



**Hardest Hit Fund (HHF)
Down Payment Assistance for Locals Program
Second Mortgage Guideline
For eligible homebuyers in:
Brevard, Duval, Hillsborough, Orange, Osceola,
Pasco, Pinellas and Polk counties, FL**



INTRODUCTION TO THE HHF DPA for Locals Program, eHousingPlus AND US BANK HOME MORTGAGE PARTNERSHIP

The HHF DPA for Locals Program is provided by a special collaboration between Florida Housing Finance Corporation (EIN: 59-3451366) and the Housing Finance Authority of Hillsborough County, the Orange County Housing Finance Authority and the Housing Finance Authority of Pinellas County. The HHF DPA for Locals Program is a down payment and closing cost assistance second mortgage program to eligible First Time Homebuyers through a network of approved, Participating Lenders.

Each program requires the delivery of two separate and completed packages for closed loans.

Compliance Package(s) For each closed loan, as indicated in the Participating Lenders originate, underwrite, close, fund in their loan origination systems, and deliver all closed Program loans to US Bank Home Mortgage for purchase. In addition, Program loans (both first mortgage and the HHF DPA for Locals second mortgage) are reserved/locked, underwriter certified, and final Program closing documents (available on the eHousingPlus online system) executed and delivered separately to eHousingPlus for compliance approval.

eHousingPlus

- Serves as the Program Administrator and Compliance Agent for the first and HHF DPA for Locals Homebuyer Programs.
- Provides the online reservation system utilized by Participating Lenders in Florida Housing's Homebuyer Programs.
- Offers reservation system training for all Participating Lenders, assistance with the reservation system and assists Participating Lenders with Program questions and requirements.
- Reviews all Program loan files for compliance with eligibility requirements as set forth in this HHF DPA Program Guide.
- Notifies Participating Lenders of any compliance file exceptions on delivered loans.

US Bank Home Mortgage (US Bank)

- Serves as master servicer of all first and second mortgage loans originated in Florida Housing's Homebuyer Program.
- Provides training to Participating Lenders regarding the delivery and purchase requirements of all first and second mortgage loans.
- Offers assistance with loan delivery requirements to Participating Lenders.
- Notifies Participating Lenders of any collateral file exceptions on delivered loans.

Please direct any questions or concerns to the appropriate party listed below.

Question	Direct Questions to:	Contact Information
<p>How can I become an approved Lender?</p> <p>Contact the following individuals if you are interested in participating in their program:</p>	<p>Housing Finance Authority of Hillsborough County http://www.ehousing.cc/hillsborough.html</p> <p>Orange County Housing Finance Authority http://www.ehousing.cc/orange-county.html</p> <p>Housing Finance Authority of Pinellas County http://www.ehousing.cc/pinellas.html</p>	
PROGRAM TRAINING		
<p>How can individual staff member of an approved Participating Lender register for the program training?</p>	eHousingPlus	<p>In order to originate a First with HHF DPA Program loan, a lender must also attend the Program lender training.</p> <p>Click on the appropriate link: Brevard, Duval, Hillsborough counties</p> <p>Orange, Osecola counties</p> <p>Pasco, Pinlleas, Polk counties</p>
<p>Who needs to attend Program Training?</p>	eHousingPlus	<p>Any lender staff member who is going to be part of the process, from reservations, to processing, to closing, to delivery of files, to curing deficiencies, underwriters and managers MUST attend Program Training to ensure that all requirements are being met.</p>
<p>System Training (eHP Lender Portal) is held monthly on specific dates.</p>	eHousingPlus	<p>Click on this link to register for System Training.</p>
<p>Compliance File Delivery Training only (for Shippers and Closers) is held monthly on specific dates (after the initial webinar).</p>	eHousingPlus	<p>meagan.bouscher@ehousingplus.com</p>
<p>Where do I attend US Bank training for Closers and Shippers?</p>	US Bank	800-562-5165

ELIGIBILITY		
<p>Questions regarding income and other program eligibility components.</p>	<p>eHousingPlus</p>	<p>Please contact: 813-415-3549 joe@ehousing.cc Jennifer@ehousing.cc Vicki@ehousing.cc Nick@ehousing.cc Sue@ehousing.cc</p>
<p>Credit underwriting and mortgage loan collateral questions.</p>	<p>Direct your questions to your internal Underwriting Department/Manager or US Bank</p>	<p>US Bank does not re-underwrite loans. For general questions, contact US Bank at hfa.programs@usbank.com or 800-562-5165 Option 2 (<i>for general questions</i>)</p>
HOW TO		
<p>How do I reserve a loan?</p> <p>You will need to have attended system training, and have established user credentials prior to accessing the system.</p>	<p>eHousingPlus</p>	<p>Click on this link to view the HHF for Locals Program main web page. The links to reserve the first and second mortgage are located on the web page.</p>
<p>How to I edit loan information on my reservation?</p> <p>Users can edit most of the loan information directly in the system prior to the Loan Certification Stage, when it becomes locked on the web. After this stage, you will need to contact eHP staff to request the change.</p>	<p>eHousingPlus</p>	<p>954-217-0817 gabriela.baez@ehousingplus.com Ext 208 Rebecca.confare@ehousingplus.com Ext 250</p>
<p>How do I access the required forms for my loan?</p> <p>Users can access certain required forms and affidavits when logged into the system by clicking on Forms on the system loan menu. Some of these forms are pre-populated with loan information, so it is important to ensure that the loan information is complete and accurate prior to pulling forms to avoid unnecessary deficiencies.</p>	<p>eHousingPlus</p>	<p>Once logged into the system, a user can search for a loan, and access FORMS from the Loan Menu. Forms can be pulled individually or all at once, and lender can print them to get ready for closing. Only specific program forms are available as pre-populated forms on the eHP Lender Portal. Other standard forms such as 1003, CD, etc are processed individually within each lender's system.</p>

