </ul>
<b>Borrower Contribution</b>	<ul style="list-style-type: none"> <li>Borrower's minimum contribution is \$0.00</li> </ul>
<b>Cash Back to Borrower</b>	<ul style="list-style-type: none"> <li>Borrower may not receive any cash back from DPA proceeds (except earnest money deposit)</li> </ul>
<b>Credit Requirements</b>	<ul style="list-style-type: none"> <li>Borrowers must have at least one (1) credit score</li> <li>600 Minimum credit score for AUS Approve/Accept findings</li> <li>660 Minimum credit score for Manual Underwriting</li> <li>Must meet all FHA credit standards per <a href="#">FHA Single Family Housing Handbook 4000.1</a></li> <li>Borrower whose only credit history is built from 'Authorized User' account is not eligible</li> </ul>
<b>Debt-to-Income Ratio (DTI)</b>	<ul style="list-style-type: none"> <li>Follow AUS findings (Approve/Eligible or Accept findings required)</li> <li>Manual Underwriting               <ul style="list-style-type: none"> <li>Maximum DTI is 45%</li> <li>Except where noted above for max DTI and minimum credit score, must follow FHA guidelines regarding manual underwriting and required compensating factors</li> </ul> </li> <li>DPA Pro Plus and DPA Pro Home Advantage 2nd lien payment must be included in qualifying ratios (2nd rate equal to first lien rate + 2% and a 10-year amortization)</li> <li>Underwriter must resubmit AUS after loan is locked</li> </ul>
<b>Down Payment Assistance (DPA)</b>	<ul style="list-style-type: none"> <li>Up to 5.0% of the sales price or appraised value, whichever is less</li> <li>DPA proceeds may be used for down payment and/or closing costs</li> <li><b>DPA Pro Plus and DPA Pro Home Advantage:</b> 2nd liens have an interest rate equal to first lien rate + 2%, amortized over 10 years with monthly payments required</li> <li><b>DPA Pro:</b> 2nd lien provides up to 3.5% assistance at 0.00% Note rate with deferred payments fully amortized over 30 years, with 3-year, 5-year and 10-year forgivable options</li> <li><b>Note:</b> The DPA Pro 5-yr and 10-yr forgivable term options are not eligible for loan submissions on or after Feb. 19<sup>th</sup>, 2026           <ul style="list-style-type: none"> <li>DPA Pro is forgivable if:</li> </ul> </li> </ul>



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TOPIC	CRITERIA
	<ul style="list-style-type: none"> <li>▪ Loan has satisfied the full forgivable term (3-yr, 5-yr, 10-yr) measured from the Note date, and</li> <li>▪ At least one borrower continues to occupy the property as their primary residence, and</li> <li>▪ A Repayment Event has not occurred. A Repayment Event is the earliest of the following:               <ul style="list-style-type: none"> <li>◆ Transfer of title</li> <li>◆ Sale of the property</li> <li>◆ Payoff of the first lien</li> <li>◆ Payoff of the subordinate loan principal balance</li> <li>◆ Refinance of the first lien</li> <li>◆ Disposition of the property, including, without limitation foreclosure or transfer pursuant to any power of sale</li> </ul> </li> </ul>
<b>Eligible Borrowers</b>	<ul style="list-style-type: none"> <li>• US Citizens</li> <li>• Permanent Residents</li> <li>• Non-Permanent Residents with:           <ul style="list-style-type: none"> <li>○ <b>Case numbers assigned prior to May 25, 2025</b>, are allowed under the following conditions:               <ul style="list-style-type: none"> <li>▪ Acceptable visa evidence provided</li> <li>▪ Borrower eligible to work in the US, as evidenced by EAD issued by the USCIS</li> <li>▪ Borrower has valid Social Security Number (SSN)</li> <li>▪ Borrower satisfies the same requirements, terms, and conditions as those for US citizens</li> <li>▪ DACA: With Category C33 work status under deferred action, DACA borrowers allowed:                   <ul style="list-style-type: none"> <li>◆ EAD must be current (if expiring within one year, evidence history of renewals)</li> <li>◆ Income source must be stable with a two (2) year work history</li> </ul> </li> <li>▪ Diplomatic Immunity: Borrowers with Diplomatic Immunity ineligible</li> </ul> </li> <li>○ Case <b>numbers assigned on or after May 25, 2025</b>, are ineligible except for citizens of Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau that have an EAD Category Code A08.</li> <li>○ Refer to <a href="#">FHA Single Family Housing Policy Handbook 4000.1</a> for additional requirements</li> </ul> </li> </ul>
<b>Eligible Properties</b>	<ul style="list-style-type: none"> <li>• Condominium (in accordance with FHA guidelines and must not be in litigation)</li> <li>• Manufactured housing (single-wide ineligible)</li> <li>• Planned Unit Development (PUD)</li> <li>• SFR (1-2 Units)</li> <li>• Townhomes</li> </ul>



