

**Assistance Program: Lake County
SHIP Program
Code: DFLAKESP**

HOMEOWNERSHIP ASSISTANCE PROGRAM SUMMARY	
Product Description	<p>Second mortgage loan program to be used in conjunction with:</p> <ul style="list-style-type: none"> • FHA Fixed Rate • Fannie Mae Fixed 30-year Conforming Product (DU) • Fannie Mae Housing Authority Product • Fannie Mae HomeReady with Community Second • Freddie Mac Fixed 30 Conforming Product (LPA) • Freddie Mac Home Possible with Community Second
Allowable Origination Channel	Retail
Program Name	SHIP Program
Program Approval Expiration	Subject to Availability approval expires: 11/21/2018
Housing Authority	<p>Lake County Department of Housing & Community Services Contact: Raywattie Neura P.O. Box 7800 Tavares, FL 32778-7800 Phone: (352) 742-6506 Email: rneura@lakecountyfl.gov Website: https://www.lakecountyfl.gov/departments/community_services/housing_and_community_development/home_ownership_assistance.aspx</p>
Housing Authority EIN	59-6000695
DPA Provider Classification	Government Entity Secondary Financing Programs
First Mortgage Maximum LTV	<ul style="list-style-type: none"> • FHA: Refer to Product Profile • Fannie Mae Housing Authority Product. Refer to Product Profile • Fannie Mae Conforming Product: Refer to Product Profile • Fannie Mae HomeReady with Community Second: Refer to Product Profile <ul style="list-style-type: none"> ○ Purchase only: ○ 1 unit: LTV >95-97% (NO first-time home-buyer (FTHB) requirement). ○ Purchase and Limited Cash Out (Rate/Term): ○ 1 unit: 95% FRM; 90% ARM • Freddie Mac Fixed 30 Conforming Product (LPA) • Freddie Mac Home Possible with Community Second
First Mortgage Maximum CLTV	<ul style="list-style-type: none"> • FHA: Refer to Product Profile • Fannie Mae Housing Authority Product. Refer to Product Profile • Fannie Mae Conforming Product: Refer to Product Profile for CLTV requirements, may not exceed limits in product profile • Fannie Mae HomeReady: Refer to Product Profile • Freddie Mac Fixed 30 Conforming Product (LPA) • Freddie Mac Home Possible with Community Second <p>The CLTV may not exceed 105% on HomeReady loans, unless further restricted by product profile. The sum of all financing may not exceed 105% of the cost to acquire the property plus any normal prepaid expenses.</p>
First Mortgage Fee Restrictions	<ul style="list-style-type: none"> • The interest rate established at time of lock in or closing will be the FNMA 60 day yield plus no more than 1%. <ul style="list-style-type: none"> ○ PRMG STAFF will need to check the first mortgage variance of 1%. ○ PRMG Underwriter must add a condition that indicates when first trust deed loan is locked/closed it cannot be more than 1% above the FNMA 60 day yield or if already

