

LAND HOME FINANCIAL SERVICES, INC & Trio ownoption™ mortgage

The **Trio ownoption** mortgage is used to facilitate home closings where an applicant does not qualify for or is hesitant to commit to a standard home mortgage. It offers Customers a lease-to-own agreement coupled with an FHA assumable mortgage originally made to an institutional borrower. The program may be used as a direct purchase or as an alternative close to a mortgage denial. Customer must qualify for an FHA assumption or new loan at the end of the lease period.

Trio underwrites the Customer's credit profile and the property. **Trio** has a flexible, pragmatic approach to the underwriting approval and looks at a complete picture of all Lessees to determine eligibility. LHFS underwrites the Borrower, Interagency Home Finance Cooperative, LLC (IHFC) as well as the property, and ensures they both meet FHA Guidelines. IHFC is an FHA qualified instrumentality of government ("IOG") under FHA Guidelines. **Trio** is the program administrator on behalf of IHFC and its' designated entities.

Mortgage	
Mortgage Type	30-year fixed rate mortgage with standard non-owner-occupied terms FHA 203(b) mortgage. FHA county loan limits apply.
Borrower	The IHFC designated entity must be reflected as the Borrower on the mortgage.
Loan to Value	Up to 96.5%.
Occupancy	Non-owner occupied as an IOG with consumer terms and pricing.
Purpose	FHA purpose is to promote homeownership and access to credit.
Source of Funds	Trio supplies EMD and cash to close at closing from funds the Borrower deposits into trust accounts.
Underwriting	Manual Underwrites. The IHFC entity is the "Borrower" in FHA Connection and their Tax Identification Number (TIN) must be used (as provided by Trio). FHA case number must be removed from AUS. AUS cannot be included in the loan file.
Interest Rate	Par rate Periodically set by Trio and Land Home Financial Services ("Master Lender"). Check daily rate sheet or price loan through eXPRESS
Broker Compensation and Fees	
LHFS Admin Fee	\$895, must be disclosed on LE paid to "Land Home."
Processing Fee	\$795, must be disclosed on LE paid to "Broker."
Borrower Paid Compensation	Origination fee Up to 1.50%.
Referral Fee	0.50% Referral Fee paid to "Broker" if the Customer does not assume the loan from the IHFC designated entity and elects to apply for a new loan with a Trio Preferred Lender. Fee is paid when new loan closes.
LHFS Program Contribution	2.00% required Master Lender program contribution.
Trio Lease Qualification	
Credit Score	580 minimum FICO mid score.
Debt-to-Income	38% maximum gross payment to income ratio.
Back end Ratio	50% maximum gross obligation to income ratio.
Cash Required	NO down payment, 1% Inception Fee & \$655 Underwriting Fee paid by Customer at lease inception. A Home Care fee of \$400 is charged if the Customer is not working with a Trio Preferred Agent.
Exceptions / Accommodations	Bankruptcy, foreclosure, short sale, self-employment, length of employment, term of rental income, state & federal tax liens, divorce, student loans, 1099 income, multiple jobs, new employment, down payment seasoning.

Home Type	
Effective Age	Built or renovated in the last 10 years; exceptions to 15 years or longer if recently renovated (Trio will determine based on the Home Inspection).
Location	AZ, CA, GA, and TX
Home Price	Up to the county area FHA loan limit plus 3%.
Seller Credit	Purchase and Sale Agreement (PSA) must include 3% concession for closing costs.
Agent Compensation	Agents that represented the original Buyer on the PSA may represent IHFC upon signing Broker Referral Agreement with Trio agreeing to 75% of the selling agent commission.
Eligible Home Types	New construction preferred. SFR, Condo, Townhomes, Manufactured Homes allowed.
Time to Close	Standard lender closing timeframes.
Trio Lease Information	
Lease Information	Direct the Customer to Trio's website: thinktrio.com . Let Trio work with the Customer on the lease option details.
TrioFirst	3 year term, with Customer right to purchase anytime during the lease period.
TrioSelect	1 to 5 year lease term, with Customer right to purchase anytime during the lease period.
Tools	Trio's website is the primary tool for the Customer. Customer(s) may also use Trio's Mobile App for iOS and Android to estimate a monthly payment and home price, and upload application documents.
Monthly Payment	Includes lease payment, taxes, property insurance, HOA dues and Home Care contribution (\$35), fixed for the term of lease. Customer is required to maintain Renter's Insurance outside of the lease.
Home Purchase Assistance	A gift of equity is provided to be used for down payment and closing costs when the Customer purchases the home.
Trio Program Codes	
Program Description	
WGF30TRIO-000	FHA Fixed 30 TRIO Housing Finance Agency Loan.
WGFHB30TRIO-000	FHA High Balance - Fixed 30 TRIO Housing Finance Agency Loan
Non-Solicitation	
While Trio Lease is in effect, Broker agrees not to solicit Trio lessees for purchase mortgage financing.	
Broker must sign a Non-Solicitation Agreement to participate in the Trio program. Penalty for any violation of this non-solicitation will result in repayment of all fees earned for the related closing.	

RESOURCES:

Visit <https://www.trioresidential.com/lender/> to obtain additional forms and tips for discussing Trio with your customer(s).