<p>How do I know if my delivered file has errors (deficiencies) that need to be corrected?</p> <p>It is the responsibility of the lender to deliver compliant and complete packages to both eHP (the Program Administrator) and U.S. Bank (the Master Servicer).</p>	<p>eHousingPlus</p>	<p>Users can log into the system, and select two options:</p> <ol style="list-style-type: none"> 1. Reports: Exceptions/Deficiencies – This report provides a detail of any loan your lending institution has delivered that has outstanding deficiencies in detail. This includes both Compliance Deficiencies (Ehp) and Mortgage File Deficiencies (U.S. Bank) in one report. Post closing staff should be reviewing this report on a continuous basis to ensure that the loans are cleared within the program guidelines, and not risk unnecessary extension fees, or loan not be eligible for purchase. 2. Loans with Deficiencies provides a quick list of any loan that has deficiencies. Any loan can be individually searched via the loan search feature.
<p>POST CLOSING FILES</p>		
<p>COMPLIANCE FILES</p> <p>General questions regarding the shipping of closed files</p> <p>Compliance exceptions</p>	<p>eHousingPlus</p>	<p>954-217-0817</p> <p>Nailleth.garcia@ehusingplus.com Ext 211</p> <p>Debbie.Kerr@ehusingplus.com Ext 216</p>
<p>MORTGAGE FILES</p> <p>Questions related to the delivery of the MORTGAGE FILES to be purchased by the Servicer, U.S. Bank, including deficiencies in these files.</p> <p>The original mortgage(s) files are delivered to the servicer for purchase after closing. Please note that all loans must be compliance approved by eHousingPlus, prior to Purchase by U.S. Bank</p>	<p>US Bank</p>	<p>hfa.programs@usbank.com</p> <p>800-562-5165 Option 2 <i>(for general questions)</i></p> <p>800-562-5165 Option 1 <i>(for questions regarding exceptions)</i></p>

UNDERSTANDING THE PROCESS

All government first mortgage and second mortgage loans must adhere to the delivery timeline in each specific first mortgage HHF DPA for Locals Program.

Loans that are not delivered or purchased by the maximum delivery date are subject to cancellation.

The Program timeline is determined by date loan is reserved in the eHousingPlus System, NOT by the date loan is locked in a Lender’s origination system.

Step 1	Once Lenders have attended training online and have been given system access, Lenders can then qualify borrowers for the first and second mortgage based on all applicable Agency, US Bank and FL Housing Program requirements. Lenders should confirm borrower(s) have attended and completed an approved homebuyer education course.
Step 2	Lenders collect all necessary documentation from borrower(s) for confirmation of eligibility to participate in the First Time Homebuyer Program.
Step 3	Once a fully executed sales contract is obtained and Lender has taken loan application in their origination system, provide Program disclosures to borrower(s). In order to meet loan delivery/purchase timelines it is recommended that lenders do not lock the first and second mortgages in the online reservation system until their underwriter is ready to certify the loan.
Step 4	Loans are certified by the Lender’s underwriter for compliance with all Program requirements and data consistency. Underwriter Certification should be completed according to the specific first mortgage HHF DPA for Locals Program timeline.
Step 5	Program closing documents, the DPA Mortgage, and the DPA Note are pulled from the eHP Lender Portal (under FORMS) for forwarding to the closing company. Additionally, all other lender generated mortgage loan documents, and any other required documents that lender will need to create the final Compliance Package(s) and Mortgage(s) Package(s) will be required.

Step 6	<p>Loan closes; lenders compile the necessary documents as required by the checklists.</p> <ol style="list-style-type: none"> 1. Lenders submit the Compliance file(s) to eHousingPlus for program eligibility review and approval. 2. Lenders submit the closed first and second Mortgage file to US Bank for purchase review and funding.
Step 7	<p>Once files are reviewed by eHP and/or U.S. Bank, respectively:</p> <ol style="list-style-type: none"> 1. If Compliance File is complete and there are no errors, the file stage will change to “COMPLIANCE APPROVED”, and lender receives a system notification. OR 2. If Compliance File has errors or deficient in any way, the lender will receive a system generated notification email. The lender can also monitor their loans in the eHP Lender Portal, and review the Report: Exceptions/Deficiencies to make sure these are cured and resolved prior to loan timeline requirements expiring. <i>Loans must have a Compliance Approval in order to qualify for Purchase by the Master Servicer.</i> 3. US Bank issues exceptions (if any) to Lenders for loan files that are deficient in loan documentation and/or do not satisfy Agency (FHA, VA, etc.) or US Bank requirements. 4. U.S. Bank notifies lenders of these deficiencies on an on-going basis directly. 5. For the convenience of the lenders, you can also find these deficiencies listed on the Exceptions/Deficiencies Report in the eHP Lender Portal.
Step 8	<p>After all deficiencies are cured, and loan receives a Compliance Approval, eligible loans are purchased by US Bank (1st and DPA) and Lenders are paid the SRP. Reservation to Purchase = Reference the specific first mortgage HHF DPA for Locals Program timeline.</p>
Step 9	<p>Lenders submit any final trailing documentation to US Bank.</p>

DEFINITIONS

Agency means FHA (Federal Housing Administration of the United States Department of Housing and Urban Development), VA (Veteran's Affairs) or USDA/RD (Rural Development Service of the United States Department of Agriculture).

