



Home in Five Advantage Program

Last Updated: May 16, 2023

www.HomeIn5Advantage.com



Home in Five Advantage Program

- The **Home in Five Advantage Program** was designed by the Maricopa and Phoenix IDAs to support sustainable, long-term homeownership for qualified low and moderate-income buyers within Maricopa county.
- Through the program, homebuyers can obtain **FHA, VA, or Conventional** loan financing through either **Fannie Mae HFA Preferred** or **Freddie Mac HFA Advantage**.



[Fannie Mae HFA Preferred](#)



[HUD Housing Handbooks](#)



[Freddie Mac HFA Advantage® Program](#)

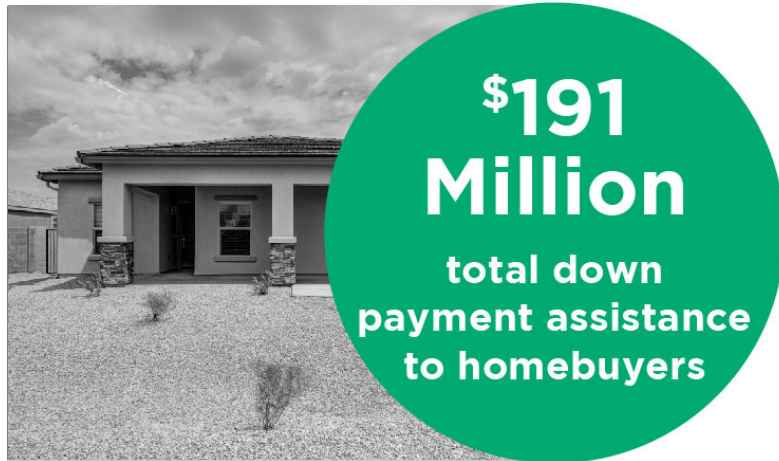


[VA Lenders Handbook](#)

Benefits

- No finite source of funding; the program is continuously funded.
- The program is not limited to first-time homebuyers.
- Federal recapture does not apply.
- No purchase price limits (FHA, VA, GSE loan limits do apply)
- No Lender or Seller Affidavits, no worksheets
- No Underwriter Certificate
- No Program Administration Fee
- No caps or restrictions on loan fees; “reasonable and customary”.

Program Success since 2012



Program Success since 2012



Home in Five Advantage and Partners

Lakeview Loan Servicing, LLC is the Master Servicer.

- All loans must be locked through and sold to LakeviewCorrespondent.com

Since March 2019,

- 114 approved lenders
- 6,350 loans closed, \$1.6 billion in First Loans.

Stifel, Nicolaus & Company (Stifel) will provide certain administrative functions.

Unmatched pricing, credit, and underwriting concessions from FHA, VA and the GSEs.



Program Description

The **Home in Five Advantage Program** is a partnership program designed to support sustainable, long-term homeownership for qualified buyers by providing the down payment assistance needed to achieve their dream.

- Eligible borrowers must meet the program income limits currently per the product matrix (regardless of family size).
 - Additional income limit restrictions may apply depending on loan product type selected or second mortgage product selected.
- No purchase price limits; current Fannie Mae/Freddie Mac conforming loan limits apply.
- Qualified individuals or **families** may obtain a 30-year, fixed-rate loan, with up to 6% down payment/closing cost assistance.
 - Additional Second Loan assistance of up to 1.5% is available to Targeted Borrowers (as defined herein) and Targeted Borrowers who qualify for the BOOST subsidy.



Program Parameters (All Loans, All Borrowers)

- **Purchases only**, 30-year fixed rate loans, owner occupied, primary residence
- **Homebuyer Education:**
 - All Borrowers on the Note, (even non-first-time homebuyers), are required to take an 8-hour homebuyer education course through an approved housing counseling agency located in Arizona and get a certificate of completion as a condition for closing a Home In Five loan.
 - See **Home in Five** website for a list of approved providers.
 - The homebuyer education course may be in-person or online.
 - If a homebuyer takes an online class, they must provide their lender with a co-branded certificate with the local agency's name and/or logo, along with the online provider's information.

Qualifying Income

Borrower eligibility is based on the Qualifying Income of those Borrowers listed on the Note and Deed of Trust; Household Income does not apply. Qualifying Income is defined as all income disclosed and developed through the loan application process, including but not limited to:

- Income listed on the 1003
- Income shown on the pay stubs
- Income shown on a written verification of employment
- Income shown on tax documents
- If the additional income does not meet investor guidelines (ex. one-time bonus), it does not need to be added to the application and run through the AUS. However, the Underwriter must indicate on the 1008/applicable government forms why it was not used for qualification.

Example: “Verified that borrower’s bonus was one-time.”

Qualifying Income Examples

Example 1

- The 1003 lists a second job, but it is not needed to pass ratios.

Does the income need to be developed?

- **Yes**, review the income documentation and determine if the income meets the guidelines: continuity, history, etc.
 - **If it does**, add it to the LOS and run through AUS for qualification.
 - **If it does not**, underwriter documents why.

Example 2

- The underwriter reviews a pay stub and sees a bonus or overtime income that was not listed on the 1003.

Does the income need to be developed?

- **Yes**, review income documentation and determine if the income meets guidelines: continuity, history, etc.
 - **If it does**, add it to the 1003, LOS, and run through AUS for qualification.
 - **If it does not**, underwriter documents why.

Eligible Property Types

Owner-occupied, 1-unit primary residences including:

- Townhomes
- PUDs
- Condominiums

Location

- Property must be within Maricopa county.
 - Property must be within Maricopa county.
 - Borrowers must have a fully executed sale contract before a rate lock can be submitted.



Borrowers and spouses must reside in the U.S. and occupy the property as their primary residence within 60 days of closing.

First Mortgage

- **Eligible First Mortgage Product:** Fixed **30-year term** only, government and conventional options available
- **Purchase of a primary residence only**
- **Minimum FICO: 640**; all borrowers must have a FICO score.
- **DTI:** lesser of **50%** or AUS approval
- **Underwriting:** AUS; Manual downgrade permitted for FHA with specific requirements
- **Income limits:** Qualifying Income as defined herein cannot exceed **\$130,340**. Conventional Loans offer lower loan rates to those Borrowers earning up to 80% AMI (**\$71,040**). BOOST borrowers earning up to 50% AMI (**\$46,550**) receive additional Second Loan assistance.
- **Tax transcripts** are required when tax returns are used to qualify a borrower, when a written VOE form is used (standalone), or when employed by family.
- **Homebuyer Education:** Required for all homebuyers, see product matrix for details
- **Down payment and closing cost assistance up to 6% of the loan amount**
 - An **additional .5% - 1.5%** down payment assistance is available for certain Targeted Borrowers and those borrowers who qualify under the BOOST subsidy.
- Not limited to first-time homebuyers



Program at a Glance - Conventional

- **Eligible First Mortgage Product:** Fixed **30-year term** only. Fannie Mae HFA Preferred or Freddie Mac HFA Advantage
- **Eligible Second Mortgage Product:** 7-year forgivable 2nds, 10-year amortizing 2nd, 30-year repayable with 30-year bullet forgiveness 2nd (Conventional Loans only). There is no 3-year forgivable 2nd option available.
- Conventional Loan rates on the daily rate sheets are split into lower rates for borrowers whose income limits are less than or equal to 80% AMI and slightly higher rates for borrowers whose incomes exceed 80% AMI.
- **LTV/CLTV: 97/105%**
- **Underwriting: Approve/Eligible** from DU or **Accept/Eligible** from LPA; manual underwriting and/or non-traditional credit not permitted
- **Qualifying Income:** Lender must attempt to verify and develop all income listed on the application or disclosed through the loan process. All verified income must be applied against the program income limit.
- Can be combined with HI5's Down Payment and closing cost assistance

In the case of conflicting guidelines, lender must follow the more restrictive guidelines of Home in Five, Fannie Mae or Freddie Mac (as applicable), Mortgage Insurer, Lender or Lakeview Loan Servicing.



