



APPENDIX A - Home in FiveSM Down Payment Assistance Guidelines

HFA/Second Loan Lender	The Industrial Development Authorities of the City of Phoenix and the County of Maricopa will serve as the Second Loan Lender and beneficiaries of the Second Loans.
Eligible Area	For homes purchased within Maricopa county, including the City of Phoenix.
EIN	For FHA Loans, HUD requires the HFA's EIN. Phoenix IDA's EIN Number is 52-2038405, Maricopa IDA's EIN Number is 86-0445263.
Income Limits	Program Income Limit: \$110,600 Low Income Limit (80% AMI) for conventional loans: \$63,200
Eligible First Loans	<p>Down Payment Assistance (DPA) is only available in connection with Home in Five FHA, VA, Fannie Mae HFA Preferred and Freddie Mac HFA Advantage First Loans offered through Lakeview Loan Servicing and is provided in the form of Second Loans as described here.</p> <p>Refer to Lakeview's Home in Five Advantage First Loan Matrix for these First Loan guidelines and to the Lakeview Servicing Seller Guide for rate lock and delivery instructions.</p>
Eligible Borrowers	
Properties/Appraisals	
Credit/Underwriting	
Mortgage Insurance	
Homebuyer Education	
Rate Locks	
Delivery/Purchase	
<i>Down Payment Assistance</i>	
Second Loan Size and Term	<p>Home in Five Advantage Second Loans with Government First Loans (FHA, VA):</p> <ul style="list-style-type: none"> Second Loan options with 3-year terms, sized at 3%, 4% or 5% of the final first mortgage loan amount, rounded down to the nearest dollar. There is no dollar cap. Size availability is subject to market conditions. <p>Home in Five Advantage Second Loans with either Fannie Mae HFA Preferred or Freddie Mac Advantage:</p> <ul style="list-style-type: none"> Second Loan options with 3-year terms, sized at 3%, 4% or 5% of the final first mortgage loan amount, rounded down to the nearest dollar. There is no dollar cap. Size availability is subject to market conditions.
Second Loan Repayment Terms	<ul style="list-style-type: none"> Second Loans evidenced by a Second Promissory Note, recorded Second Deed of Trust. 3-Year Second Loans are due upon the sale or transfer of the property or upon the refinancing or payment in full of the First Loan prior to the maturity date.
Assumptions	<ul style="list-style-type: none"> The Second Loans are <u>not</u> assumable
Subordination	<ul style="list-style-type: none"> The Second Loans are <u>not</u> eligible for subordination by the IDAs under any circumstances.

<p>Second Loan Adjustments/ Additional Assistance</p> <p>and</p> <p>Home in Five Advantage BOOST</p> <p><i><u>(Both require underlying second loan)</u></i></p>	<p>Second Loan options can be increased by Additional Assistance of 1% (limited to 1%) if the Borrowers qualify as follows:</p> <ul style="list-style-type: none"> • First Responders • Income Qualified Borrowers • Military Personnel • Teachers <p>Second Loan options can be increased by 0.5% for Home in Five Advantage BOOST loans as follows:</p> <ul style="list-style-type: none"> • Income Qualified Borrowers (automatically a total of 1.5% when combined with 1% Additional Assistance above) • Homes purchased in low-income census tracts (cannot be added to 1.5% assistance for Income Qualified Borrowers) <p>See EXHIBIT A for the <u>limited</u> definitions of each Targeted Borrower and Product Codes.</p>
<p>Second Loan Principal Forgiveness</p>	<p>Home in Five Advantage Second Loans with 3-year Terms (pro-rata forgiveness):</p> <ul style="list-style-type: none"> • Borrower is eligible for Second Loan principal forgiveness equal to 1/36th per full month the Borrower lives in the home. • After the 3-year term, the subordinate lien is released from the property.
<p>Use of Program Assistance Proceeds</p>	<ul style="list-style-type: none"> • Second Loan proceeds may be used to fund up to 100% of the Borrower’s cash to close. Only cash back to the Borrower is a refund of any earnest money, prepaid fees, interest or tax credit. Surplus cash must be used for principal reduction.
<p>Second Loan Registration and Product Codes</p>	<ul style="list-style-type: none"> • Second Loans will be assigned a unique Second Loan Number. With each First Loan rate lock, use the following Second Loan Product Codes: <ul style="list-style-type: none"> ○ For 3-year term Home in Five Advantage Second Loans, use EPX300 ○ If Additional Assistance is provided to a Targeted Borrower, use the Product Codes referenced in Exhibit A ○ For BOOST loans, use the Product Codes referenced in Exhibit B
<p>Second Loan Entry into DU and LPA</p>	<ul style="list-style-type: none"> • Within DU, Second Loan must be represented as a Community Second. • <i>Within LPA: 1) Enter the Second Loan information into the section entitled “Other New Mortgage Loans on the Property You are Buying or Refinancing”, 2) Click the circle Yes under the question “Is the Other New Mortgage an Affordable Second”, 3) Click the circle Yes under the question “Is the Affordable Second Payment Deferred”.</i>
<p>Second Loan Disclosure</p>	<ul style="list-style-type: none"> • Originating Lenders are responsible for providing the Borrower with the applicable Second Loan disclosures on behalf of the IDAs concurrently with the 1st Loan disclosures. • Home in Five Second Loans qualify for the CFPB’s <u>partial</u> TRID/RESPA disclosure exemption, meaning: <ul style="list-style-type: none"> ○ Originating Lenders may use the Disclosure of Second Loan Terms as provided by the IDAs (an additional GFE or HUD-1 is not required) <u>or</u>, ○ Originating Lenders may use their own Second Loan Estimate and Second Loan Closing Disclosures. ○ Originating Lenders should check with their own compliance department to determine the applicable disclosures and when they should be disclosed.

