

OVERVIEW

The *Within Reach*TM 2.0 FHA Down Payment Assistance Program (DAP) is a competitively priced government loan program that does not require a minimum down payment from the homebuyer(s), exclusively offered from Land Home Financial Services, Inc. (LHFS). *Within Reach*TM 2.0 FHA provides your borrower(s) with a choice of a 3%, 4%, 5%, or 6% DAP.

This home loan program is a purchase money first lien mortgage with down payment assistance in the form of a subordinate soft second lien with a 0.00% interest rate, as a 5-year term, forgiven at month 61. Borrower(s) must remain current on their mortgage for the second mortgage to be forgiven.

The DAP should be ran through AUS (DU - Approved Eligible or LPA – Accept) as a second mortgage without a required payment.

This product is designed for the borrower that has achieved financial stability as demonstrated by the file documenting that they have met the responsibilities associated with taking the next step to home ownership such as stability of employment and income, managing their finances and savings to a budget that exhibits responsible repayment patterns and a satisfactory credit history. The down payment assistance program is intended to help these families or individual that have been unable to save a sufficient amount for a down payment and do not have any other resources available for down payment assistance.

Due to the nature of the layered risk in the product offering LHFS will require an evaluation of the borrower's current housing payment history. The borrower must maintain a bank account which will be reviewed to ensure the borrower is able to meet their monthly obligations based on their current income level in a timely manner. LHFS will require two months bank statements as part of the underwriting evaluation. While the program will allow the down payment and closing costs to be covered by the DAP or other eligible borrower funds/gifts along with seller contributions used for closing costs only, bank statements are required as a necessary part of the credit evaluation.

In order to ensure the borrower will be able to manage a new mortgage payment, the evaluation will include housing payment history. We also generally see payment shock on the housing payment to the new required mortgage, so it is especially important to review the borrowers monthly budgeting and financial stability. New homeowners face increased costs when transitioning from a rental property into home ownership where they are responsible for covering all utilities, incidentals, and maintenance of the home.

As part of this review, borrower's that are unable to manage month to month and exhibit NSF (Non-Sufficient Funds) outside of an isolated incident are reviewed very carefully as this is an indication of excessive obligations or inability to manage current budget. Layered with limited assets, payment shock or other credit concerns, these factors may result in a loan denial for this program due to layered risk. It is our intention to help families achieve successful homeownership, not create a financial hardship.

**** Please see temporary guidelines regarding [COVID-19](#)**

COVID 19 UPDATE

Effective for all loans on or after March 23, 2020.

Land Home Financial Services (LHFSW) is committed to providing our lending partners with the highest level of service during these unprecedented times. We are currently experiencing a large volume, and we are working diligently to provide timely service. In addition, we are implementing guidance and requirements we have been faced with from the secondary market. We are taking measures to navigate successfully during these volatile market conditions. LHFS is working with our investors as there are many issues that lack clarity which may have a negative impact on our industry and our customers due to the current economic disruption we all are experiencing. We appreciate your understanding and consideration for the actions that we must implement. The updates below have been developed to provide information on loan file documentation during the COVID-19 situation.

The following is effective immediately and will apply to all loans:

- Manual Underwriting not allowed
- Title requirement for all loan types:
 - Activity may proceed in counties in which the courthouse is operational, searches can still be completed online, or the county accepts E-Recording.
 - A 2006 ALTA title insurance form with Covered Risk 14 provides gap coverage for matters arising between the loan closing date and the mortgage recording date. This will be considered acceptable as long as there is no exception for this coverage under Schedule B of the policy.
 - If Covered Risk 14 is not evident, the final title insurance policy must include evidence of Gap Insurance for the time between disbursement and recording of the new deed and/or mortgage.
- Re-Verification of employment:
 - Re-verification of employment within 10 days of the Note date as described in Handbook 4000.1, is not required, provided that Broker and LHFS are not aware of any loss of employment by the borrower and have obtained:
 - For forward purchase transactions, evidence the Borrower has a minimum of 2 months of Principal, Interest, Taxes and Insurance (PITI) in reserves; and
 - A year-to-date paystub or direct electronic verification of income for the pay period that immediately precedes the Note date, or
 - A bank statement showing direct deposit from the Borrower's employment for the pay period that immediately precedes the Note date.