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TOPIC	CRITERIA
<b>Fees</b>	<ul style="list-style-type: none"> <li>• 1<sup>st</sup> Lien: Customary and reasonable closing costs and fees allowed in accordance with loan agency, Federal, State and local laws and regulations</li> <li>• 2<sup>nd</sup> Lien: No lender fees are allowed, customary 3<sup>rd</sup> party closing costs are acceptable</li> </ul>
<b>First Mortgage Loan Types</b>	<ul style="list-style-type: none"> <li>• <b>Loan Types (in accordance with FHA Guidelines)</b> <ul style="list-style-type: none"> <li>○ 203(b)</li> </ul> </li> </ul>
<b>High-Cost, HPML and QM Compliance</b>	<ul style="list-style-type: none"> <li>• HPML transactions are permitted; Lender must comply with CFPB and TRID requirements</li> <li>• High-cost loans are ineligible</li> <li>• All loans must comply with ATR/QM compliance</li> <li>• Loans exceeding 3% maximum points/fees test not permitted, unless cured to comply with the 3% threshold</li> <li>• Bona Fide Discount Points must adhere to CFPB and all (if any) state regulations</li> </ul>
<b>Homebuyer Education</b>	<ul style="list-style-type: none"> <li>• At least one borrower must receive housing counseling from a Fannie Mae, Freddie Mac, or HUD-approved non-profit housing counseling agency prior to the Note date</li> <li>• A partial list of options can be found in these links: <ul style="list-style-type: none"> <li><a href="#">Fannie Mae HomeView®</a></li> <li><a href="#">Freddie Mac CreditSmart® Homebuyer U</a></li> <li><a href="#">HUD Housing Counseling Services</a></li> </ul> </li> </ul>
<b>Income</b>	<ul style="list-style-type: none"> <li>• Follow <a href="#">FHA Single Family Housing Handbook 4000.1</a> guidelines</li> <li>• The following types of income are unacceptable: <ul style="list-style-type: none"> <li>○ Income that is not in accordance with all applicable federal, state and local laws, rules and regulations</li> <li>○ Any income generated from the cannabis or hemp industry</li> <li>○ Section 8 Housing Choice Vouchers</li> </ul> </li> <li>• Income Limits: No Restrictions</li> </ul>
<b>Ineligible Features</b>	<ul style="list-style-type: none"> <li>• Building on own land</li> <li>• Construction-to-Perm</li> <li>• Easements and deed restrictions that affect value, marketability, or property accessibility as determined by the appraiser, and for which no protective title endorsement is available</li> <li>• Proposed or under construction (New Construction is eligible provided it is complete at the time of purchase)</li> </ul>



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<b>Ineligible Properties</b>	<ul style="list-style-type: none"> <li>• 3-4 Unit Properties</li> <li>• Co-Ops</li> <li>• Indian Leased Land</li> <li>• Properties with Solar Panels that affect first lien position</li> <li>• Resale type deed restrictions</li> <li>• Single-Wide Manufactured Homes</li> </ul>
<b>Loan Amount</b>	<ul style="list-style-type: none"> <li>• Minimum Loan Amount - \$75,000</li> <li>• Maximum loan amount follows standard conforming FHA Guidelines and varies by subject property county (<a href="#">HUD FHA Mortgage Limits Lookup Tool</a>)               <ul style="list-style-type: none"> <li>○ High Balance not allowed on the DPA Pro 3-year or 5-year forgivable term options</li> </ul> <p><b>Note:</b> The DPA Pro 5-yr forgivable term option is not eligible for loan submissions on or after Feb. 19<sup>th</sup>, 2026</p> </li> </ul>
<b>Loan Purpose</b>	<ul style="list-style-type: none"> <li>• Purchase only</li> </ul>
<b>Mortgage Insurance (MI)</b>	<ul style="list-style-type: none"> <li>• Standard FHA Coverage</li> </ul>
<b>Occupancy</b>	<ul style="list-style-type: none"> <li>• Primary Residence only</li> <li>• Non-occupant co-borrowers allowed per <a href="#">FHA Single Family Housing Handbook 4000.1</a></li> <li>• First-time Homebuyers allowed</li> </ul>
<b>State Specific Restrictions</b>	<ul style="list-style-type: none"> <li>• AZ – Minimum 2nd TD Loan Amount of \$5,000.00</li> <li>• NY – Not eligible</li> <li>• SC – Minimum 2nd TD Loan Amount of \$5,000.00</li> <li>• WA – DPA Pro 2nd lien 0.00% Note rate with a deferred payment and forgivable term option is ineligible               <ul style="list-style-type: none"> <li>○ High balance ineligible</li> </ul> </li> </ul>
<b>Tax Transcripts</b>	<ul style="list-style-type: none"> <li>• Required for self-employed borrowers and when tax returns are used to qualify borrower income</li> </ul>
<b>Temporary Buydown</b>	<ul style="list-style-type: none"> <li>• Allowed with limitations – see '<a href="#">Temporary Buydown Guide</a>' below for specific terms and conditions</li> </ul>



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TEMPORARY BUYDOWN GUIDE	
<b>Product Eligibility</b>	<ul style="list-style-type: none"> <li>• Temporary buydown only applies to first lien and is not applicable to the DPA product</li> <li>• Must meet all terms of FHA DPA program</li> <li>• Seller/Builder funded only</li> </ul>
<b>Term of Buydown</b>	<ul style="list-style-type: none"> <li>• 2/1 Buydown:               <ul style="list-style-type: none"> <li>○ 24-month term</li> <li>○ Initial interest rate temporarily reduced by no more than two (2) percent below the Note rate and increased by no more than one (1) percent annually for no more than two (2) years, with the non-reduced Note rate applying for remaining term of loan</li> </ul> </li> </ul>
<b>Underwriting Criteria</b>	<ul style="list-style-type: none"> <li>• Borrowers qualified using Note rate, not buydown rate</li> <li>• Standard Interested Party Contribution guidelines apply</li> <li>• Temporary Buydowns do not apply to the DPA transaction – only to the first lien</li> <li>• Seller/Builder funded only</li> </ul>