Current Gross Annual Income means gross monthly income multiplied by twelve (12). Gross monthly income is the sum of monthly gross pay; any additional income from overtime, part-time employment, bonuses, dividends, interest royalties, pensions, Veterans Administration (VA) compensation, net rental income, etc.; and other income (such as alimony, child support, sick pay, social security benefits, unemployment compensation, income received from trusts, and income received from business activities or investments.)

Documentary Stamp Tax and Intangible Tax Exemption means under Section 420.513(1), Florida Statutes, second mortgages and notes given to secure the repayment of a loan issued in connection with the financing of housing under Florida Housing's Homebuyer Programs are exempt from documentary stamp tax and intangible tax. Deeds are not exempt.

Federally Designated Targeted Area means those areas within the State identified as Qualified Census Tracts and Areas of Chronic Economic Distress (if any) which are set forth in this HHF DPA Program Guide.

FHA/VA/USDA-RD Loans means Mortgage Loans which are FHA insured, U.S. Department of Veterans Affairs (VA) Guaranteed, or U.S. Department of Agriculture Rural Development (USDA-RD) Guaranteed.

First Time Homebuyer means, except for borrowers purchasing in Federally Designated Targeted Areas and for certain veterans eligible for the Veteran's Exception, the borrower and spouse of a borrower, if applicable, must have had no present Ownership Interest in a principal residence at any time during the three-year period prior to the date on which the Mortgage Loan is executed.

Government Loan Program means any FHA, VA or USDA-RD Mortgage Loans originated in Florida Housing's Homebuyer Program.

Hardest Hit Funds (HHF) means the U.S. Treasury's Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets in which Florida Housing Finance Corporation is a participant.

HHF DPA for Locals Program means the down payment assistance program offered by Florida Housing Finance Corporation to be used in conjunction with a first mortgage provided by one of the following local housing finance authorities: HFA of Hillsborough County, Orange County HFA and HFA of Pinellas County.

Household Income means the combined Current Gross Annual Income of the borrower(s) and all occupants, over the age of 18, that will be residing in the property purchased through the Program. If married, the income of a spouse must be included whether or not they will occupy the property.

Income Limit means the federally adjusted income limits for a household, adjusted for household size and county, which are set forth in this HHF DPA Program Guide.

Lender or Participating Lender means a home mortgage lending institution approved by Florida Housing for the Program.

Mortgage means the written instrument creating a lien on real property to provide security for the payment of a Mortgage Loan.

Mortgage Loan means a qualified loan originated by a Lender under the Program with respect to real property, which is evidenced by a Mortgage Note and secured by a Mortgage that creates a first or second lien.

Mortgage Note means the promissory note evidencing the obligation to repay a Mortgage Loan.

Ownership Interest means a person(s) who has owned and occupied a primary residence and appear on the deed to such property.

Purchase Price Limit or Acquisition Limit means the Homeownership Program limits on the maximum purchase price of a home, by county, which are set forth in this HHF Program Guide.

Reasonable and Customary Closing Costs means reasonable and customary fees determined to satisfy all Agency guidelines such that those fees will not impact the insurability or the guarantee of mortgage loans by the Agencies.

State means the State of Florida.

Veterans Exception refers to the Congressional Act that permanently exempts qualified veterans from the Internal Revenue Code 143 requirement of being a First Time Homebuyer when utilizing loan programs that rely on mortgage revenue bond financing as its funding source.

THE HHF DPA FOR LOCALS SECOND MORTGAGE PROGRAM

The HHF DPA for Locals Program provides a second mortgage program that allocates specific funds to eligible borrower(s), which can be used for down payment, closing costs and prepaids, mortgage insurance premiums, or as a principal reduction to the first mortgage. This second mortgage program offers the following benefits to qualified borrower(s):

- Borrower(s) qualifying for the **Hillsborough First with HHF DPA** in the eligible counties of Brevard, Duval and Hillsborough the **Orange First with HHF DPA** in the eligible counties of Orange and Osceola, and the **Pinellas First with HHF DPA** in the eligible counties of Pasco, Pinellas and Polk, automatically qualify. This is not a stand-alone second mortgage program, and must be originated with a first mortgage from one of the programs listed herein.
- A five-year, deferred loan that is **forgiven** at the rate of 20% per year, over the term of the second mortgage loan provided the borrower is not in default.
- 0% interest rate.
- Up to \$15,000 in assistance.
- GFE and HUD-1 required (TRID LE and CD may NOT be used)
- Lender will fund the assistance at closing. US Bank will reimburse Lender at loan purchase.

THE FIRST MORTGAGE PROGRAMS

The following agencies offer first mortgage programs which exclusively can use the HHF DPA for Locals assistance. Potential borrower(s) are required to qualify as a First Time Homebuyer(s) as defined below and satisfy the following requirements to be eligible to participate in the first mortgage programs that offer this down payment assistance.

HFA of Hillsborough County, FL [Hillsborough First with HHF DPA]

Orange County HFA [Orange First with HHF DPA]

Pinellas County HFA [Pinellas First with HHF DPA]

Program Requirements

1) First Time Homebuyer Requirement - unless meeting one of the exceptions below, the borrower and spouse, if applicable, must not have had an Ownership Interest in a principal residence at any time during the three-year period prior to the date on which the Mortgage Loan is executed.

Veterans Exception

- Veterans need not be First Time Homebuyers if he or she served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable.
- Borrower(s) qualifying under the Veterans Exception must certify that they meet the requirements on the Mortgagor Affidavit.