COVID 19 UPDATE (CONTINUED)

When applicable, the appraiser may amend the scope of work to perform an Exterior-Only (viewing from the street) or Desktop-Only. The Appraiser may rely on supplemental information from other reliable sources such as Multiple Listing Service (MLS), and Tax Assessor's Property Record to prepare an appraisal report. The Appraiser may rely on information from an interested party to the transaction (borrower, real estate agent, property contact, etc.) with clear appraisal report disclosure when additional verification is not feasible. The appraisal report must contain adequate information to enable the intended users to understand the extent of the inspection that was performed.

The Exterior-Only and Desktop-Only Appraisal options must continue to be reported on the current FHA approved appraisal forms with amended certifications and scope of work disclosures.

Reference: [Mortgagee Letter 2020-05](#)

*Within Reach*TM FHA Guidelines Summary

ELIGIBILITY	<ul style="list-style-type: none"> All HUD agency guidelines apply. <ul style="list-style-type: none"> Standard FHA LTV amounts apply MCC's (Section 8) is ineligible Homebuyer Education is required. LHFS will accept any valid certificate completed within the last year by at least one borrower who will be on the loan. <ul style="list-style-type: none"> MGIC Homebuyer Education (https://homebuyers.mgic.com) or similar course developed by a mortgage insurance company, OR Course developed by HUD-approved counseling agencies. HUD Approved First Time Buyer Course. 																															
MORTGAGE LOAN TYPES AND TERMS	<p><u>Loan Types:</u></p> <ul style="list-style-type: none"> FHA; in accordance with FHA guidelines. <p><u>Loan Term:</u></p> <ul style="list-style-type: none"> 30-year fixed term with full amortization. <p><u>Loan Amount:</u></p> <ul style="list-style-type: none"> Conforming FHA loan limits apply as applicable to geographic location (High Cost not allowed, must select the lesser of FHA or Conforming limits). <p><u>Max LTV/CLTV:</u></p> <ul style="list-style-type: none"> Follow FHA agency guidelines. <p>No Buy-downs are allowed PAR priced program, no premium or discounts allowed Interest rates on the 1st mortgage loan vary based on the assistance selected.</p> <p>This home loan program is a purchase money first lien mortgage with down payment assistance in the form of a subordinate soft second lien with a 0.00% interest rate, as a 5-year term, forgiven at the end of the 5-year* term. Borrower(s) must remain current on their first mortgage for the second mortgage to be forgiven.</p> <p>* In the case of a refinance, soft second must be paid in full – no subordination allowed.</p>																															
