

\$15,000 DPA Program Summary

N.C. Home Advantage Program

General Program Overview:

- \$15,000 down payment assistance available in five counties only:
 - Cabarrus
 - Guilford
 - Mecklenburg
 - Cumberland
 - Johnston
- May be used on all eligible loan types: FHA, Conventional, USDA, and VA.
- Cannot be combined with other NCHFA DPA programs (i.e., CPLP not eligible)
- DPA funding available for the first 3,000 subordinate loans (equals \$45,000,000 of DPA 2nds).
- 60 day locks
 - (loan must be approved by NCHFA, closed, delivered, and purchased by Servicer by day 60 to avoid extension fees)
- CANNOT be combined with Mortgage Credit Certificate (MCC) program
- Interest rates vary; see www.nchfa.com for current rates
- Max DTI of 45.0%

Subordinate Loan Terms:

- 5 year term; 0% interest rate; forgiven 20% a year in years 1 - 5
- DPA funds may be used toward down payment, MI, and closings costs.
 - No cash back other than original borrower funds (POCs).
- DPA loan must be re-paid if buyer no longer occupies property, refinances, or sells before fully forgiven in year five
- 2nd lien; use Forms 505 and 506 for Promissory Note and Deed of Trust
- No subordinations allowed

Property Criteria:

- Existing, previously occupied homes only (new homes not eligible)
- DU Approve/Eligible or LP Accept is required. No manual underwrites or refers accepted.
- Max sales price/acquisition cost of \$245,000

Borrower Requirements:

- 1st-time home buyers only (no prior ownership of primary residence last 36 months)
 - Targeted Census tracts and non-active duty Veterans may qualify
- Household income (gross income of all occupants must be counted)
- Income limits vary by county (use MCC income limits; see www.nchfa.com for current limits)
- Pre-purchase education certificate required (may be on-line or HUD-approved classroom)

The special \$15,000 down payment assistance for first-time homebuyers is funded through the U.S. Department of the Treasury's Hardest Hit Fund .

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Required Documents/Forms for NCHFA Approval:

- **Documents Needed:**
 - o At Origination:
 - 1003 (Final, must match AUS Findings)
 - Loan Estimate (LE) on 1st
 - AUS Findings (must match 1003)
 - TIL required on 2nd that shows 0% APR.
 - No fees may be charged on the 2nd.
 - Pre-purchase home buyer certificate
 - Form HHF-500 Dodd-Frank Certification
 - Seller Affidavit (Form 013)
 - Mortgage Affidavit and Borrower Certification (Form 016)
 - Notice to Borrower (Form 026)
 - Recapture Notice (Form 015)
 - Income Documentation (all household members):
 - 3 year tax returns or transcripts
 - W2s
 - VOEs
 - o At Closing:
 - Borrower Closing Affidavit (Form 101)
 - Lender Closing Affidavit (Form 102)
 - Promissory Note (Form 506)
 - Deed of Trust (Form 505)

 - Early Default Notice (go to www.servsol.com)
 - Quality Control Certification and Authorization (go to www.servsol.com)

If loan closes BEFORE formal NCHFA approval, it is no longer eligible for purchase.

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Hardest Hit Fund[®].

Program subject to available funding and change.

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