First Mortgage Loans – Conventional, continued

Other Key Features of Conventional Loans

- Low Income Borrowers (Income up to 80% AMI)
 - No delivery fees, no loan level price adjustments
 - Charter MI coverages apply by LTV.
- Moderate Income Borrowers (Income that exceed 80% AMI)
 - Standard MI coverages apply by LTV.
- Monthly, split and single MI premiums are permitted from any of the MI insurers approved by Fannie Mae or Freddie Mac.
- Lenders should note when up-front or split MI premium plans are used, QM High-Cost triggers and calculations **do** apply.

LTV	Coverage	
	Charter	Standard
95.01%-97%	18%	35%
90.01-95%	16%	30%
85.01-90%	12%	25%
80.01-85%	6%	12%

Program at a Glance - Government

- **Eligible First Mortgage Product:** Fixed **30-year term** only, VA, FHA (203b, 203k Limited), HUD 184
- **Eligible Second Mortgage Product:** 3-year forgivable 2nd, 7-year forgivable 2nd, 10-year amortizing 2nd. There is no 30-year repayable/forgivable 2nd option.
- **LTV:** 96.5% (FHA), 100% (VA)
- **CLTV:** per investor guidelines
- **Credit Score:** All Borrowers must have a FICO score of no less than 640.
- **DTI:** **Not to exceed 50% subject to a DU or LPA approval**
- **Underwriting:**
 - **VA:** AUS only (DU or LPA)
 - **FHA:** **Approve/Eligible** or **Accept/Eligible**, manual downgrades due to additional information not considered in the AUS decision are permitted subject to 660 FICO and 43% maximum DTI.
 - **HUD 184** – Follow HUD 184 process
- **Can be combined with Down Payment and closing cost assistance**

In the case of conflicting guidelines, lenders must follow the more restrictive guidelines of Home in Five, FHA or VA (as applicable), Lender, or Lakeview Loan Servicing.



Home in Five Advantage 2nd Loan Assistance Options

Home in Five Advantage Down Payment Assistance (DPA) Guidelines *(available on the Home in Five website)*

- Can be paired with either a **conventional** or **government** first mortgage product*
- Due upon sale or refinance
- **30-year forgivable second mortgage** for **3%, 4%, or 5%** of the first mortgage. Conventional loans only
 - Forgives after 30 years. 0% Interest
- **7-year forgivable second mortgage** for **3%, 4%, 5%, or 6%** of first mortgage. Conventional, FHA & VA loans only
 - Forgives 1/84th per full month. 0% Interest
- **3-year forgivable second mortgage** for **3%, 4%, 5%, or 6%**, of first mortgage. FHA and VA loans only
 - Forgives 1/36th per full month. 0% Interest
- **10-year amortizing second mortgage** for **3%, 4%, 5%, or 6%**, of first mortgage. Conventional, FHA & VA loans only
 - Repaid monthly at a 6% rate
 - The PITI payments must be included in the DTI calculations for qualification purposes
 - The 2nd Loan dates and first monthly payment dates must be identical to the 1st Loan dates.

Loan Rates and the 2nd Loan options available are subject to market conditions and may be posted as an “NA” for “Not Available”.



DU and LPA for Second Loan

Second Loan Representation in DU and LPA

- Within **DU**, second loans are entered as a liability and in the **Community Lending** section. Remember to select the applicable 2nd loan type and repayment structure for the Community Second as well.
- Within **LPA**, the second loan information is entered into the **Other New Mortgage Loans on the Property You are Buying or Refinancing** section entitled.
 - If the second loan features a 30-year, 3-year or 7-year forgivable option, answer **Yes** to the question: **Is the Affordable Second Payment Deferred?**
 - If the second loan is the 10-year term principal amortization, answer **No** to the question: **Is the Affordable Second Payment Deferred?**

Home in Five Advantage Targeted Borrowers

- An **additional 1%** down payment assistance available for **qualified borrowers*** who are:
 - **First responders (professional peace officers, firefighters, emergency personnel or detention officers)**
 - **United States military personnel or veterans**
 - **Qualified K-12 teachers (full-time)**

* There must be evidence in the file to support the qualification.

Select the correct **Second Loan product code** as shown on the Rate Sheet for the corresponding DPA amount, including additional DPA, if any.

Home in Five BOOST Second Mortgage Option

Home in Five has expanded its program and boosted the level of assistance to borrowers purchasing homes in low-income census tracts or with income less than or equal to 50% AMI. This program is called **Home in Five Advantage BOOST, Better Options for Ownership and Stability Tomorrow**.

- These borrowers can choose to receive an additional .5% assistance for both conventional and government loan options. If the Borrowers qualify as a Targeted Borrower and for BOOST, they are eligible to receive 1.5% in additional 2nd loan assistance.
 - For example, Ms. Smith, who is a **first responder** and is purchasing a home **in a low-income census tract** can receive an additional 1.5% by combining the Advantage Plus and the Boost!
 - Ms. Smith and her loan officer reviewed her finances and her purchase agreement and decided she should use the Home in Five Advantage first mortgage program code FHA 305 and combine this with the new second mortgage code EPX311 resulting in a total of 6.5% assistance (Home Advantage + Targeted Borrower + BOOST).