PROGRAM CODES	<table border="1"> <thead> <tr> <th>PROGRAM LEVEL</th> <th>PROGRAM NAME</th> <th>PROGRAM CODES</th> </tr> </thead> <tbody> <tr> <td rowspan="7"> Level 1: FICO 660+ <ul style="list-style-type: none"> DTI per AUS Manual UW not allowed </td> <td><i>Within Reach</i>TM DPA L1 FHA 3% Fixed 30</td> <td>WGF30WRDPA3L1-000</td> </tr> <tr> <td><i>Within Reach</i>TM DPA L1 FHA 4% Fixed 30</td> <td>WGF30WRDPA4L1-000</td> </tr> <tr> <td><i>Within Reach</i>TM DPA L1 FHA 5% Fixed 30</td> <td>WGF30WRDPA5L1-000</td> </tr> <tr> <td><i>Within Reach</i>TM DPA L1 FHA 6% Fixed 30</td> <td>WGF30WRDPA6L1-000</td> </tr> <tr> <td><i>Within Reach</i>TM DPA L1 FHA MH 3% Fixed 30</td> <td>WGF30WRDPAMH3L1-000</td> </tr> <tr> <td><i>Within Reach</i>TM DPA L1 FHA MH 4% Fixed 30</td> <td>WGF30WRDPAMH4L1-000</td> </tr> <tr> <td><i>Within Reach</i>TM DPA L1 FHA MH 5% Fixed 30</td> <td>WGF30WRDPAMH5L1-000</td> </tr> <tr> <td rowspan="6"> Level 2: FICO 640-659 <ul style="list-style-type: none"> DTI Max 45.00% Manual UW not Allowed </td> <td><i>Within Reach</i>TM DPA L2 FHA 3% Fixed 30</td> <td>WGF30WRDPA3L2-000</td> </tr> <tr> <td><i>Within Reach</i>TM DPA L2 FHA 4% Fixed 30</td> <td>WGF30WRDPA4L2-000</td> </tr> <tr> <td><i>Within Reach</i>TM DPA L2 FHA 5% Fixed 30</td> <td>WGF30WRDPA5L2-000</td> </tr> <tr> <td><i>Within Reach</i>TM DPA L2 FHA MH 3% Fixed 30</td> <td>WGF30WRDPAMH3L2-000</td> </tr> <tr> <td><i>Within Reach</i>TM DPA L2 FHA MH 4% Fixed 30</td> <td>WGF30WRDPAMH4L2-000</td> </tr> <tr> <td><i>Within Reach</i>TM DPA L2 FHA MH 5% Fixed 30</td> <td>WGF30WRDPAMH5L2-000</td> </tr> </tbody> </table>	PROGRAM LEVEL	PROGRAM NAME	PROGRAM CODES	Level 1: FICO 660+ <ul style="list-style-type: none"> DTI per AUS Manual UW not allowed 	<i>Within Reach</i> TM DPA L1 FHA 3% Fixed 30	WGF30WRDPA3L1-000	<i>Within Reach</i> TM DPA L1 FHA 4% Fixed 30	WGF30WRDPA4L1-000	<i>Within Reach</i> TM DPA L1 FHA 5% Fixed 30	WGF30WRDPA5L1-000	<i>Within Reach</i> TM DPA L1 FHA 6% Fixed 30	WGF30WRDPA6L1-000	<i>Within Reach</i> TM DPA L1 FHA MH 3% Fixed 30	WGF30WRDPAMH3L1-000	<i>Within Reach</i> TM DPA L1 FHA MH 4% Fixed 30	WGF30WRDPAMH4L1-000	<i>Within Reach</i> TM DPA L1 FHA MH 5% Fixed 30	WGF30WRDPAMH5L1-000	Level 2: FICO 640-659 <ul style="list-style-type: none"> DTI Max 45.00% Manual UW not Allowed 	<i>Within Reach</i> TM DPA L2 FHA 3% Fixed 30	WGF30WRDPA3L2-000	<i>Within Reach</i> TM DPA L2 FHA 4% Fixed 30	WGF30WRDPA4L2-000	<i>Within Reach</i> TM DPA L2 FHA 5% Fixed 30	WGF30WRDPA5L2-000	<i>Within Reach</i> TM DPA L2 FHA MH 3% Fixed 30	WGF30WRDPAMH3L2-000	<i>Within Reach</i> TM DPA L2 FHA MH 4% Fixed 30	WGF30WRDPAMH4L2-000	<i>Within Reach</i> TM DPA L2 FHA MH 5% Fixed 30	WGF30WRDPAMH5L2-000
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DOWN PAYMENT AND CLOSING COST ASSISTANCE	<p>DAP in the amount of 3% up to 6% depending on FICO score and AMI income qualification. Based on total First Mortgage Loan amount (rounded up always to the nearest dollar). DAP funds may be used for down payment and/or closing costs.</p>																															

