

March 15, 2024

Transaction Type	Number of Units	Maximum LTV/CLTV/HCLTV	Minimum Credit Score
FHA 30-Yr Fixed Purchase	1-2 Units	96.50% LTV + 3.5% DPA = 100% CLTV	600

FCM Mortgage TRUE ZERO programs are designed to increase homeownership opportunities for low-to-moderate income individuals and families nationwide (excluding New York and Washington State). Unless otherwise specified here as an overlay, FCM Mortgage adheres to all posted guidelines for FHA eligibility, as found in the [FHA Single Family Housing Policy Handbook 4000.1](#). Down Payment Assistance is available to achieve 100% CLTV with these two options:

TRUE ZERO PLUS (featuring a 2nd lien that has an interest rate equal to the first lien rate plus 2% with a 10-year amortization and monthly payments required).

GENERAL PROGRAM REQUIREMENTS	
LOAN TYPES	<ul style="list-style-type: none"> FHA 203(b) FHA 203(b) (2) FHA 234 (C)
LOAN AMOUNT	<p>Maximum Lesser of 3.5% of the purchase price or appraised value.</p> <ul style="list-style-type: none"> Second lien loan amounts must be rounded to the nearest dollar. <p>First Lien Minimum \$100,000</p>
UNDERWRITING	<ul style="list-style-type: none"> AUS Eligible findings - Approve/Eligible or Accept. Manual Underwriting permitted with: <ul style="list-style-type: none"> MIN Credit Score 660; and MAX DTI 45%
MAX LTV/CLTV	<ul style="list-style-type: none"> Follow FHA Single Family Housing Policy Handbook 4000.1.
LOAN PURPOSE	<ul style="list-style-type: none"> Purchase only
ELIGIBLE PROPERTY TYPES	<ul style="list-style-type: none"> Single Family Residences Duplexes: 2-units – subject to pricing adjustments PUDs Townhouses FHA Approved Condos (Must not be in litigation) Double wide manufactured housing – subject to pricing adjustments Co-Ops are ineligible

ELIGIBLE OCCUPANCY	<ul style="list-style-type: none"> • Primary Residence only • Borrowers must occupy the residence as their primary residence within 60 days of closing. • Borrowers may have ownership in other property at time of closing, per agency guidelines. • Non-occupant co-borrowers allowed per FHA Single Family Housing Policy Handbook 4000.1.
FIRST-TIME HOMEBUYERS	<ul style="list-style-type: none"> • No restrictions
MAX DTI	<ul style="list-style-type: none"> • AUS approval required. • Must meet all FHA standards per FHA Single Family Housing Policy Handbook 4000.1
FICO	<ul style="list-style-type: none"> • Each borrower must have a MIN of one credit score. • MIN 600 • Must meet all FHA credit standards per FHA Single Family Housing Policy Handbook 4000.1
DPA FUNDS	<ul style="list-style-type: none"> • Proceeds may be used for down payment and/or closing costs. • Cash back to the borrower from the DPA proceeds not permitted
MORTGAGE INSURANCE	<ul style="list-style-type: none"> • Standard FHA Coverage
HOMEBUYER EDUCATION	<ul style="list-style-type: none"> • At least one borrower must receive housing counseling from a HUD or Fannie Mae/Freddie approved non-profit housing counseling agency HUD Housing Counselors.
TEMPORARY BUYDOWN (TBD)	<ul style="list-style-type: none"> • Second lien - Ineligible • First lien – Eligible; TBD must meet all FHA requirements
COMPLIANCE	<ul style="list-style-type: none"> • Second liens must conform to all Federal RESPA and Truth-in-lending laws when disclosing the terms of the Second Mortgage.
DPA RESERVATIONS	<ul style="list-style-type: none"> • Second liens must be registered prior to closing. • National Homebuyer Fund, Inc.

SECOND LIEN DOCUMENTS	<ul style="list-style-type: none"> • DPA Funding Commitment Notice – Must be dated prior to the Note Date • Second Mortgage Note and Addendum <ul style="list-style-type: none"> ◦ Second Mortgage Note fully endorsed to: National Homebuyers Fund, Inc., an Instrumentality of Government Section 115 entity. • State specific Security Instrument • Assignment of Mortgage/Deed of Trust and recorded to: National Homebuyers Fund, Inc., an Instrumentality of Government Section 115 entity, whose address is 1215 K Street, Suite 1650, Sacramento, California 95814, and any successor or assigns. • All Local, State and Federal compliance requirements must be met. • Clear compliance certificate for the first loan transaction • Recording of the Security Instrument (Non-MERS) • Servicer Address: <ul style="list-style-type: none"> ◦ 2100 SE 17th Street #112, Ocala, FL 34471 • NHF's EIN on HUD's FHA Loan Underwriting and Transmittal Summary in conjunction with secondary financing assistance or to the borrower when the borrower is receiving an FHA First Mortgage. NHF's EIN is 42-1549314.
STATE EXCLUSIONS	<ul style="list-style-type: none"> • AK, DC, HI, MO, NE, NY, RI, WA
CANCELATION FEES	<ul style="list-style-type: none"> • \$400.00
ORIGINATION FEE OR DISCOUNT	<ul style="list-style-type: none"> • Up to 2.00% of the first mortgage • Must pass points and fees testing
OTHER FEES	<ul style="list-style-type: none"> • First lien administration fee \$395.00 • Broker/Lender fees cannot be charged on the 2nd lien
TRUE ZERO PLUS	AMORTIZING SECOND LIEN
SECOND LIEN TERMS	<ul style="list-style-type: none"> • 10-Year term • Fully amortizing loan • Note Rate is 2.0% greater than rate of the 1st loan. • Monthly payments required
DPA FORM	<ul style="list-style-type: none"> • 10-Year Second Mortgage Loan Note
REPAYMENT EVENTS	<ul style="list-style-type: none"> • The First Deed of Trust on the Property is refinanced; or • The First Deed of Trust on the Property becomes due and payable for any reason; or • Borrower sells, transfers, or otherwise disposes of the property, including, without limitation, through foreclosure or transfer pursuant to any power of sale.