How to Determine if Property is in a Low-income Census Tract

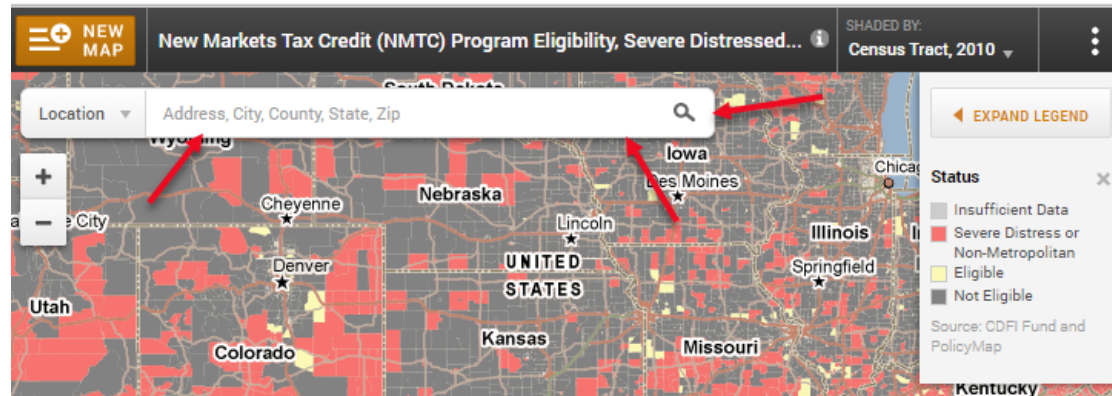
Step 1: Access the website

- <https://www.novoco.com/resource-centers/new-markets-tax-credits/data-tools/nmtc-mapping-tool>

Step 2: Scroll down and click on **Launch the NMTC Mapping Tool.**

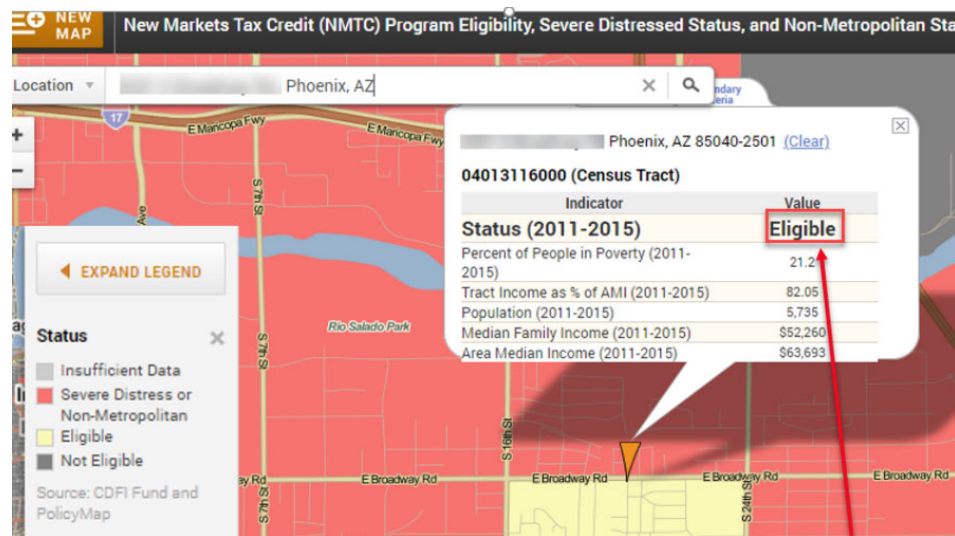
Launch the NMTC Mapping Tool

Step 3: Input the **property address** in the search bar.



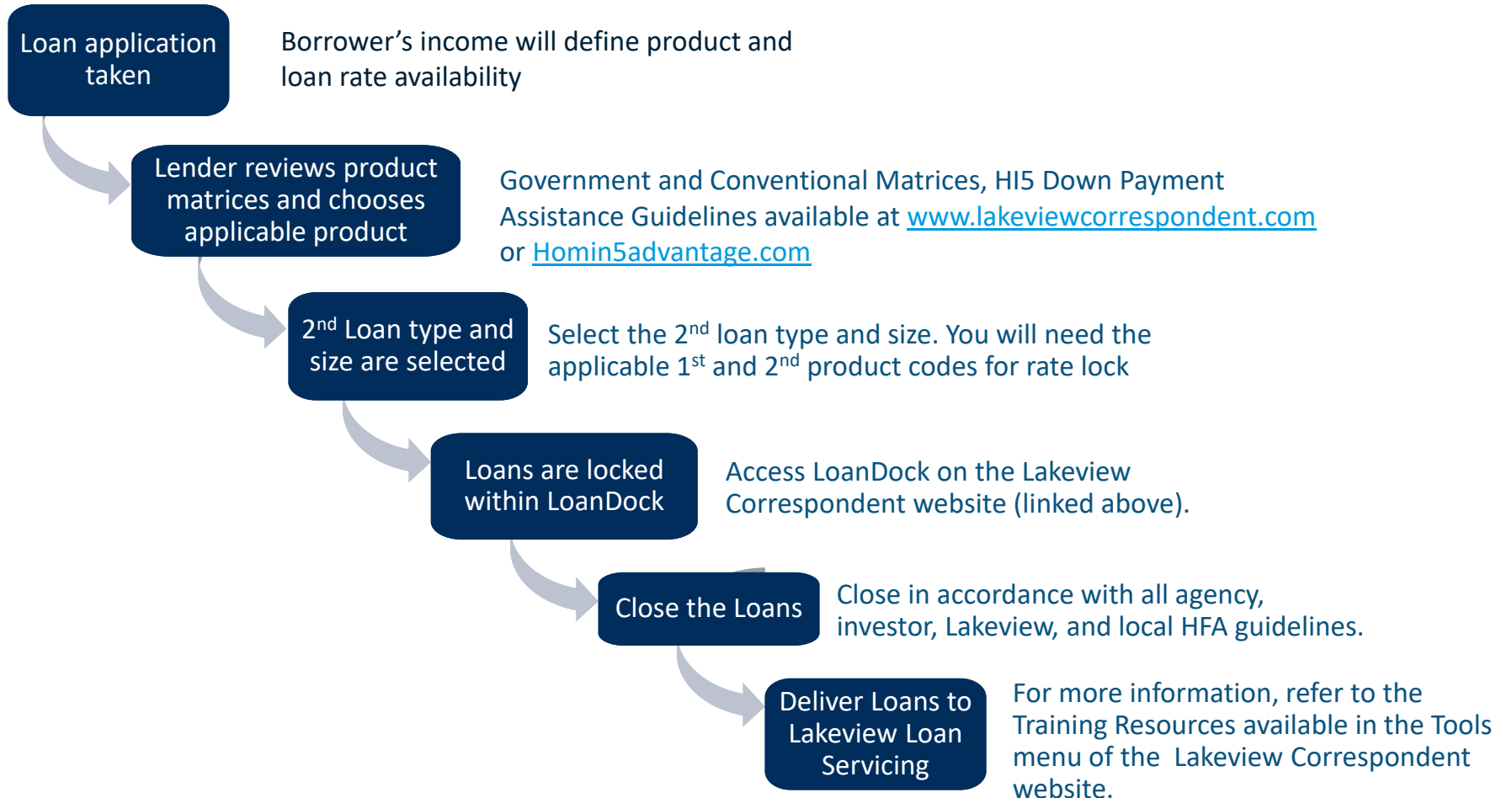
How to Determine if Property is in a Low-income Census Tract, continued

Step 4: Review the results.



- Census tracts shown in yellow (low-income) will show as Eligible or in red (distressed) as Severe Distress. Both qualify for Home in Five Advantage BOOST rates.
- Addresses in gray areas do not qualify; their Status will be Not Eligible.
- A screenshot showing the eligibility of the property address MUST be placed in the file.
- In the case of borrowers with income $\leq 50\%$ AMI where the property is not in an eligible area, a screenshot from Fannie Mae or Freddie Mac's income look-up tool.