*Within Reach*TM FHA Guidelines Summary

DISCLOSURES	<p>1st mortgage follows standard disclosure requirements, both LE and CD. 2nd mortgage will require NHF Program – Partial Exemption Disclosure. Note: 2nd Mortgage maximum allowed fees is 1% of the 2nd mortgage amount.</p>
FEES	<p>Borrower Paid Compensation Only: Up to 2.0% Borrower Paid Compensation (cannot exceed LPC Agreement with LHFS) Disclosed: LE must show “Mortgage Broker Compensation – Borrower Paid” Cancellation Fee: A fee of \$400 will apply to each expired lock / locked loan not delivered Admin Fee: \$1,145 Third-Party Processing Fee: May not exceed \$995</p> <p><u>2nd Mortgage:</u></p> <ul style="list-style-type: none"> Escrow/Settlement Agency fees may not exceed 1% of the loan amount. Recording fees and transfer tax are not included in the 1% tolerance. Avoid any potential delays: Contact title company for 2nd mortgage fee amounts, notify LHFS of cost.
LOCK STATUS	<p>May lock at Conditionally Approved, with appraisal received. Please Note: DAP amount (%) changes are not allowed when loan has been locked. If loan is locked, and DAP amount (%) needs to change, the lock will be cancelled, a \$400 cancellation fee will apply, and 30 days must elapse before locking to the new program.</p>
SUBORDINATE FINANCING	<p>The “soft second” will close in the name of National Homebuyers Funds and follow RESPA partial exemption:</p> <ul style="list-style-type: none"> Initial Truth in Lending Disclosure Subordinate Loan Promissory Note Subordinate Deed of Trust
PROPERTY ELIGIBILITY	<ul style="list-style-type: none"> 1-4 units allowed, Cooperative housing (co-op) not eligible. FHA approved condos must meet the following: <ul style="list-style-type: none"> Delinquent HOA dues: No more than 15% of the total Units are Units in Arrears (does not include late fees or other administrative expenses). The 15% includes all units (occupied, investor, bank-owned, vacant). Condominium association fee payments may not be more than 30 days past due. Investor concentration: No more than 10% of the units may be owned by one investor / entity (single or multiple owner entities). No open Litigation FHA Spot approval not permitted Manufactured housing eligible under the <i>Within Reach</i>TM FHA MH Program. Nationwide program, excluding the state of Washington.
BORROWER ELIGIBILITY	<ul style="list-style-type: none"> Maximum number of 4 borrowers. The loan file must demonstrate financial management based on credit patterns, bank statements showing withdraw/payment of current housing, and expense activity. Ineligible Borrowers <ul style="list-style-type: none"> Borrowers with ITIN numbers. Borrowers that are not legal residents including, but not limited to the following borrowers: <ul style="list-style-type: none"> Diplomatic Immunity/Embassy Personnel, Borrowers with deferred action status, which includes DACA, Foreign Nationals, Borrowers with Temporary Protected Status (TPS) <p>Occupancy:</p> <ul style="list-style-type: none"> Borrower must occupy the residence as their primary residence within 60 days of closing. <p>Income Limits:</p> <ul style="list-style-type: none"> Income limit is 160% of Area Median Income (AMI) or maximum allowable by FHA. Limit is based on qualifying income used for the transaction, not household income. For AMI refer to: Income Limits <p>Homebuyer Education:</p> <ul style="list-style-type: none"> One Borrower must complete home buyer education. <ul style="list-style-type: none"> See Eligibility. <p>Manual Underwriting is not allowed</p>