Federally Designated Targeted Area Exception

- Borrower(s) purchasing in a Federally Designated Targeted Area are exempt from the First Time Homebuyer Requirement. See the eligible Census Tracts below.

Federally Designated Targeted Areas
(Borrowers Purchasing in Federally Designated Targeted Areas are Exempt from the First Time Homebuyer requirement.)

County	Census Tracts by County
Brevard	0607.00, 0623.01, 0626.00, 0649.02
Duval	0002.00, 0003.00, 0010.0, 0013.00, 0015.00, 0016.00, 0025.01, 0026.00, 0027.02, 0029.02, 0122.00, 0132.00, 0155.02, 0163.00, 0174.00
Hillsborough	0003.00, 0007.00, 0009.01, 0012.00, 0014.00, 0018.00, 0019.00, 0020.00, 0026.00, 0030.00, 0033.00, 0034.00, 0037.00, 0040.00, 0041.00, 0043.00, 0044.00, 0050.00, 0070.02, 0108.13, 0108.15, 0108.16, 0108.17, 0108.18, 0119.04, 0120.02, 0139.14
Orange	0104.00, 0105.00, 0116.00, 0117.02, 0120.00, 0124.01, 0135.03, 0145.02, 0145.03, 0150.01, 0165.10, 0169.07, 0185.00 0187.00
Osceola	0419.00, 0422.00, 0432.01
Pasco	0304.10, 0305.01, 0308.00, 0310.09, 0314.08, 0318.07, 0324.02, 0326.01, 0330.09, 0330.12
Pinellas	0205.00, 0208.00, 0216.00, 0245.10, 0246.02, 0247.03, 0255.05, 0262.00, 0268.18
Polk	0112.04, 0114.00, 0117.04, 0120.02, 0123.05, 0131.03, 0133.00, 0134.00, 0136.00, 0139.01, 0141.04, 0143.01, 0154.05, 0158.01, 0164.00

- 2) **Income Limit requirements** - Borrower(s) must not exceed the maximum Income Limit requirements, adjusted for household size, for the county in which the property is being purchased. Please see section for “Determining Income” later in this guide. See eligible Income Limits below.

- 3) **Purchase Price Limits** - requires that the contracted purchase price does not exceed the Purchase Price Limits in the county in which the property is being purchased. See eligible limits below.

**2017 Income & Purchase Price Limits
Florida First HHF Second Mortgage**

County	Non-Targeted 1-2 Persons	Non-Targeted 3+Persons	Targeted 1-2 Persons	Targeted 3+ Persons	Acquisition/ Purchase Price Limit Non-Targeted	Acquisition/ Purchase Price Limit Targeted
Brevard	\$61,700	\$70,955	\$74,040	\$86,380	\$253,809	\$310,211
Duval	\$70,278	\$80,820	\$77,280	\$90,160	\$303,882	\$371,411
Hillsborough	\$59,800	\$68,770	\$71,760	\$83,720	\$253,809	\$310,211
Orange	\$59,000	\$67,850	\$70,800	\$82,600	\$255,176	\$311,881
Osceola	\$59,000	\$67,850	\$70,800	\$82,600	\$255,176	\$311,881
Pasco	\$59,800	\$68,770	\$71,760	\$83,720	\$253,809	\$310,211
Pinellas	\$59,800	\$68,770	\$71,760	\$83,720	\$253,809	\$310,211
Polk	\$59,000	\$67,850	\$70,800	\$82,600	\$253,809	\$310,211

4. Other Requirements

- Borrower(s) must have a minimum FICO score allowable in each HFA program for all loans (FHA, USDA-RD and VA). Consult the First Mortgage HHF guide for details.
- Borrower(s) maximum debt-to-income ratio cannot exceed 45% or ratio deemed acceptable by US Bank.
- Borrowers must satisfy all Agency requirements as well as any requirements imposed by US Bank.

The Hardest Hit Fund (HHF) DPA Second Mortgage Program TERM SHEET											
Program Overview	<ul style="list-style-type: none"> This Down Payment Assistance (DPA) Program will provide an incentive to qualified First Time Homebuyers to purchase a primary residence in eleven targeted counties within Florida. 										
Allowable Borrower Costs Covered with the Hardest Hit Fund (HHF) DPA Second Mortgage	<ul style="list-style-type: none"> Borrowers' down payment. Any down payment exceeding minimum requirement to be applied to first mortgage principal. Reasonable and customary closing costs. <p><i>Please Note: The HHF second mortgage down payment assistance CANNOT be used to cover the cost difference between the sales price and appraised value and CANNOT be used to pay off borrower debt. The difference between appraised value and sales price or debt repayment must be paid with the borrowers' own funds.</i></p>										
Targeted Counties	<table style="margin-left: auto; margin-right: auto;"> <tr> <td>Brevard</td> <td>Pasco</td> </tr> <tr> <td>Duval</td> <td>Pinellas</td> </tr> <tr> <td>Hillsborough</td> <td>Polk</td> </tr> <tr> <td>Orange</td> <td></td> </tr> <tr> <td>Osceola</td> <td></td> </tr> </table> <p><i>This DPA Program is NOT available in other counties.</i></p>	Brevard	Pasco	Duval	Pinellas	Hillsborough	Polk	Orange		Osceola	
Brevard	Pasco										
Duval	Pinellas										
Hillsborough	Polk										
Orange											
Osceola											
Features	<ul style="list-style-type: none"> Up to \$15,000. 0% interest. 5-year term. Forgivable - this second mortgage will be forgiven at the rate of 20% per year over the five-year term of the loan provided the borrower is not in default. 										
Rate	<ul style="list-style-type: none"> 0% 										
Term	<ul style="list-style-type: none"> 5-year, forgivable - this second mortgage becomes due and payable if the borrower sells, transfers or disposes of the property, if borrower fails to occupy the property as the borrower's primary residence or if borrower refinances or satisfies the first mortgage loan. 										
First Time Homebuyer (FTHB) Requirement	<ul style="list-style-type: none"> Borrower(s) must not have had an Ownership Interest in their primary residence within the past 3 years unless purchasing in a Federally Designated Targeted Area or if they qualify under the Veteran's Exemption. 										