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	<p style="text-align: center;">locked, add a condition that Processor/Loan Officer must verify when first trust deed loan was locked/closed it was not more than 1% above the FNMA 60 day yield</p> <ul style="list-style-type: none"> • The term of the loan shall be a maximum of 30 years with a fixed rate. • The total charges for items listed below may not equal more than 2% of the loan value: <ul style="list-style-type: none"> ○ Application fee ○ Appraisal review ○ Closing fee ○ Discount points ○ Document preparation fee ○ Origination fee ○ Processing fee ○ Underwriting fee • The maximum allowable fees to the borrower except for PMI, FHA insurance and USDA Rural Development guarantee insurance are listed in the table below: <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Type of Fee</th> <th style="text-align: center;">Maximum Allowable Charge</th> </tr> </thead> <tbody> <tr><td>Appraisal</td><td>\$400</td></tr> <tr><td>Appraisal Re-certification f</td><td>\$100</td></tr> <tr><td>Credit report</td><td>\$50 per person</td></tr> <tr><td>Final inspection</td><td>\$100</td></tr> <tr><td>Flood Certification</td><td>\$35</td></tr> <tr><td>Lender's inspection</td><td>\$400</td></tr> <tr><td>Notary</td><td>\$125</td></tr> <tr><td>Home inspection</td><td>\$250</td></tr> <tr><td>Recording fees</td><td>Per County regulation</td></tr> <tr><td>Roof inspection</td><td>Prevailing vendor cost</td></tr> <tr><td>Termite inspection</td><td>Prevailing vendor cost</td></tr> <tr><td>Settlement</td><td>\$0</td></tr> <tr><td>Survey</td><td>Prevailing vendor cost</td></tr> <tr><td>Tax service</td><td>\$120</td></tr> </tbody> </table>	Type of Fee	Maximum Allowable Charge	Appraisal	\$400	Appraisal Re-certification f	\$100	Credit report	\$50 per person	Final inspection	\$100	Flood Certification	\$35	Lender's inspection	\$400	Notary	\$125	Home inspection	\$250	Recording fees	Per County regulation	Roof inspection	Prevailing vendor cost	Termite inspection	Prevailing vendor cost	Settlement	\$0	Survey	Prevailing vendor cost	Tax service	\$120
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<p>Maximum Second Mortgage Loan Amount</p>	<ul style="list-style-type: none"> • \$20,000 for very low income • \$15,000 for low income • \$10,000 for moderate income <p>NOTE: PRMG is not participating in the additional repair assistance as PRMG does not allow escrow holdbacks/repair.</p>																														
<p>Second Mortgage Loan Interest Rate</p>	<p>0%</p>																														
<p>Minimum Borrower Down Payment</p>	<ul style="list-style-type: none"> • FHA: Refer to Product Profile • Fannie Mae Housing Authority Product. Refer to Product Profile • Fannie Mae Conforming Product: Refer to Product Profile • Fannie Mae HomeReady with Community Second: Refer to Product Profile <p>NOTE: If first mortgage guidelines are higher than the Agency's for borrower's minimum investment, the first mortgage guidelines prevail.</p>																														
<p>Second Mortgage Purpose</p>	<ul style="list-style-type: none"> • Down payment • Closing costs 																														
<p>Second Mortgage Loan Repayment Terms</p>	<p>This second mortgage loan is a no interest no monthly payment 15- year forgivable loan. As long the property remains the borrower's primary residence then the assistance will be forgiven at the end of the loan term. Repayment is due in full upon sale, transfer, lease, refinancing, change of</p>																														

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	<p>ownership or home no longer is occupied as primary residence. Loan proceeds may not be used to pay off other loans, advances or consumer debts.</p> <p><u>However</u>, if any of the following repayment triggering events occur, the principal balance and any accrued interest shall be due and payable in full:</p> <ul style="list-style-type: none"> • Evidence of the act of fraud committed to falsely obtain assistance funds • The property is sold • Transferred title • Refinancing with cash out • A default on the first mortgage • The borrower(s) ceases to occupy the property as their principal place of residence • Upon the death of the last surviving applicant • The filing of any bankruptcy by the applicants • Upon divorce, unless one of the applicants continues residing in the property by the decree of divorce • Loan may be pre-paid in full at anytime • Loan is <u>NOT</u> assumable
Types of Financing	<ul style="list-style-type: none"> • Purchase Money Mortgage <ul style="list-style-type: none"> ○ 30 year fixed rate (No ARM, balloon payment or prepayment penalty)
Occupancy	<ul style="list-style-type: none"> • Owner occupied primary residence only • All co-borrowers must occupy • Borrower(s) may not have an ownership interest in any other residential dwelling at the time of loan closing
Geographic Location	<ul style="list-style-type: none"> • Property must be located within Lake County, Florida
Eligible Properties	<p>Acquisition Limit: New and Existing Properties - \$180,000</p> <p>Properties shall be sited on a permanent foundation, with a permanent utility hook-up, and may include:</p> <ul style="list-style-type: none"> • Single family - detached, attached (Fixed Rate) • Condominiums or Townhomes or Planned Urban Development -detached, attached • Must be currently occupied by the owner, vacant or occupied by the homebuyer. <p>ALL repairs called for by inspections MUST be completed prior to closing.</p> <p><u>Refer to product profile for additional property eligibility requirements, not all property types are allowed on all products.</u></p>
Underwriting	<p>Lender to pre-approve all borrowers for the first mortgage product. Standard Fannie Mae Conforming Product, and Fannie Mae HomeReady, except as described herein:</p> <ul style="list-style-type: none"> • The borrower will contact Lake County directly to schedule a pre-screening appointment with a homebuyer counselor. The Loan Officer will provide the borrower with a first mortgage conditional commitment letter which clearly contains the dollar amount, anticipated interest rate, terms and conditions. The conditional commitment letter must contain conditions and a good faith estimate. • Lake County Home Purchase Staff must be notified Monday noon for a Friday closing. All information concerning the closing must be complete, accurate and in Lake County office by Monday noon, there will be no exceptions. Additional time will be required when closing packages are mailed to the office and are outside of Lake County. • Any closing that take place without the closing packet information and check from Lake County Home Purchase Program forfeit the funds previously awarded. The funds will be withdrawn. • Upon approval, a copy of DPA Approval Letter <u>MUST</u> be in each file.
Eligible Borrowers	<ul style="list-style-type: none"> • Borrower(s) must qualify for the first mortgage selected.