*Within Reach*TM FHA Guidelines Summary

<p>CREDIT</p>	<p>Minimum Credit Score: 640</p> <ul style="list-style-type: none"> Each borrower must have a minimum of one credit score. FICO 640-659 eligible for 3% up to 5% DAP. <ul style="list-style-type: none"> Max DTI: 45% with an AUS approval (DU - Approved Eligible or LPA – Accept). FICO 660+ eligible for 3% up to 6% DAP. <ul style="list-style-type: none"> Max DTI per AUS approval (DU - Approved Eligible or LPA – Accept). <p>Within Reach Credit Guidelines:</p> <ul style="list-style-type: none"> Paying off debt to qualify is not allowed. LHFS does not allow audited P&L's to be used for income calculation purposes. No outstanding judgments, including repayment plan. All outstanding judgments must be paid in full. Foreclosure, Deed-in-Lieu, and Short-Sale History: 3 years Chapter 7: 2 years from discharge date Chapter 13: Bankruptcies must be fully discharged before eligible for financing Collections with aggregate total over \$2,500 must be paid or resolved regardless of age of collection account. <ul style="list-style-type: none"> Medical Collections excluded from aggregate total Collections under \$2,500 fall under standard FHA requirements All student loans must have a payment calculated in the debt ratio. Refer to Student Loan Matrix Housing Payment History – 0x30 (Applicable items are required at submission): <ul style="list-style-type: none"> If Borrower currently pays rent: <ul style="list-style-type: none"> Verification of Rent (VOR) <ul style="list-style-type: none"> Written VOR and 12 months cancelled checks, or Written VOR and 12 months bank statements. If Borrower is currently living rent free: <ul style="list-style-type: none"> 3 months reserves (PITIA) are required (must be from own funds). Gifts not considered savings ability, and Letter from landlord stating no rental payments required. IRS payment plans: <ul style="list-style-type: none"> IRS repayment plans initiated in the current year are not allowed. IRS repayment plans initiated for multiple consecutive years are not allowed. (pattern of inability to manage finances) For consideration of an exception, request an explanation as to why the borrower owes unpaid taxes, what steps have been taken and put into place to correct the underpayment from occurring in the future, a copy of the IRS agreement, IRS record of account transcripts to confirm date of payment arrangement request and evidence of 3 consecutive timely payments will be required. Due to the nature of the layered risk in the product offering LHFS will require an evaluation of the borrower's current housing payment history and the borrower must maintain a bank account which will be reviewed to insure the borrower is able to meet their monthly obligations based on their current income level in a timely manner. LHFS will require two months bank statements as part of the underwriting evaluation. While we will allow the down payment to be covered by the DAP and closing costs to be covered by eligible gifts or seller credits, bank statements will still be required as part of the credit evaluation.
<p>ASSETS</p>	<ul style="list-style-type: none"> Gift donors cannot be on title or purchase contract as they do not meet the definition of "Gift" per agency definition. VOD's are not acceptable for asset documentation alone. 2 months of bank statements for checking accounts are required on primary borrower regardless of cash to close requirements and AUS findings. <ul style="list-style-type: none"> Borrower with overdrawn accounts (negative balance at any time), <u>excessive</u> NSF's and/or overdraft charges will not be eligible. One (1) NSF is acceptable.

*Within Reach*TM FHA Guidelines Summary

<p>EMPLOYMENT / INCOME</p>	<ul style="list-style-type: none"> Income limit is 160% of Area Median Income (AMI) or maximum allowable by FHA. Limit is based on qualifying income used for the transaction, not household income. For AMI refer to: Income Limits Borrowers who have new employment in the prior two years with increased earnings will require recent educational related experience to support the career and/or income change. Positions with variable income or varying hours will require a minimum of twelve months to effectively calculate the stable monthly qualifying income. Rental income received from a relative requires a documented 12-month payment history of rents. Paystubs and W-2's may not be substituted with a written verification of employment. Amended tax returns are only acceptable for documented errors or omissions. 4506T: Full 1040 transcripts required on all Within ReachTM loans, W2 Only transcripts not allowed.
<p>TITLE</p>	<ul style="list-style-type: none"> Any borrower holding title only must be a legal U.S. Resident. Split vesting is not allowed. Vesting must be 100% in a trust or 100% individual.
<p>OTHER CONSIDERATIONS</p>	<ul style="list-style-type: none"> Borrower may receive the difference of their earnest money. No portion of the DAP nor seller credits (including tax proration credits) may be given back to the borrower and principal curtailments are not allowed. Land Home Financial Services, Inc. will run Undisclosed Debt Monitoring (UDM) prior to closing which may require additional information or affect borrower's loan approval if additional credit is obtained or late payments are reported. Prior to closing, any new inquiries and/or debt must be documented. Maximum days allowed for seller rent back 60 days. All loan documentation should not be over 90 days old at submission. Property Assessed Clean Energy (PACE) aka: Home Energy Renovation Opportunity (HERO) subordination not permitted. Must be paid in full prior to closing. Temporary Buy down loans not permitted. A married Borrower purchasing a home separately from spouse will be eligible only if the spouse does not currently own the departing residence or other real estate outside of the exceptions listed below. This program is not for borrower's intending to accumulate property, whether buying together or as sole and separate property. This applies regardless of whether the borrower is located in a community property or non-community property state. Exceptions may be considered for relocated borrower(s) or borrower with property ownership in another state that has been a rental property for more than 12 months. Prepaid interest credits are not allowed.
<p>COLLATERAL</p>	<p><u>Well & Septic:</u></p> <ul style="list-style-type: none"> Local Health Authority well water analysis and/or septic report, where required by the local jurisdictional authority. Properties vacant 90+ days require a well and septic certification. <p><u>Condo Requirements:</u> FHA approved condominiums:</p> <ul style="list-style-type: none"> Must be currently approved on HUD's condo list. Certification for individual unit financing dated within 30 days prior to date of closing is required to be present in the loan file. <p><u>Expired appraisals will not be accepted.</u> Exception:</p> <ul style="list-style-type: none"> If an appraisal update is performed prior to expiration date. When the Clear to Close has been issued the D.E. Underwriter may extend the appraisal expiration date by 30 days. New 92900.5B must be completed and new LT noted. <p><u>Ineligible Properties / Locations:</u></p> <ul style="list-style-type: none"> State of Washington. LHFS does not offer financing to properties that are secured by community land trusts (i.e., Illinois Land Trust). Co-ops. 2-4 Units in the state of New Jersey. Mixed-Use Working farms/ranches Unincorporated territories of the United States (borrowers and properties) are ineligible for financing. <ul style="list-style-type: none"> Puerto Rico US Virgin Islands Guam American Samoa Swains Island