The Process



Home in Five Rate Locks

- All loans must be locked through LakeviewCorrespondent.com.
- Borrowers must have a fully executed sale contract before a rate lock is submitted.
- **FHA or Conventional?** Select the 1st loan product code for the corresponding DPA amount of the 2nd loan
- **Is the Borrower's Income <= 80% AMI?** 7 year forgivable 2nds and lower Conventional Loan rates are available. Lenders should have an **estimate** of qualifying income at rate lock, but any rate concession or additional subsidy is based on the **final** qualifying income.
- **What size 2nd Loan?** Select the applicable size (as a percentage of final 1st Loan) and 2nd Loan Product Code.
- **Does the Borrower qualify as a Targeted Borrower?** Add PLUS and BOOST subsidies to the 2nd loan size.
- Rate locks may be modified or cancelled between **9am – 7pm EDT**. Lock extensions are permitted subject to an extension fee.
- First and second loan confirmations for rate lock amount, date, and expiration date are available on the lock screen. A step-by-step job aid detailing how to register and lock the loan is available under the **Training Resources** tab of the Lakeview Correspondent Delegated/Closed Loan portal. A video of this training is also posted for your reference.
- For additional assistance on how to lock a loan, contact Client Services at 85-Lakeview, option 3 or at ClientServices@BayviewLoans.com



Sample First Loan Rates and Product Codes

Sample HI5 Rate Sheet from LAKEVIEW			Date: 6/05/2023
			Time: 7:00 AM
Home in Five (Maricopa County, AZ)			
30 Year w/ 30-Yr Forgivable DPA			
Conventional Products			
Qualifying Income ≤ 80% AMI **			
Prod Code	Rate	DPA 2nd	
CPX400	0.000%	-	
CPX403	0.000%	3%	
CPX404	0.000%	4%	
CPX405	0.000%	5%	
Qualifying Income > 80% AMI **			
Prod Code	Rate	DPA 2nd	
CPX500	0.000%	-	
CPX503	0.000%	3%	
CPX504	0.000%	4%	
CPX505	0.000%	5%	
30 Year w/ 3-Yr Forgivable DPA			
Government Products			
FHA			
Prod Code	Rate	DPA 2nd	
FPX303	0.000%	3%	
FPX304	0.000%	4%	
FPX305	0.000%	5%	
VA			
Prod Code	Rate	DPA 2nd	
VPX303	0.000%	3%	
VPX304	0.000%	4%	
VPX305	0.000%	5%	
30 Year w/ 7-Yr Forgivable DPA			
Conventional Products			
Qualifying Income ≤ 80% AMI **			
Prod Code	Rate	DPA 2nd	
CPX473	0.000%	3%	
CPX474	0.000%	4%	
CPX475	0.000%	5%	
CPX476	0.000%	6%	
Government Products			
FHA - Qualifying Income ≤ 80% AMI **			
Prod Code	Rate	DPA 2nd	
FPX373	0.000%	3%	
FPX374	0.000%	4%	
FPX375	0.000%	5%	
FPX376	0.000%	6%	
VA - Qualifying Income ≤ 80% AMI **			
Prod Code	Rate	DPA 2nd	
VPX373	0.000%	3%	
VPX374	0.000%	4%	
VPX375	0.000%	5%	
VPX376	0.000%	6%	
30 Year w/ 10yr Amortizing DPA			
Conventional Products			
Qualifying Income ≤ 80% AMI **			
Prod Code	Rate	DPA 2nd	
CPX413	0.000%	3%	
CPX414	0.000%	4%	
CPX415	0.000%	5%	
CPX416	0.000%	6%	
Government Products			
FHA			
Prod Code	Rate	DPA 2nd	
FPX313	0.000%	3%	
FPX314	0.000%	4%	
FPX315	0.000%	5%	
FPX316	0.000%	6%	
VA			
Prod Code	Rate	DPA 2nd	
VPX313	0.000%	3%	
VPX314	0.000%	4%	
VPX315	0.000%	5%	
VPX316	0.000%	6%	
30 Year w/ 10yr Amortizing DPA			
Conventional Products			
Qualifying Income > 80% AMI **			
Prod Code	Rate	DPA 2nd	
CPX513	0.000%	3%	
CPX514	0.000%	4%	
CPX515	0.000%	5%	
CPX516	0.000%	6%	
Government Products			
FHA			
Prod Code	Rate	DPA 2nd	
FPX313	0.000%	3%	
FPX314	0.000%	4%	
FPX315	0.000%	5%	
FPX316	0.000%	6%	
VA			
Prod Code	Rate	DPA 2nd	
VPX313	0.000%	3%	
VPX314	0.000%	4%	
VPX315	0.000%	5%	
VPX316	0.000%	6%	

Sample Second Loan Rates and Product Codes

3-Year, 30-Year and 7-Year Forgivable and 10-year Amortizing Second Lien Product Codes for Conventional & Government Loans							
(see Home in Five down payment assistance guidelines for full details)							
Home in Five Advantage				Home in Five Advantage BOOST*			
30/3-Yr Codes	7-Yr Codes	10yr Codes	Description	30/3-Yr Codes	7-Yr Codes	10yr Codes	Description
EPX300	EPX700	EPX200	3%, 4%, 5%, or 6% assistance only (no additional assistance, including BOOST)	EPX310	EPX710	EPX210	BOOST additional 0.5% assistance for purchase in low-income census tract***
				EPX311	EPX711	EPX211	Additional 1.5% assistance for First Responders***
EPX301	EPX701	EPX201	Additional 1% assistance for First Responders*	EPX312	EPX712	EPX212	Additional 1.5% assistance for borrowers with income < 50% AMI**
EPX303	EPX703	EPX203	Additional 1% assistance for Qualified US military personnel/veterans*	EPX313	EPX713	EPX213	Additional 1.5% assistance for Qualified US military personnel/veterans***
EPX304	EPX704	EPX204	Additional 1% assistance for K-12 Teachers*	EPX314	EPX714	EPX214	Additional 1.5% assistance for K-12 Teachers***
* See Down Payment Assistance Guidelines for details							
** Refer to Home in Five guidelines for current income limits							
*** For purchases in a low-income census tract only. Use https://www.novoco.com/resource-centers/new-markets-tax-credits/data-tools/nmtc-mapping-tool to determine eligibility. A copy of the screenshot verifying eligibility must be placed in the delivery file (does not apply to EPX312 or EPX712).							
Rates subject to change at Lakeview's discretion							

FHA Commitment Letter

7/12/2019

Pricing Engine



**The Industrial Development Authority of the City of Phoenix, Arizona
The Industrial Development Authority of the County of Maricopa
Legally Enforceable Commitment Letter for HUD Mortgage Letter #2013-14 and
Mortgage Letter #2019-06 (FHA Loans Only)**

Date: 7/12/2019
To Lender: Demo Correspondent
Subject: HOME IN FIVE™ Advantage Down Payment Assistance Program
Borrower(s): test commitment
Borrower(s): _____
Property Address: 1 main st City: phoenix
County: Maricopa **State:** Arizona **Zip Code:** 44444
Second Loan Amount (\$): \$10,000.00

This letter is to document Program compliance with FHA's requirements applicable to Secondary Financing ("Second Loans"), as outlined in HUD Mortgage Letter #2013-14 dated May 9, 2013 and HUD Mortgage Letter #2019-06 dated April 18, 2019. The Industrial Development Authority of the City of Phoenix, Arizona, and The Industrial Development Authority of the County of Maricopa (collectively, the "IDAs") have provided to the Lender a legal opinion from the law firm of Riley Carlock & Applewhite that satisfies HUD Mortgage Letter #2019-06.

