

**Mid America Mortgage, Inc. - Correspondent Division
Down Payment Assistance Program Matrix**

General Description	Down payment assistance program requiring the delivery of the underlying FHA loan with the subordinated second lien. The second lien funds can be used as a down payment and/or towards closing costs for the purchase of a principal residence. The second lien is fully forgiven after 5 years if the borrower meets criteria.
USE FHA GUIDELINES TO DETERMINE FIRST LIEN ELIGIBILITY SUBJECT TO BELOW OVERLAYS	
Second Lien: Term and Structure	30-year fixed rate mortgage forgivable after 5 years*; 0% interest rate, no monthly payments *The second lien is forgiven if there is no 90 day or greater delinquency on the first 60 payments of the underlying first lien and property remains a primary residence No additional liens allowed in conjunction with this program.
DPA Amount	Either 3.50% or 5.00% of home purchase price or appraised value, whichever is less
Eligible Lenders	Must be approved by Mid America Mortgage Inc.'s Correspondent Division; Retail originations only, no third-party originations
Use of Funds	Down payment, closing costs and prepaid items including any items paid outside closing.
Property Locations	Available in all states. Not available in U.S. territories.
Loan Products (first lien)	FHA 203(b) only Purchase transactions only
Maximum Loan Amount	Maximum loan limit of \$500,000 (including the financed amount of any upfront mortgage insurance premium). Loans with loan amounts above \$400,000 are subject to a loan level price adjustment. No high balance loans. Higher loan limits in Alaska and Hawaii not allowed.
Eligible Properties	1-unit only; single-family detached/attached, condos and PUDs Manufactured housing eligible, loan must have a minimum credit score of 680; Single-wide units are not eligible. No unique property types.
Occupancy Type	Owner-occupied only Must remain principal residence throughout the first 5 years for forgiveness of the second mortgage
Underwriting Requirements	Minimum representative credit score of 620 , price adjustment for credit scores below 640 Must be approved by an Automated Underwriting System (DU, LPA); No manual underwriting allowed.
Loan-to-Value	Minimum LTV – 90.00%; Maximum LTV – 96.50%; Maximum combined LTV – 101.50%
Borrower Eligibility	Based on FHA 203(b) guidelines Not required to be first-time homebuyers
Debt-to-Income	Maximum debt-to-income ratio is 50%
Allowable Lender Fees	3% of home purchase price
Non-Profit Administrative Fee	\$500 administrative fee netted at funding of second lien purchase
Loan Commitment Fee	\$500 commitment fee netted at funding of first lien purchase

Correspondent Down Payment Assistance Program Matrix
PROGRAM PARAMETERS SUBJECT TO CHANGE FOR UNLOCKED LOANS

Homeownership Counseling	Encouraged but not required
Income Restrictions	None
Mortgagee Credit Certificates	Not allowed
Repair Escrows	No loans with outstanding repair escrows allowed
Second Lien Purchases	Second liens will be purchased within 3 business days after the first lien is purchased
Full Payoff within 180 Days of Loan Purchase	Seller must repay the greater of all of the premium OR 1% of the unpaid principal balance (UPB) of the first lien sold to MAM (purchased UPB). If the second lien has been purchased by the down payment assistance provider but the servicing has not been transferred to MAM when the early payoff occurs, the lender must also remit to MAM the full original amount of the second lien funds due from the borrower.