*Within Reach*TM FHA Guidelines Summary - Manufactured Homes

DEFINITION	<ul style="list-style-type: none"> A “manufactured home” (MH) is any dwelling that is built on a permanent chassis and installed on a permanent foundation system with the wheels, axles, and towing hitch removed. Must be titled as “real property” and not personal property (also referred to as “chattel”).
ELIGIBILITY	<ul style="list-style-type: none"> Multi-wide Properties Home placed on permanent foundations in the last 12 months must be treated as a purchase transaction and comply with all new construction requirements.
INELIGIBLE	<ul style="list-style-type: none"> Single-Wide Homes Leasehold Land Ownership
PROPERTY COLLATERAL	<p><u>Manufactured Home Property Requirements:</u></p> <ul style="list-style-type: none"> 600 square feet or larger Multi-wide Constructed on or after June 15, 1976 Built and remains on a permanent chassis Lightweight skirting (such as vinyl, metal, aluminum) must have a continuous backing made of concrete, masonry, treated wood or a product with similar strength and durability. Presence of HUD Certification Labels and Data Plate Require or IBTS.org report(s) provided. The finished grade elevation beneath the manufactured home or, if a basement is used, the lowest finished exterior grade adjacent to the perimeter enclosure, shall be at or above the 100-year return frequency flood elevation; Flood Zones A or V. Must meet the Model Manufactured Home Installation Standards. Must carry a one-year manufacturer’s warranty if the unit is new. Be installed on a home site that meets established local standards for site suitability and has adequate water supply and sewage disposal facilities available. Anchoring system in compliance with HUD codes. If installed prior to October 20, 2008, the anchoring system complies with manufacturer’s design or design of licensed engineer. Engineer Certification confirming the foundation meets HUD’s Permanent Foundations Guide for Manufactured Housing (PFGMH) dated Sept 1996. <ul style="list-style-type: none"> Must address the impact of any additions and modifications made to the structure Must address if the subject is in its original location (never been moved) More than one dwelling of any type is strictly prohibited when property is zoned for multiple units. <ul style="list-style-type: none"> Must be designed as one family dwelling. Accessory Dwelling Units permitted. Chattel title must be retired/purged. Affidavit of Affixture must be recorded prior to or at closing. <p><u>Well & Septic:</u></p> <ul style="list-style-type: none"> Local Health Authority well water analysis and/or septic report, where required by the local jurisdictional authority. Properties vacant 90+ days require a well and septic certification. <p><u>Building on Own Land:</u></p> <p>Treated as a purchase transaction with minimum investment requirement met.</p> <ul style="list-style-type: none"> Equity in the land may be used to meet MRI. Land owned six months or more the Closing Disclosure or similar legal document may be prepared as a refinance transaction. If the land was/is being given as a gift to the Borrower, the Mortgagee must verify that the donor was not a prohibited source. Gift letter is required. Cash back at closing prohibited. <p>Settlement Statement from purchase of land or purchase contract and Licensed General Contractor Contracts required.</p> <ul style="list-style-type: none"> The builder’s price to build must include the sum of the cost of the unit(s) and all on-site installation costs Must meet all New Construction Requirements <p>Maximum Mortgage Amount Lessor of the Property Value or the documented Acquisition Cost used to determine the Adjusted Value. The documented Acquisition Cost of the Property includes:</p> <ul style="list-style-type: none"> builder’s price or the sum of all subcontractor bids and materials and lessor of land purchase price (including land acquired less than 12 months before case assignment) or value of the land as shown in the site value of the appraisal.