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	<ul style="list-style-type: none"> • First Time Home Buyers (FTHB) only – Borrowers may not currently own a house and may not have owned a house during the last three years prior to making application. • Must be a U.S. Citizen, lawful permanent resident alien or other qualified alien. • Borrower’s back end ratios the total Debt to Income Ratio may not exceed 40%, as calculated on the lender’s transmittal summary. Unless there are significant compensatory factors which can be documented. 																																				
Assets	<ul style="list-style-type: none"> • Borrower must have required amount of their own funds in the transaction for type of first mortgage financing selected. • All assets will be considered when calculating annual income (i.e.: checking/savings accounts, demand deposits, market value of stocks, bonds or other forms of capital investments). 																																				
Income Limits	<p style="text-align: center;">AMI Effective March 31, 2016</p> <table border="1" data-bbox="440 625 1511 930"> <thead> <tr> <th>Household size</th> <th>Very Low Income</th> <th>Low Income</th> <th>Moderate Income</th> </tr> </thead> <tbody> <tr><td>1</td><td>\$20,500</td><td>32,800</td><td>\$49,200</td></tr> <tr><td>2</td><td>\$23,400</td><td>\$37,450</td><td>\$56,160</td></tr> <tr><td>3</td><td>\$26,350</td><td>\$42,150</td><td>\$63,240</td></tr> <tr><td>4</td><td>\$29,250</td><td>\$46,800</td><td>\$70,200</td></tr> <tr><td>5</td><td>\$31,600</td><td>\$50,550</td><td>\$75,840</td></tr> <tr><td>6</td><td>\$33,950</td><td>\$54,300</td><td>\$81,480</td></tr> <tr><td>7</td><td>\$36,300</td><td>\$58,050</td><td>\$87,120</td></tr> <tr><td>8</td><td>\$38,650</td><td>\$61,800</td><td>\$92,760</td></tr> </tbody> </table> <p>NOTE: If first mortgage guidelines are more restrictive than the Agency’s for borrower’s income limit, the first mortgage guidelines prevail.</p>	Household size	Very Low Income	Low Income	Moderate Income	1	\$20,500	32,800	\$49,200	2	\$23,400	\$37,450	\$56,160	3	\$26,350	\$42,150	\$63,240	4	\$29,250	\$46,800	\$70,200	5	\$31,600	\$50,550	\$75,840	6	\$33,950	\$54,300	\$81,480	7	\$36,300	\$58,050	\$87,120	8	\$38,650	\$61,800	\$92,760
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Special Provisions	<p><u>Homeownership Counseling:</u></p> <ul style="list-style-type: none"> • Refer to product profile for specific product requirements • Borrower and co-borrower must successfully complete a homebuyer education course from an approved homebuyer education provider by Lake County. Online courses are not eligible. It is recommended that the homebuyers receive this training concurrent with the pre-qualification period with the first mortgage lender and prior to negotiating a contract to purchase a home. • The following will be included in the homebuyer education provider: <ul style="list-style-type: none"> ○ Pre-qualification and credit analysis ○ Family budgeting and debt reduction ○ How to select a house ○ Fair housing and predatory lending ○ Mortgage closings ○ How to negotiate a contract ○ Home maintenance • Borrower’s Certification of Completion of Homeownership Counseling is required <p>Fannie Mae HomeReady Only: See Product Profile for Homeownership Counseling requirements.</p> <p>Freddie Mac Home Possible Only:</p>																																				