As required by both Mortgage Letters, the IDAs state that they have, at or before closing, incurred a legally enforceable obligation to provide the Second Loan funds towards all or a portion of the Borrower's Minimum Cash Investment and that the provision of such funds is not contingent upon any future transfer of the First Mortgage Loan. Funds provided towards the Borrower's minimum required investment were funds legally belonging to the IDAs and were provided in the IDAs' governmental capacity in the jurisdiction in which the subject property is located. In addition to retaining this Commitment Letter in your loan file, you must also satisfy FHA insurability requirements for the First Mortgage Loan originated in conjunction with the Program referenced above.

As provided in the Program Guidelines, the above referenced Second Loan Amount will be advanced upon closing by the Lender on behalf of the IDAs for the benefit of the Borrower. The IDAs will provide for the reimbursement of the Second Loan Amount to the originating Lender at the time the First Mortgage Loan is purchased and funded by the IDAs designated Servicer, to whom all First Mortgage Loans may be sold. The above referenced Program Assistance will be evidenced by a Second Promissory Note and secured by a Second Deed of Trust and subordinate lien on the Property with the IDAs as the beneficiary.

The Industrial Development Authority of the
City of Phoenix, Arizona

By 
Juan Segundo
Chief Executive Officer

The Industrial Development Authority of the
County of Maricopa

By 
Shelby L. Scharbach
Executive Director

The Legally Enforceable Commitment Letter (FHA only) is found on the Lakeview portal and available at the time of loan lock in the 6033 delivery folder.



Second Loans: Lender Responsibilities

Reminders

- Enter the second loan information correctly within the Lakeview system.
- Size the second loans as a percentage of the final first loan amount (includes any financed MI), rounded down to the nearest dollar.
- Advance the second loan funds at the loan closing, on behalf of the IDAs, for the benefit of the borrower(s).
- There is no cash back from second loan proceeds. Surplus may be used for a first loan principal reduction.
- Utilize the Second Loan Documents provided on the [Home in Five](#) website.
 - Be sure to select the correct loan term from the sets of second loan documents: One for 3- and 7-year terms, One for the 10-year term, and One for the 30-year term

Second Loan Disclosures, Fees and Originals

Disclosures

- The Lender must disclose the second loan terms on behalf of the IDAs in accordance with CFPB guidelines.
- Under CFPB's partial disclosure exemption, Lenders may use:
 - The Home in Five RESPA 2nd loan disclosure, or
 - Lender's own TRID 2nd Loan Estimate and 2nd Loan Closing Disclosure (CD)

Note: The 10-year amortizing 2nd loan does not qualify for the partial exemption. Lenders must originate a full origination package. This includes a loan application, 2nd Loan Estimate, Closing Disclosure, etc.

Each Lender should check with their own Compliance Departments to determine when and how the second loan terms should be disclosed to the borrower.

Permitted Fees

- Recording fee, transfer taxes and any applicable assignment fee are the only permitted second loan fees. Both should be reflected on the second loan disclosures and not in the first loan disclosures.

Original Second Loan Documents

- Original second notes and true certified copy of the second loan deed of trust with recordation stamp should be returned to the originating Lender and then delivered to Lakeview for advance reimbursement.

Second Loan Documents

HOME IN FIVE ADVANTAGE PROGRAM/Lakeview Loan Servicing 2nd Loan Data Entry Form/Correspondent Lenders	
2nd Loan Data: Choose 3 or 7 Year Term <small>Key in data, hit ENTER then TAB</small>	Comments
Select 2nd Loan Term: <input type="text"/> Years [1]	Select the 2nd Loan Term from the Drop Down Box
2nd Loan Number: <input type="text"/>	Separate # assigned by Lakeview, will appear on all documents
Borrower(s)	Borrower(s) vested as:
1 <input type="text"/>	Borrower full names and vesting must match the First Loan documents. Borrower 5 is reserved for Non-Purchasing Spouse and will only appear on the 2nd Deed of Trust.
2 <input type="text"/>	
3 <input type="text"/>	
4 <input type="text"/>	
5 <input type="text"/>	
Street Address: <input type="text"/>	Enter Full Street Address, City and Zip Code separately
City: <input type="text"/> Zip: <input type="text"/>	
County: <input type="text"/> Maricopa	
2nd Loan Date: <input type="text"/> - <input type="text"/> - <input type="text"/> 2022	Select the Month and Day of the Loan Closing Date from the Drop Down Boxes. Do not use the first payment date.
2nd Loan Maturity Date: <input type="text"/> / <input type="text"/> / <input type="text"/>	<i>Auto-Calculation Field:</i> 2nd Loan Date plus 2nd Loan Term
Forgiveness Period: From <input type="text"/> / <input type="text"/> / <input type="text"/>	[1] <i>Auto-Calculation Field:</i> 2nd Loan Term will determine Forgiveness Period. For a 3-year term, 1/36th per full month. For a 7-year term, 1/60th per full month in Years 3-7.
To <input type="text"/> / <input type="text"/> / <input type="text"/>	As a % of final first loan amount, rounded down to nearest \$.
2nd Loan Amount (\$): <input type="text"/>	
2nd Loan Recording Fee (\$): <input type="text"/>	
2nd Loan Transfer Taxes (\$): <input type="text"/>	These are the only 2nd Loan fees permitted.

2nd Loan Documents can be found on Home in Five site:
<https://homein5advantage.com/resources-for-lenders/>

Documents include:

1. Disclosure of 2nd Loan Terms
2. 2nd Promissory Note
3. 2nd Deed of Trust
4. 2nd Loan Closing Instructions

Input data in red boxes on 2nd Loan Data Entry Form and documents will auto-populate.

Be sure to select the correct loan term from the sets of second loan documents: One for 3- and 7-year terms, One for the 10-year term, and One for the 30-year term

Second Loan Note Sample (3-year and 7-year)



HOME IN FIVESM Homebuyer Assistance Loan Program Disclosure of Second Loan Terms

Second Loan Date:	▼ ▼ 20 ▼
Second Loan Amount (\$):	
Second Loan Maturity Date:	▼ ▼ 20 ▼
Borrower(s):	_____ _____ _____
Property Address:	_____ _____ _____ City: _____ County: <u>Maricopa</u> State: <u>Arizona</u> Zip Code: _____
Second Loan Lender:	The Industrial Development Authority of the City of Phoenix, Arizona The Industrial Development Authority of the County of Maricopa
Forgiveness Period:	From: ▼ ▼ 2019 to: ▼ ▼ 20: ▼

I/we as applicant(s) may be eligible for a first mortgage loan (the "First Loan") to be secured by a Deed of Trust on certain property more fully described in that Deed of Trust ("Property") and, if chosen, a second mortgage loan (the "Second Loan") to be provided by The Industrial Development Authority of the City of Phoenix, Arizona and The Industrial Development Authority of the County of Maricopa (collectively, the "Second Loan Lender") through their HOME IN FIVESM Homebuyer Assistance Loan Program (the "Program").