Exemptions to First Time Homebuyer (FTHB) Requirement	<ul style="list-style-type: none"> Veterans or borrowers purchasing in a Federally Designated Targeted Area are exempt from the FTHB Requirement. For FL HFA Preferred Conventional Loan Program, a Veteran is defined as “a person who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable.”
Program Participation Restriction	<ul style="list-style-type: none"> All borrowers are restricted to a one-time participation in Florida Housing’s Homebuyer Program. This includes all first and second mortgage programs.
Homebuyer Education (HBE)	<p>First-Time Homebuyers, unless qualifying under a Veteran's Exception or those who are exempt by purchasing a home in a Federally Designated Targeted Area as specified in this Program Guide, must complete a Program-approved pre-purchase homebuyer education course. We will accept face-to-face homebuyer education if provided by a HUD approved counseling agency, a unit of local government that provides pre-purchase homebuyer education in FL, or a counseling agency designated by a unit of local government to provide homebuyer education on their behalf. Refer to www.hud.gov for a list of approved education providers by county.</p> <p>Online HBE is permitted if provided by a HUD approved agency, a unit of local government that provides pre-purchase homebuyer education in FL, a mortgage insurance provider, or an Agency or GSE sponsored course.</p> <p><i>Certificates of Completion are acceptable for 2 years from date of completion.</i></p>
Who Must Attend HBE (Rev 08/21/17)	<ul style="list-style-type: none"> All borrowers/parties appearing on the deed must attend homebuyer education regardless of who appears on the note.
FICO Score Requirements	<ul style="list-style-type: none"> Minimum FICO for all loan products (FHA, VA, RD) is determined by the allowable FICO of the First Mortgage and may be found within the First Mortgage HHF guide for each Issuer. Manual underwriting is not permitted. <i>Minimum FICO requirement may apply per mortgage insurance provider.</i>
Ratios	<ul style="list-style-type: none"> Maximum debt-to-income ratio = 45% or ratio deemed acceptable by US Bank.
Citizenship Requirements	<ul style="list-style-type: none"> All loans must adhere to GSE guidelines.

Loan Type	<ul style="list-style-type: none"> Government Loan (FHA, USDA-RD & VA) Please note that veterans do not have to use VA loan to participate.
Loan Purpose	<ul style="list-style-type: none"> Purchase only. Refinances are not eligible. Construction to permanent loans are not permitted.
Assumptions	<ul style="list-style-type: none"> Not permitted.
Prepayments	<ul style="list-style-type: none"> Permitted at any time without penalty.
Origination / Discount Points	<ul style="list-style-type: none"> Not permitted.
Federal Disclosure Requirements Second Mortgage	<ul style="list-style-type: none"> Lenders are required to adhere to all federal disclosure requirements. Failure to comply will deem loan ineligible for purchase by US Bank. A separate GFE and HUD-1 are required on all second mortgage loan applications. The new TRID disclosures (LE AND CD) are not acceptable.
Doc Stamp Tax & Intangible Tax Exemption	<ul style="list-style-type: none"> Second mortgages and notes are exempt. Please note that the first mortgage and note are NOT EXEMPT. The Second mortgage and note will pre-print with the following. <p>Notes: <i>“This note and the mortgage securing this note arise out of or are given to secure the repayment of a loan issued in connection with the financing of housing and are exempt from documentary stamp tax and intangible tax pursuant to section 420.513(1), F.S.”</i></p> <p>Mortgages: <i>“This mortgage and the note secured by this mortgage arise out of or are given to secure the repayment of a loan issued in connection with the financing of housing and are exempt from documentary stamp tax and intangible tax pursuant to section 420.513(1), F.S.”</i></p>
Recapture Tax	<ul style="list-style-type: none"> N/A.
Mortgagee Clause	<ul style="list-style-type: none"> Florida Housing Finance Corporation ISA OA/ATIMA 227 N. Bronough St., Suite 5000 Tallahassee, FL 32301
Title Insurance	<ul style="list-style-type: none"> Title insurance is prohibited on the HHF DPA Second Mortgage.

<p>Special Instructions to Title Companies/Closing Agents</p>	<ul style="list-style-type: none"> The HHF DPA Second Mortgage, the HHF DPA Second Mortgage Note, the DPA Acknowledgement Form (if applicable only) should be returned to the lender upon execution and upon recording of the HHF DPA Second Mortgage. Advise title companies and closing agents to return these documents to the originating lender. The HHF DPA Second Mortgage and Note reflect FL Housing’s name as Mortgagor and if not properly instructed, title companies and closing agents often forward these documents to FL Housing’s corporate office. DO NOT return these documents to FL Housing upon closing. <p><i>Please Note: Delays in loan delivery, including delays specific to title companies / closing agents forwarding recorded mortgages and other second mortgage documents to FL Housing, can delay loan purchase and Lenders may incur late delivery fees as a result.</i></p>
<p>HHF DPA Second Mortgage Program Fees</p>	
<p>Funding Fee</p>	<ul style="list-style-type: none"> \$0
<p>Application Fee</p>	<ul style="list-style-type: none"> \$0
<p>Recording Charges</p>	<ul style="list-style-type: none"> Only fees to record the HHF DPA Second Mortgage should be charged on the HUD-1. Please note the HHF DPA Second Mortgage is the only second mortgage collateral document that requires recording. The HHF DPA Second Mortgage Note does not require recording.
<p>Settlement Charges</p>	<ul style="list-style-type: none"> The maximum allowable settlement fee is \$150.00. It is the lender’s responsibility to monitor title companies to be sure they are not exceeding the maximum allowable fee.
<p>HHF DPA Second Mortgage Program Documents</p>	
<p>Program Documents Available through Reservation System</p>	<ul style="list-style-type: none"> HHF DPA Second Mortgage. HHF DPA Second Mortgage Note. Dodd-Frank and HHF DPA Certification Form.