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	<p style="text-align: center; color: red;">See Product Profile for Homeownership Counseling requirements.</p> <p><u>All:</u></p> <ul style="list-style-type: none"> • May be funded by a municipality, state, county or local housing finance agency, non-profit organization, a regional Federal Home Loan Bank or an employer • May be used to fund all or part of the down payment or closing costs • The more restrictive down payment requirement between the product and the second mortgage will apply • No reporting requirements permitted
DPA Processing Fee	Costs incurred for down payment assistance secondary financing program may only be included in the amount of the second lien. The fee cannot be included in the first mortgage transaction or appear on the HUD-1.
Special Feature Code	N/A
Underwriting Requirements	<ul style="list-style-type: none"> • Receipt of borrowers approval from DPA provider • Receipt of DPA Funds (at closing) • No cash back at closing (at closing) • Copy of DPA's Executed Promissory Note, and Subordinate Deed of Trust (at closing)
First Mortgage Loan Documents	<i>Loan documents and security instruments must conform to Agency requirements (FHA, Fannie Mae and Freddie Mac loan type)</i>
Second Mortgage Loan Documents	<i>Loan documents and security instruments must conform to Agency requirements (FHA, Fannie Mae and Freddie Mac loan type)</i>

DPA Program Restrictions That Are Not Permitted	<p>The SHIP Program <i>may not</i></p> <ul style="list-style-type: none"> • Restrict the transfer of servicing rights of the first Mortgage • Require prior notification or approval from the sponsoring authority in the event of the transfer of the first mortgage servicing rights. <p><i>If there is any evidence of this verbiage in the subordinate documents, the program will no longer be eligible.</i></p> <p>The First Mortgage</p> <ul style="list-style-type: none"> • may not be subject to a bond program • loan documents and security instruments must conform to Agency requirements (FHA, Fannie Mae loan type)
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Special Requirements:

There are two funding cycles per month, refer to time frames below:

Step	Deadline
<ul style="list-style-type: none"> • Completed applications submitted from Consumer Debt Counselors to the Lake County Housing and Community Development Office 	1 st and 3 rd Wednesdays of the month – 5:00 P.M.
<ul style="list-style-type: none"> • Lake County staff reviews, processes and submits applications for funding to the Supervisor 	2 nd and 4 th Thursdays of the month
<ul style="list-style-type: none"> • Funding determination by Housing Supervisor 	1 st and 3 rd . Thursdays of the month
<ul style="list-style-type: none"> • Commitment letters are processed and applicants as well as partners are notified 	1 st and 3 rd . Thursdays of the month

Processing of applications submitted after the above deadlines will be delayed until the following funding cycle.

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Additional Comments:

Approved with Closing Instructions for Closing the DPA Mortgage needs to be recorded in 2nd lien position.

STATUS

APPROVAL

ELIGIBLE

INELIGIBLE

The DPA IS eligible for use with the programs below

The DPA IS NOT eligible for use with the programs below

CONV	FHA	VA	USDA	CONV	FHA	VA	USDA
X	X					X	X

PRMG

Approved By:

PRMG DPA Review Department

11/21/2017

Name / Title

Date