- I/We have been advised by the First Loan Lender of all other eligible sources of down payment and closing costs that are available to me/us, of any other mortgage loan alternatives that may be available to me/us at a lower loan rate, and of the benefits of this First Loan and if applicable, Second Loan relative to these other mortgage loan alternatives, that I/we have reviewed and understand these benefits of the Program.
- I/we understand that the Second Loan will be evidenced by a Second Note and secured by subordinate lien ("Second Deed of Trust") on the Property, subordinate only to the senior deed of trust.
- I/we understand that the Second Loan is a fixed zero interest (0%) loan, with the Second Loan amount stated above due in full should the Second Loan become repayable as described in Paragraph 6 below. No scheduled payments are required until an action listed in Paragraph 5 below occurs. I/we understand that I/we am/are not entitled to any forgiveness if an action listed in Paragraph 5 occurs prior to the Forgiveness Period. During the Forgiveness Period as stated above, the Second Loan amount shall be eligible for forgiveness 1/36 th per full month, should the Second Loan become repayable as described in Paragraph 6 below. There is no forgiveness for partial months.
- If no action listed in Paragraph 5 occurs by the conclusion of the Forgiveness Period, the Second Loan will be forgiven in its entirety. I/we should refer to the Second Note and Second Deed of Trust evidencing and securing, respectively, the Second Loan for more information about non-payment, default, acceleration, prepayment rights and prepayment penalties and other important terms and conditions. No prepayment penalty will be imposed.

▼ Year Term

▼ Year Term

- I/We understand that the Second Loan must be repaid upon:
 - The sale, disposition or transfer of the Property
 - The refinancing or payment in full of the First Loan
 - Upon acceleration of the First Loan or Second Loan for any reason
- I/we understand(s) upon the occurrence of any of the actions described in Paragraph 5 herein (each a "Payment Action"), the Second Loan becomes immediately due and payable and I/we shall repay to the Second Loan Lender the entire remaining Second Loan Amount, net of any forgiveness.
- I/we also understand that the Second Loan Lender will not subordinate its second lien position on the Property under any circumstances, even to allow for the First Loan to be refinanced at a lower rate.
- I/we understand that this Second Loan is not assumable - i.e. a subsequent purchaser of the Property cannot assume the remainder of the Second Loan.
- I/we understand that, other than a Second Loan recording fee, there are no other permitted Second Loan related fees and that the recording fee, if any, stated below are not considered finance charges.
- I/we understand and agree that if the Second Loan Lender deems it necessary or appropriate under applicable federal or state law, it may send you an IRS Form 1099-C on or before March 1 of each year to evidence the amount of the Second Loan forgiven for the prior calendar year. Borrower may be required to treat the forgiven Second Loan Amount as ordinary income when completing my/our federal and state tax returns for each calendar year in which the debt is partially forgiven.
- I/we understand that Lender does not provide any advice or guidance as to the tax consequences for any forgiveness of the Second Note and I/we have been urged to consult with a tax advisor as to any tax consequences.

AMOUNT FINANCED: The amount of credit provided to you	FINANCE CHARGE: The dollar amount the credit will cost you	TOTAL NUMBER OF PAYMENTS: The amount you will pay upon the occurrence of a Payment Action	INTEREST RATE: The cost of your credit	ANNUAL PERCENTAGE RATE: The cost of your credit as a yearly rate, including any Finance Charges
\$ _____	\$0.00	Remaining unforgiven portion of the Second Loan	0%	0%

Second Loan Recording Fee: \$ _____ Second Loan Transfer Taxes: \$ _____

Your payment schedule will be:


NUMBER OF PAYMENTS	AMOUNT OF PAYMENTS	WHEN PAYMENT IS DUE
One (1) payment, upon the occurrence of a Payment Action	The remaining unforgiven portion of the Second Loan	Upon meeting any condition in Paragraph 5

I/we hereby acknowledge receipt of this disclosure:

_____ Borrower's Signature	_____ Date	_____ Borrower's Signature	_____ Date
_____ Borrower's Signature	_____ Date	_____ Borrower's Signature	_____ Date

Second Loan Note Sample (30-year)

30 Year Term



HOME IN FIVESM Advantage Down Payment Assistance Program
Disclosure of Second Loan Terms

Second Loan Date:	11 / 17 / 2022
Second Loan Amount (\$):	11,600
Second Loan Maturity Date:	11 / 17 / 2052
Borrower(s):	Borrower #1 _____ Borrower #2 _____ _____
Property Address:	10302 North Anywhere City: Phoenix County: Maricopa State: Arizona Zip Code: 85033
Second Loan Lender:	The Industrial Development Authority of the City of Phoenix, Arizona The Industrial Development Authority of the County of Maricopa
Forgiveness Date:	11 / 17 / 2052

I/we as applicant(s) may be eligible for a first mortgage loan (the "First Loan") to be secured by a Deed of Trust on certain property more fully described in that Deed of Trust ("Property") and, if chosen, a second mortgage loan (the "Second Loan") to be provided by The Industrial Development Authority of the City of Phoenix, Arizona and The Industrial Development Authority of the County of Maricopa (collectively, the "Second Loan Lender") through their HOME IN FIVESM Advantage Down Payment Assistance Program (the "Program").

- I/we have been advised by the First Loan Lender of all other eligible sources of down payment and closing costs that are available to me/us, of any other mortgage loan alternatives that may be available to me/us at a lower loan rate, and of the benefits of this First Loan and if applicable, Second Loan relative to these other mortgage loan alternatives, that I/we have reviewed and understand these benefits of the Program.
- I/we understand that the Second Loan will be evidenced by a Second Note and secured by subordinate lien ("Second Deed of Trust") on the Property, subordinate only to the senior deed of trust.
- I/we understand that the Second Loan is a fixed zero interest (0%) loan, with the Second Loan amount stated above due in full should the Second Loan become repayable as described in Paragraph 6 below. No scheduled payments are required until an action listed in Paragraph 5 below occurs. I/we understand that I/we am/are not entitled to any forgiveness if an action listed in Paragraph 5 occurs prior to the Forgiveness Date. On the Forgiveness Date as stated above, the Second Loan amount shall be eligible for forgiveness in full.
- If no action listed in Paragraph 5 occurs prior to the Forgiveness Date, the Second Loan will be forgiven in its entirety. I/we should refer to the Second Note and Second Deed of Trust evidencing and securing, respectively, the Second Loan for more information about non-payment, default, acceleration, prepayment rights and prepayment penalties and other important terms and conditions. No prepayment penalty will be imposed.