RESERVING FIRST AND SECOND MORTGAGE LOANS THE eHousingPlus LENDER PORTALS

FIRST MORTGAGE:

Reserve the first mortgage, [click on this link](#), by selecting the appropriate program. The checklist and required forms for the first mortgage can be found once you register your first mortgage in the eHP Lender Portal.

SECOND MORTGAGE (HHF DPA FOR LOCALS)

After you have reserved your first mortgage, you will access the Lender Portal for the Florida Housing Finance Corporation HHF DPA Program [from this web page](#) and reserve the second mortgage. This program requires the two be registered and processed separately. The required forms and checklist for the HHF DPA can be found once you register the second mortgage in this program portal.

Each loan is independent of each other, so please use the checklists to ensure compliance with required delivery of documents. Reserving the first and second mortgage loans serve as a “lock” for the rate and the down payment assistance.

DETERMINING INCOME

An Underwriting Guide for Determining Borrower and Occupant Income for Household Income

Program qualifying income (or compliance income) is not the same as credit qualifying income. The calculation of Program qualifying income is different than the calculation of credit qualifying income, the income that is used for credit underwriting your borrower’s FHA, USDA-RD or VA loan.

Program qualifying income considers the income of borrowers and their spouses (regardless of spouse’s occupancy of the primary residence and whether or not a party to the loan) AND all household members 18 years of age or older (related or unrelated).

Unlike income that is averaged for credit underwriting, the income in this program considers the actual **Current Gross Annual Income**. You should be reviewing the YTD income and the income shown on previous tax returns for consistency. If there are not inconsistencies in earnings, use the below for determining the actual Current Gross Annual Income for each occupant over 18. Current gross monthly income is generally determined first then it is

multiplied by 12 months to determine the total Current Gross Annual Income. Upon the determination of Current Gross Annual Income for each occupant, the Household Income can then be determined and compared to the Income Limits and household size for the county in which the borrower(s) are purchasing to determine if the borrower(s) are eligible.

Please note that this serves as a guide only. Underwriters and Lenders must determine the most accurate actual Current Gross Annual Income based on the pay documentation collected from borrower(s) and spouse(s) and other occupants over the age of 18. Underwriters and Lenders must exercise due diligence in determining Household Income and collect the appropriate pay documentation for each occupant over the age of 18 that supports and validates the Program qualifying income of each occupant. Please note that this documentation may vary from borrower or occupant depending on the borrower or occupant's profession, income source, work schedule or how often income is received. Just as a Lender would collect the necessary income documentation to support and validate credit qualifying income for a borrower, Lenders should collect the necessary income documentation to support and validate the Program qualifying income of the borrower(s) and/or occupant(s).

Gross monthly income considers the sum of monthly gross pay; any additional income from overtime, part-time employment, bonuses, income from self-employment, dividends, interest, royalties, pensions, VA compensation and net rental income, other income (such as alimony, child support, sick pay, social security benefits, unemployment compensation, income received from trusts, and income received from business activities or investments), and the continuation of which is probable for the next 12 months based on foreseeable economic circumstances determined at the time of application.

Household Income will be confirmed through the Reservation Form, Underwriter's Certification and Mortgagor Affidavit which is executed by the borrower(s) on the date of mortgage loan closing. Any income obtained from these Program documents that reflect a Household Income exceeding the income limit will result in the pending of the loan file and non-purchase of the loan until Lender resolves the discrepancy. Lenders can resolve by providing any necessary documentation to support income eligibility or, if it is determined through the review of additional documentation submitted by the Lender that the Household Income does exceed the Income Limit, the loan will be cancelled and the borrower will not be eligible for participation in the Program.

Alternative pay or income documentation used to support Household Income should be retained by the Lender and any alternative documentation used to validate Household Income should be acceptable to the Agencies (FHA, USDA-RD, VA). Alternative pay or income documentation includes, but may not be limited to, current pay stubs which delineate "current period", W-2's, for all borrowers and all employers, and bank statements to verify the receipt of income. If W-2's are present in the loan file, Lenders should verify that the total of W-2's presented equals the income shown on borrower/occupant tax returns.

Pay or income documentation to support credit underwriting for the first mortgage loan and to support AUS findings are forwarded to US Bank upon loan closing in the first mortgage closed loan file. **US Bank does not re-underwrite loans.** US Bank will confirm that the pay/income documentation included in the first mortgage closed loan file supports the AUS findings and credit underwriting approval. For clarification on which pay/income documentation is required by US Bank for loan purchase, please refer to the loan delivery checklists available on US Bank's website at https://hfa.usbank.com/HFA_Division.html

Even if not required for credit underwriting, Lenders should be seeking the two most current paystubs with year-to-date (YTD) earnings. Do not include in the compliance file. Again, Lenders should retain all necessary supporting income documentation in the event it would be required to confirm income eligibility and the income certified by underwriting staff. Although reference is made to the last 4 to 6 weeks' income, underwriters should be reviewing tax returns to verify consistency and that there are no unexplained changes in Household Income.