*Within Reach*TM FHA Guidelines Summary

HELPFUL LINKS /
INFORMATION

Land Home Financial Additional Resources:

- [eXPRESS](#)
- <https://Wholesale.LHFS.com>

FHA *Within Reach*TM DAP Program:

- [Within ReachTM 2.0 FHA Income and Mortgage Limits \(on or after 1/1/2020\)](#)
- [Within ReachTM 2.0 Lock Instructions](#)

***Within Reach*TM 2.0 Submission Checklists:**

- [Submission Checklist for LHFS Disclosed Loans](#)
- [Submission Checklist for TPO Partner Disclosed Loans](#)

Agency Guidelines:

- [FHA Guide](#)
- [FHA Mortgage Limits](#)
- [FHA FAQ Preview](#)
- [FHA FAQ](#)
- [FHA Approved Condo Lookup](#)
- [FHA Approved Condo Questionnaire](#)

Payoff demand for subordinate soft second lien:

LHFS Special Servicing
ATTN: Specialty Department
3611 S. Harbor Blvd, Suite 100
Santa Ana, CA 92704
Phone: 877.557.9042

Each loan files layers of risk (i.e., payment shock; gift funds; assets/reserves not verified; multiple layers of risk, etc.) may require additional documentation or explanations above and beyond the AUS requirements (i.e., housing history; budget letters; excessive commute detail, etc.).

Guidelines are for use by mortgage professionals only and subject to change without notice.

1003 DETAIL

Uniform Residential Loan Application

This application is designed to be completed by the applicant(s) with the Lender's assistance. Applicants should complete this form as "Borrower" information must also be provided (and the appropriate box checked) when the income or assets of a person other than the Borrower (including the Borrower's spouse or other person who has community property rights pursuant to state law will not be used for qualification or the income or assets of the Borrower's spouse or other person who has community property rights pursuant to applicable law and Borrower resides in a community property state, or the Borrower is relying on other property located in a community property state as a basis for repayment of the loan.

If this is an application for joint credit, Borrower and Co-Borrower each agree that we intend to apply for joint credit (sign below):

Borrower		Co-Borrower	
I. TYPE OF MORTGAGE AND TERMS OF LOAN			
Mortgage Applied for:	<input type="checkbox"/> VA <input type="checkbox"/> FHA	<input type="checkbox"/> Conventional <input type="checkbox"/> USDA/Rural	<input type="checkbox"/> Other (explain): Agency Case Number
II. PROPERTY INFORMATION AND PURPOSE OF LOAN			
Subject Property Address (street, city, state & ZIP)			No. of Units
Legal Description of Subject Property (attach description if necessary)			Year Built
Purpose of Loan	<input type="checkbox"/> Purchase <input type="checkbox"/> Refinance	<input type="checkbox"/> Construction <input type="checkbox"/> Construction-Permanent	<input type="checkbox"/> Other (explain):
Property will be:		<input type="checkbox"/> Primary Residence	<input type="checkbox"/> Secondary Residence <input type="checkbox"/> Investment
<i>Complete this line if construction or construction-permanent loan.</i>			
Year Lot Acquired	Original Cost \$	Amount Existing Liens \$	(a) Present Value of Lot \$
			(b) Cost of Improvements \$
			Total (a + b) \$
<i>Complete this line if this is a refinance loan.</i>			
Year Acquired	Original Cost \$	Amount Existing Liens \$	Purpose of Refinance
			Describe Improvements <input type="checkbox"/> made <input type="checkbox"/> to be made
			Cost: \$
Title will be held in what Name(s)		Manner in which Title will be held	
Source of Down Payment, Settlement Charges, and/or Subordinate Financing (explain) Secured Borrowed Funds		Estate will be held in: <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold (show expiration date)	