Funding	Second Loans will be advanced by the originating Lender, to be reimbursed when the First Loan is purchased by Lakeview Loan Servicing.
Second Loan Fees	Other than a recording fee, no other Second Loan related fees are permitted.
Loss Payee	The IDAs, as Second Lien mortgagee, should be listed as the loss payee.
Title Insurance	The Second Loan does not require title insurance.
Pre-Close Review	No pre-close review or compliance package from the originating Lender is required.
Second Loan Closing Documents <i>(not required for No DPA conventional loans)</i>	<ul style="list-style-type: none"> • The following Program Second loan documents are available in an Acrobat Adobe fillable PDF format. <ul style="list-style-type: none"> ○ Disclosure of Second Loan Terms (signed by all Borrowers) ○ Second Promissory Note (signed by all Borrowers) ○ Second Deed of Trust (signed by all Borrowers, notarized, recorded) ○ Commitment/Enforceability Letter (FHA Loans only, not signed by the Borrower). • The originating Lender is ultimately responsible for accurately preparing and generating the Second Loan documents prior to the loan closing on the IDAs' behalf and to ensure that the dates, names, amounts, and addresses are accurate and consistent with those used in the 1st loan documents.
Post-Closing Compliance	<p>Within 90 days of the loan closing, the Title/Escrow Company or originating Lender must send via priority mail to the Lakeview Loan Servicing:</p> <ul style="list-style-type: none"> • <u>Original</u> signed Second Promissory Note. • <u>Original recorded or certified true copy</u> of the Second Deed of Trust with original recordation stamp. The County Assessor's Office (or the Lender or Title/escrow company if the originals are returned to either party) must return the recorded Second Trust/Deed to Lakeview Loan Servicing <p>The originating Lender is ultimately responsible for ensuring that the Second Trust/Deed is submitted to the County Assessor's Office for recording, and that the original and a signed Second Note and recorded Second Deed of Trust with the recordation stamp are also returned to Lakeview Loan Servicing.</p>

EXHIBIT A

For Borrowers who meet one of the following criteria, Lenders must use the Product Codes stated below when registering the Second Loan with Lakeview Loan Servicing.

Targeted Borrower Definitions	<p>FIRST RESPONDERS (Product Code EPX301 for 3-year Seconds)</p> <ul style="list-style-type: none"> • <u>Peace Officers</u>, defined in A.R.S. § 1-215, certified by the Arizona peace officer standards and training Board (AZPOST) or by the Arizona correctional officer training Academy (COTA) and employed full-time as: <ul style="list-style-type: none"> ○ Sheriffs, Deputy Sheriffs of Counties, Constables, Policemen of Cities and Towns Commissioned Personnel of the Department of Public Safety. ○ Personnel Employed by the State Department of Corrections or the Department of Juvenile Corrections. ○ Police Officers appointed by Community College District Governing Boards, Arizona Board of Regents or Governing Body of a Public Airport Pursuant to Section 28-8426 ○ Special Agents from the Office of the Attorney General, or of a County Attorney, including Police Officers employed by a Tribal Police Agency. ○ <u>Detention Officers</u>, as defined by A.R.S. § 13-3907, means a person other than an elected official who is employed by a county, city or town and who is responsible for the supervision, protection, care, custody or control of inmates in a county or municipal correctional institution. Detention officer does not include counselors or secretarial, clerical or professionally-trained personnel. • <u>Professional Firefighter</u>, as defined in A.R.S. § 9-901, employed full time as a member of an organized paid Fire Department. • <u>Emergency Personnel</u>, whose primary responsibility is the care of patients in an ambulance and is employed full-time, to include the following occupations, defined in A.R.S. § 36-2201 as Emergency Medical Technicians Advanced Emergency Medical Technicians, Emergency Medical Technicians I-99, Paramedics. <p>MILITARY PERSONNEL (Product Code EPX303 for 3-year Seconds)</p> <ul style="list-style-type: none"> • Qualified Veteran • Active Duty Military, Active Reservist, Active member of National Guard <p>TEACHERS (Product Code EPX304 for 3-year Seconds)</p> <p>A teacher employed full-time by a state-accredited public school or private school that provides direct services to students in grades pre-kindergarten through 12 (or any subset), as well as teachers employed full-time by Grand Canyon University.</p>
Home in Five Advantage BOOST Qualifying	<p>INCOME QUALIFIED BORROWERS EARNING UP TO 50% OF AREA MEDIAN FAMILY INCOME (AMFI). Currently, \$39,500 regardless of family size. (Use Product Code EPX312 for 3-year Seconds)</p> <p>For homes purchased in low-income census tracts, refer to the <u>HIF Census Tract verification BOOST</u> document available on the Resources for Lenders page, at http://www.homein5advantage.com. The Second Loans use the following codes.</p>

Home in Five Advantage BOOST Qualifying (cont.)	NON-TARGETED BORROWERS PURCHASING HOMES IN LOW-INCOME CENSUS TRACTS (Product Code EPX 310 for 3-year Seconds) FIRST RESPONDERS (AS DEFINED ABOVE) PURCHASING HOMES IN LOW-INCOME CENSUS TRACTS (Product Code EPX 311 for 3-year Seconds) MILITARY PERSONNEL (AS DEFINED ABOVE) PURCHASING HOMES IN LOW-INCOME CENSUS TRACTS (Product Code EPX 313 for 3-year Seconds) TEACHERS (AS DEFINED ABOVE) PURCHASING HOMES IN LOW-INCOME CENSUS TRACTS (Product Code EPX 314 for 3-year Seconds)
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Additional Assistance is only available with an underlying Second