Verification of Employment

A verification of employment (VOE) may not be required if acceptable pay/income or alternative pay/income documentation can validate Household Income. If a VOE is required by the Agencies, then it should be obtained for credit underwriting but it may not necessarily be considered in determining Program income if alternative documentation provides a more accurate reflection of a borrower/occupant's Current Gross Annual Income.

Income from a Salary or Wage

Using the last 4 – 6 weeks' pay stubs, add together the gross pay from each pay stub supplied. Divide this total by the number of pay stubs and then multiply by the number of pay periods within a year (i.e. if paid bi-weekly multiply by 26, if bi-monthly multiply by 24, etc.).

Commission / Bonus Income

If commission income was noted to have been received as YTD on the 4 – 6 weeks' of paystubs supplied, but was not actually received during the review period:

Divide the YTD commission / bonus income by the number of pay periods that have already occurred in the year to obtain the average per pay period. Multiply this average by the total number of pay periods in the year. Add this amount to the calculated income from salary or wage.

Self-Employed / Income from Business

Use the quarterly tax returns and financial statements to identify the current net YTD income. Add back in any depreciation. Divide the YTD income by the number of months during which it was earned and multiply by 12. Losses from a business cannot be deducted from another source of income.

Verification that Overtime, Bonus or Commission payments are terminated

If OT was received during the 4 – 6 weeks of pay subs provided, or bonus or commission income was noted as paid in the YTD information, but verification has been provided in writing from valid third-party source (i.e. employer confirming termination of such income or that it is not likely to continue or change in employment status ceased these payments), you may remove these amounts received when calculating the Program income.

Interest / Dividends

Use current earnings statements issued by the bank, investment broker or agent. Identify the YTD interest or dividend earnings. Divide by the number of months this YTD represents and multiply by 12.

If statements are not available, and the terms of the investment agreement are available, multiply the principal amount of the asset times the annual interest yield factor for a projected interest earnings amount.

If neither are available, use the previous year's earnings statements or tax returns to identify the total annual interest and dividend income. If the assets are still invested in the same instruments, use the previous year's figures.

Alimony / Child Support

Use the monthly amount appearing in the divorce decree, separation agreement or other support document.

If the borrower / occupant receives more or less than the amount stipulated in the agreements, use the monthly figure that the borrower / occupant declares and that can be verified (on bank statements for example)

Multiply the verified or calculated amount from the above process times 12.

Pensions / Temporary Payments

Use the benefits statement issued by the benefits provider (pensions, workers compensation, disability compensation, social security, AFDC, etc.) to identify the amount of the benefit, payment frequency and expected term of benefit.

Multiply the amount of the benefit times the payment frequency.

If the benefit is absolutely not payable to the recipient beyond a given date (a verifiable complete and permanent stop of benefits without extensions, exceptions, waivers or other conditions) and such date is within 12 calendar months of the anticipated closing date, then calculate the benefits expected through the end of the benefits term.

Boarder Income

All income of persons over the age of 18 who are expected to principally and permanently reside in the residence being financed must be included in the calculation of Current Gross Annual Income.

Anticipated Rental Income from 2 – 4 Unit Properties

Anticipated rental income from the property being purchased is not included in the calculation of income for Program purposes but may be treated as detailed in Agency guidelines.

If the borrower / occupant currently receives income from rental property, that income must be included in the calculation of income. Use the last year's tax returns to establish any rental income and remember to add back depreciation.

Calculation of Current Gross Annual Income

Add together all sources of income per each borrower / occupant. Compare the calculated Current Gross Annual Income to paystubs, VOE's, the previous year's income per W2's and tax returns. You should not note significant differences that cannot be accounted for (i.e. Child Support income). In some cases, the Current Gross Annual Income will be higher than the previous year's income. Significant variances should be attributable to increases/decreases in pay or number of hours worked. If paystubs are being used as confirmation of eligibility, Lenders should note within their loan file any variances and why any variances have occurred.

Calculation of Household Income

Add together the Current Gross Annual Income calculated for each borrower / occupant. Compare the Household Income calculated to the Income Limit to ensure compliance with Program requirements.

CLOSING, SHIPPING AND CLEARING LOANS FOR PURCHASE

CLOSING

Closers should be verifying all necessary Program documents for data consistency with first mortgage loan documents.

Specific pre-populated program documents are available through the eHousingPlus Lender Portal. Closers should be pulling the documents below for forwarding to the closing agent, title agency or closing attorney, along with the other required documents. **PLEASE REVIEW THE INDIVIDUAL CHECKLISTS TO MAKE SURE YOU ARE INCLUDING ALL REQUIRED DOCUMENTS WITH YOUR FILE SUBMISSIONS!**

- Affidavit (Requires original signature of borrower and seller unless the property is an REO or bank owned property)
- Borrower Authorization Form
- Tax Exempt Rider (ONLY for loans originated with Orange First with HHF DPA)
- DPA Obligation Letter
- DPA Borrower Gift Letter
- US Bank Privacy Form
- Dodd-Frank and HHF DPA Certification Form
- Borrower Personal Info Facts
- HHF DPA Second Mortgage
- HHF DPA Second Mortgage Note

Original, personal signatures of all borrowers and sellers are required and must match on all documents associated with the transaction. Whenever a party is known in any of the documents by more than a single name, a Name Affidavit Will Be Required. Powers of Attorney and/or Personal Representatives for the Borrower Are Not Acceptable. Exception: Active Duty Military Personnel may provide an "Alive and Well" letter.