1003 Page 1 – Source of Down Payment – “Secured Borrowed Funds”

DETAILS OF TRANSACTION SECTION

VII. DETAILS OF TRANSACTION		VIII. DECLARATIONS			
j. Subordinate financing	10,585.00	If you answer "Yes" to any questions a through i, please use continuation sheet for explanation.			
k. Borrower's closing cost(s) by Seller	Enter DAP Amount	f. Are you presently delinquent or in default on any Federal debt or any other loan, mortgage, financial obligation, bond, or loan guarantee? If "Yes," give details as described in the preceding question.	Borrower Yes No		Co-Borrower Yes No
l. Other Credits (explain)		g. Are you obligated to pay alimony, child support, or separate maintenance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
m. Loan amount (exclude PMI, MIP, Funding Fee financed)		h. Is any part of the down payment borrowed?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		i. Are you a co-maker or endorser on a note?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		j. Are you a U.S. citizen?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- **Details of Transaction: Should reflect DAP amount if input correctly as a 2nd mortgage.**
- **Check "Yes" under VIII. Declarations (H):**
 - **"Is any part of the down payment borrowed?"**
 - **If applicable, check "Yes" under co-borrower.**

INPUT INTO DU INSTRUCTIONS

Quick 1003

Full 1003

- Borrower Information
- Previous Address Information
- Types, Terms & Property**
- Employment Information
- Income & Housing
- Assets
- Real Estate Owned
- Liabilities
- Details of Transaction
- Declarations
- Demographic Information
- Additional Data
- Government

[Link to Fannie Mae Selling Guide](#)

PROPERTY INFORMATION

Manner Held

Down Payment Information
 Amount

Source of Down Payment

If Refinance, Construction Or Construction-Permanent Loan
 Purpose of Refinance (if applicable)

- Make certain the following items are accurately entered:**
- Fields in the above image are completed
 - Input County
 - Seller Credit does not reflect as a Concession

ENTER SUBORDINATE FINANCING

Quick 1003

Full 1003

- Borrower Information
- Previous Address Information
- Types, Terms & Property
- Employment Information
- Income & Housing
- Assets
- Real Estate Owned
- Liabilities
- Details of Transaction
- Declarations
- Demographic Information
- Additional Data
- Government

[Link to Fannie Mae Selling Guide](#)

a. Purchase Price	\$269,500.00
b. Alterations, Improvements, Repairs	\$0.00
c. Land	\$0.00
d. Refinance (inc. debts to be paid off)	\$0.00
e. Estimated Prepaid Items	\$2,277.99
f. Estimated Closing Costs	\$10,765.45
g. PMI, MIP, Funding Fee	\$4,551.17
h. Discount	\$0.00
i. Total Costs	\$287,094.61
j. Subordinate Financing	\$10,585.00
k. Closing Costs Paid By Seller	\$10,000.00
l. Other Credits (Sum of Other Credits section below)	\$1,000.00
m. Loan Amount (exclude PMI, MIP, Funding Fee)	\$260,067.00
n. PMI, MIP, Funding Fee Financed	\$4,551.00
o. Total Loan Amount (m+n)	\$264,618.00
p. Cash From (-)/To Borrower	\$891.61

Other Credits

Description of Other Credits	Amount
<input type="text"/>	<input type="text"/>
Cash deposit on sales contract	\$1,000.00

LOCK INSTRUCTIONS

Search
**Within Reach™
DAP Amount**
Save Loan Scenario

Lien Information

• First Lien Amt/Base Loan Amt

Search for First

• Second Lien Amt.

Search for Second

• HELOC Line Amt.

Search for HELOC

• HELOC Drawn Amt.

Loan Information

• Price/Estimated Value

• LTV

Waive Escrows

• Appraisal Amount

CLTV

Lender Paid Compensation?

Loan Purpose

HCLTV (Line Amt)

• Date Submitted / Forward Lock

• Cash-Out Amount

HCLTV (Drawn Amt)

Include Admin Fee?

Community / Affordable Second

Must reflect "Yes" to receive pricing →