Home In Five Program Version 1.0 Page 1 | 2

30 Year Term

- I/we understand that the Second Loan must be repaid upon:
 - The sale, disposition or transfer of the Property
 - The refinancing or payment in full of the First Loan
 - Upon acceleration of the First Loan or Second Loan for any reason
- I/we understand(s) upon the occurrence of any of the actions described in Paragraph 5 herein (each a "Payment Action"), the Second Loan becomes immediately due and payable and I/we shall repay to the Second Loan Lender the entire remaining Second Loan Amount.
- I/we also understand that the Second Loan Lender will not subordinate its second lien position on the Property under any circumstances, even to allow for the First Loan to be refinanced at a lower rate.
- I/we understand that this Second Loan is not assumable - i.e., a subsequent purchaser of the Property cannot assume the remainder of the Second Loan.
- I/we understand that, other than a Second Loan recording fee, there are no other permitted Second Loan related fees and that the recording fee, if any, stated below are not considered finance charges.
- I/we understand and agree that if the Second Loan Lender deems it necessary or appropriate under applicable federal or state law, it may send you an IRS Form 1099-C to evidence the amount of the Second Loan forgiven for the prior calendar year. Borrower may be required to treat the forgiven Second Loan Amount as ordinary income when completing my/our federal and state tax returns.
- I/we understand that Lender does not provide any advice or guidance as to the tax consequences for any forgiveness of the Second Note and I/we have been urged to consult with a tax advisor as to any tax consequences.

AMOUNT FINANCED: The amount of credit provided to you	FINANCE CHARGE: The dollar amount the credit will cost you	TOTAL NUMBER OF PAYMENTS: The amount you will pay upon the occurrence of a Payment Action	INTEREST RATE: The cost of your credit	ANNUAL PERCENTAGE RATE: The cost of your credit as a yearly rate, including any Finance Charges
\$ 11,600	\$0.00	Remaining unforgiven portion of the Second Loan	0%	0%

Second Loan Recording Fee: \$ 50.00 Second Loan Transfer Taxes: \$ _____

Your payment schedule will be:

NUMBER OF PAYMENTS	AMOUNT OF PAYMENTS	WHEN PAYMENT IS DUE
One (1) payment, upon the occurrence of a Payment Action	The remaining unforgiven portion of the Second Loan	Upon meeting any condition in Paragraph 5

I/we hereby acknowledge receipt of this disclosure:

Borrower's Signature Date Borrower's Signature Date

Borrower's Signature Date Borrower's Signature Date

Home In Five Program Version 1.0 Page 2 | 2



Second Loan Note Sample (10-Year Amortizing)



**The Industrial Development Authority of the City of Phoenix, Arizona
The Industrial Development Authority of the County of Maricopa
HOME IN FIVE Advantage Down Payment Assistance Program
Second Promissory Note (Amortizing)**

Second Loan Date:	_____	Second Loan Number:	_____
Second Loan Amount (\$):	_____		
Second Loan Maturity Date:	_____		
Borrowers:	_____ _____ _____		
Property Address:	City: _____ County: Maricopa State: Arizona, Zip Code: _____		
Second Loan Lender	The Industrial Development Authority of the City of Phoenix, Arizona The Industrial Development Authority of the County of Maricopa		
Second Loan Servicer:	Lakeview Loan Servicing, LLC		
Monthly Payment:	\$ _____		
Second Loan Interest Rate:	6%		

1. **AMOUNT.** THE INDIVIDUAL(S) LISTED ABOVE AND UNDERSIGNED BORROWERS promise to pay to the order of The Industrial Development Authority of the City of Phoenix, Arizona and The Industrial Development Authority of the County of Maricopa, each a political subdivision existing under the laws of the State of Arizona or their assignee (the "Second Loan Lender"), that portion of the Second Loan Amount that is due and payable at the times set forth in this Second Promissory Note (this "Second Note"). This Second Note is originated on this date by the Second Loan Lender under the Home In Five Advantage Down Payment Assistance Program (the "Program") to provide a second mortgage loan (the "Second Loan") to finance all or a portion of the down payment and closing costs associated with the first mortgage loan (the "First Loan") towards the purchase of the residence located at the Property Address and more fully described in the Second Deed of Trust securing the Second Loan (the "Property").

2. **BORROWERS' PROMISE TO PAY.** In return for the Second Loan Amount that the Borrowers have received from the Second Loan Lender, the Borrowers promise to pay the Second Loan Amount, plus accrued interest and any outstanding Late Charge as defined in Section 6 of this Note, if any, to the order of the Second Loan Lender. The Borrowers will make all payments under this Second

Note in U.S. currency in the form of cash, check, money order or other payment method accepted by the Second Loan Lender.

The Borrowers understand that the Second Loan Lender may transfer this Second Note. The Second Loan Lender or anyone who takes this Second Note by transfer and who is entitled to receive payments under this Second Note is called the "Note Holder".

3. **INTEREST RATE.** Interest will be charged on the unpaid Second Loan Amount until the Second Loan Amount has been paid in full. The Borrowers will pay interest at a yearly rate equal to the Second Loan Interest Rate stated above.

4. **NOTE PAYMENTS**

(A) **Time of Payments.** Borrowers will pay the principal and interest due by making a payment every month (the "Monthly Payment").

The Borrowers will make the Monthly Payment on the first day of each month beginning on _____. The Borrowers will make such payments every month until the Borrowers has repaid the Second Loan Amount plus interest in full and any other charges described below that the Borrowers(s) owes under this Second Note. Each Monthly Payment will be applied as of its scheduled due date and will be applied to interest and any outstanding Late Charge as defined in Section 6 of this Note first before the Second Loan Amount. If, on the Second Loan Maturity Date, the Borrowers still owe amounts under this Second Note, the Borrowers(s) will pay those amounts on that date.

(B) **Place of Monthly Payments.** All Monthly Payments, if any, shall be made by Borrowers payable to the Lender and mailed or delivered to the Second Loan Servicer on behalf of the Second Loan Lender or at such other place or places as the Second Loan Servicer may designate in writing from time to time.

(C) **Amount of Monthly Payments.** The Borrowers' Monthly Payment will be in the amount of _____, with no adjustment for any Prepayment as permitted by Section 5 of this Second Note.

(D) **Conditions for Second Loan Becoming Due Before the Second Loan Maturity Date.** The Second Loan will become due before the Second Loan Maturity Date upon the occurrence of any one of the following dates:

- (i) The date on which the Property (or any interest therein) is sold or otherwise transferred;
- (ii) The date on which the First Loan is refinanced or paid in full;
- (iii) The date on which the First Loan becomes due and payable for any reason; or
- (iv) The date the Borrowers cease to use the Property as a primary residence.