Only those appearing on deed need to sign Program documents (exception: a non-borrower spouse does not sign the HHF DPA Second Mortgage Note). Those appearing on deed must occupy the property as their primary residence.

Please advise your closing agents that all second mortgage documents are to be returned to you (the lender) and NOT to Florida Housing Finance Corporation. Due to the fact that the HHF DPA Second Mortgage reflects Florida Housing Finance Corporation as mortgagee, this often prompts closing agents to incorrectly return the fully executed second mortgage documents to FL Housing. Should Florida Housing receive any of this documentation, they will return it back to the originating lender. This will create additional delays for the loan, and may incur timeline extension fees for the lender. **Please instruct your closing agent accordingly.**

A standard GFE and HUD-1 is REQUIRED for a HHF for Locals DPA Second Mortgage

SHIPPING

There are three files submitted post-closing, two to eHousingPlus and one to US Bank.

1. COMPLIANCE FILE (Hillsborough First with HHF DPA, Orange First with HHF DPA, Pinellas First with HHF DPA Programs)

- Compliance/Admin Fee of \$225.
Corporate checks should be made payable to eHousingPlus. The EHP loan number and last name of borrower must appear on any check or payment submitted in order to avoid *un-paid fee status* assigned to the loan. Please make sure your accounting department is indicating the **EHP Loan number AND Last Name** of principal borrower on all submitted fees(s)
- Checklist
- ORIGINAL signed Notice to Buyers (only for loans originated in Orange First with HHF DPA Program)
- ORIGINAL Mortgagor Affidavit.
- ORIGINAL Seller Affidavit and Lender Certification.
- COPIES of tax returns or transcript (or a combination of either) for the last three tax years for borrower(s) and spouse, even if spouse is not on the loan.
- COPY of homebuyer education certificate.
- COPY of real estate contract.
- COPY of signed 1003.
- COPY of signed Closing Disclosure (CD) for the first mortgage loan.
- COPY of discharge papers (DD214)
only if veteran is qualifying under the Veteran's Exemption.

2. HHF DPA SECOND MORTGAGE LOAN FILE

- Compliance/Admin Fee of \$225.
Corporate checks should be made payable to eHousingPlus. The EHP loan number and last name of borrower must appear on any check or payment submitted in order to avoid *un-paid fee status* assigned to the loan. Please make sure your accounting department is indicating the **EHP Loan number AND Last Name** of principal borrower on all submitted fees(s)
- Checklist
- COPY of Homebuyer Education Certificate
- COPY of Warranty Deed
- COPY of FINAL HUD-1 for the second mortgage loan
- COPY of FINAL AUS/DU findings
- COPY of FINAL SIGNED 1003
- COPY of FINAL SIGNED Closing Disclosure (CD) for the first mortgage loan

ALL Compliance files with respective fees should be packaged in separate files but submitted together to:

eHousingPlus
3050 Universal Blvd., Suite 190, Weston, FL 33331

3. 1st and 2nd MORTGAGE FILES FOR PURCHASE

First mortgage and second mortgage loan files are submitted to US Bank. Refer to their website at https://hfa.usbank.com/HFA_Division.html for file submission checklists, and specific instructions.

The following HHF DPA for Locals program forms are sent to US Bank:

- Borrower Authorization Form
- Tax Exempt Rider (ONLY for loans originated with Orange First with HHF DPA)
- DPA Obligation Letter
- DPA Borrower Gift Letter
- US Bank Privacy Form
- Dodd-Frank and HHF DPA Certification Form
- Borrower Personal Info Facts
- HHF DPA Second Mortgage
- HHF DPA Second Mortgage Note

CLEARING LOANS FOR PURCHASE (POST-CLOSING)

It is the responsibility of the lender to deliver compliant, complete files, and meet the program requirements and timelines for loans originated under these programs. eHP and US Bank provide detailed instructions, forms, and guidelines to assist lenders in this process. It is important that you follow these guidelines and use the appropriate checklists to ensure that you are delivering complete packages, so that your loan can be purchased timely. Please make sure that all lender staff who is involved in the loan process understands the program requirements for the delivery of loans. For additional assistance, please refer to our COMMON QUESTIONS AND HELPFUL CONTACTS section.

COMPLIANCE FILES

eHousingPlus will review submitted Compliance Files for first mortgages, and any applicable second mortgage for Program Eligibility and Compliance to regulations. Once the loan is reviewed and Compliance Approved, the master servicer U.S. Bank can consider it for purchase. Any loan not meeting the program eligibility criteria is subject to rejection.

Should the loan file be deficient, eHP staff will identify the deficiencies, and that information will be immediately available to the lender so the file can be corrected as soon as possible. The eHP system notifies specific lender staff of noted deficiencies upon review. However, any loan with errors or deficiencies is immediately available on the eHP Lender Portal, under **Reports: Exceptions/Deficiencies**. **We strongly recommend that all lenders' post closing staff understands this process, has user credentials to access these reports, and monitors them daily to ensure that the loans are being processed timely.**

MORTGAGE FILES

US Bank will review all closed first and second mortgage loan files to determine if it satisfies all Agency and US Bank requirements. Once US Bank receives and reviews a loan file, they will notify Lender of any deficiencies.

For more information on how to submit the necessary cure documentation to US Bank or for questions regarding first and second mortgage loan file exceptions, please contact US Bank at hfaeastcommunications@usbank.com or 800-562-5165, option 1.

*****Loans have specific timelines as required by the individual program. Not monitoring and curing deficiencies will result in delays and unnecessary penalty fees to the lender.**