5. **BORROWERS' RIGHT TO PREPAY.**

The Borrowers have the right to make payments towards the Second Loan Amount before they are due at any time. A payment of Second Loan principal before it is due is known as a "Prepayment". When the Borrowers make a Prepayment, the Borrowers will notify the Note Holder in writing of such Prepayment. The Borrowers may not designate a payment as a

Second Loan Deed of Trust

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:

(For Recorder's Use Only)

THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF PHOENIX, ARIZONA
 THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF MARICOPA
HOME IN FIVESM HOMEBUYER ASSISTANCE LOAN PROGRAM
 Second Deed of Trust, Security Agreement, Assignment of Rents and Leases and Fixture Filings

Second Loan Date:	(<u> </u> / (<u> </u> / 201 <u> </u> / <u> </u>)	Second Loan Number:	
Second Loan Amount (\$):			
Second Loan Maturity Date:	(<u> </u> / <u> </u> / 202 <u> </u> / <u> </u>)		
Forgiveness Period:	From: (<u> </u> / <u> </u> / 201 <u> </u> / <u> </u>) to: (<u> </u> / <u> </u> / 202 <u> </u> / <u> </u>)		
Forgiveness Calculation:	1/36 th of the original Second Loan Amount per month for each full month during the Forgiveness Period		
Trustor/Borrower(s):	_____ _____ _____ _____		
Property Address:	_____ City: _____ County: <u>Maricopa</u> State: <u>Arizona</u> Zip Code: _____		
Trustee:	First American Title Insurance Company		
Trustee Address:	2425 E. Camelback Road, Suite 300, Phoenix, AZ 85016		
Second Loan Lender/Beneficiaries	The Industrial Development Authority of the City of Phoenix, Arizona The Industrial Development Authority of the County of Maricopa		
Second Loan Servicer:	Lakeview Loan Servicing, LLC		

For good and valuable consideration, the receipt and sufficiency of which are acknowledged, Trustor agrees and covenants as follows:

1. **Grant in Trust.** Trustor irrevocably grants, conveys, and transfers to Trustee, its successors and assigns, in trust, pursuant to this Second Deed of Trust, Security Agreement, Assignment of Rents and Leases, and Fixture Filing ("Second Deed of Trust") and Arizona law, WITH POWER OF SALE AND RIGHT OF ENTRY AND POSSESSION, all of Trustor's right, title, and interest in and to that real property ("Premises") situated in the County listed above, State of Arizona, more particularly described on **Exhibit "A"** attached and, by this reference, incorporated in this Second Deed of Trust. The Premises are conveyed by Trustor in trust



Lakeview Correspondent Website

Here you will find:

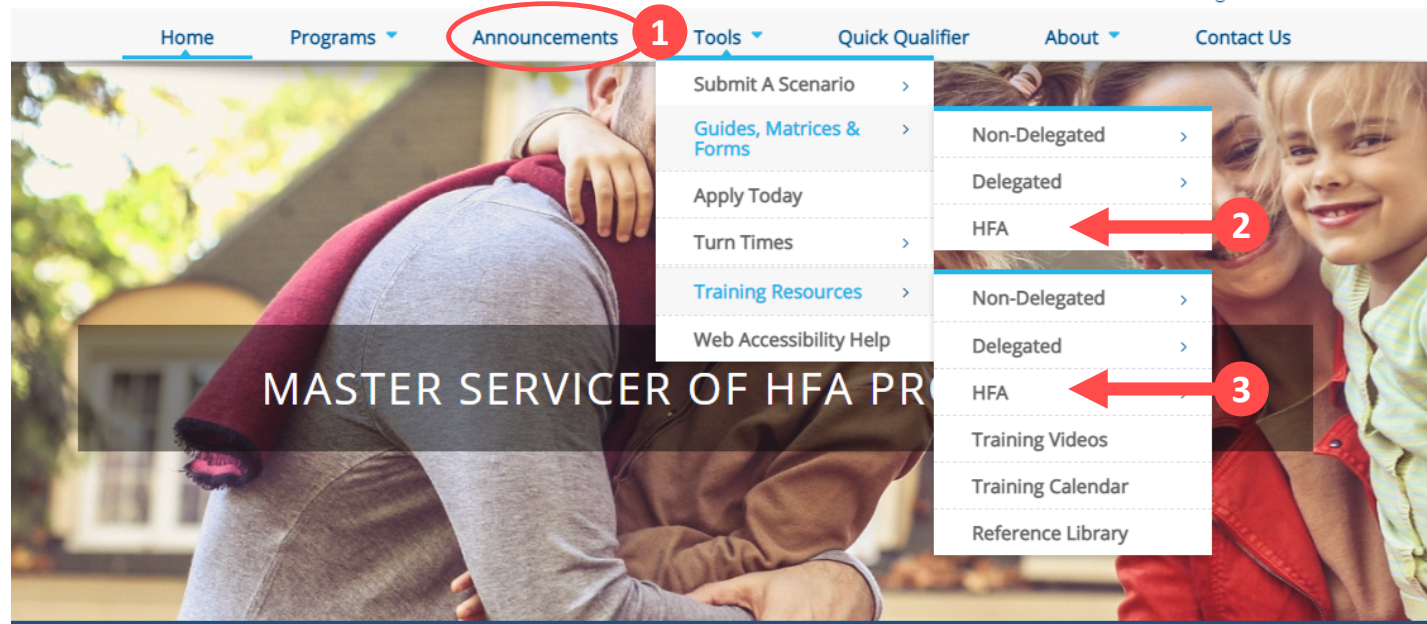
1. Announcements
2. Product Matrices and Seller Guides
3. Training Resources and a Reference library, which houses:
 - Quick reference guides
 - Delivery file checklists for closing and credit
 - Sample documents



Questions? Call 855-253-8439 today

Non-Delegated Underwriting Portal

Delegated/Closed Loan Portal



Additional Contacts

STIFEL

Contact	Phone	Email
Marc Paskulin, Managing Director Banking	530.492.3264	paskulinm@stifel.com
Scott Riffle, Managing Director Banking	720.673.3957	riffles@stifel.com
DeDe Cross, Director Banking	720.673.3947	crossde@stifel.com



Contact	Phone	Email
Murray Boess, Chief Financial Officer	602.534.0180	mboess@phoenixida.com
Mary Mistic, Administrator	602.834.5226 x2	mary@mcida.com

Resources

- For more information or questions about the **First Mortgage** please see the applicable product matrix at www.lakeviewcorrespondent.com.
- For more information or questions about the **Second Mortgage** options, including conventional/government product matrices, down payment assistance guidelines, lender agreement, or contact information, refer to <http://www.homein5advantage.com/resources-for-lenders/>

Questions?

General Program Rollout	Contact your internal Product Implementation Team or your Lakeview Business Development Director
Disclosures, Forms, or Conditions on Closed Loans	Contact your Lakeview Client Manager
Pricing	Contact the Lakeview Commitment Desk at 85-Lakeview, option 1
Program Guidelines or Specific Scenarios	Contact the Lakeview UW Scenario Dept at 85-Lakeview, option 2 or at underwritingquestions@bayview.com
Locking or Delivering Loans	Contact Lakeview Client Services at 85-Lakeview, option 3 or at clientservices@bayviewloans.com
First Mortgage Payoffs	Contact LoanCare at 1-800-509-0183

