

Texas Veterans Land Board – Product Description

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| COMPLIANCE AGENT/SERVICER | <ul style="list-style-type: none"> Gateway Mortgage Group LLC (GMG) |
| PARTICIPATING LENDERS | <ul style="list-style-type: none"> To participate in the Texas Veterans Land Board (TVLB) Program, a Correspondent Lender must be approved with GMG. |
| PRODUCT PURPOSE | <ul style="list-style-type: none"> The Texas Veterans Housing Assistance Program (VHAP) provides competitive low interest loans toward the purchase of a home to qualified Texas Veterans in the state of Texas. Purchase Transactions only Refinances are NOT allowed except construction to permanent financing not exceeding 24 months. Veteran must sign TVLB Take Out Affidavit and provide a copy of interim financing agreement. |
| PRODUCT DESCRIPTION | <ul style="list-style-type: none"> First lien, fully amortizing 15, 20, 25 or 30 Year Fixed Rate Conventional FHA (Section 203(b) FHA Home Mortgage Loans, including condominiums under 234(c) VA with sufficient entitlement for a minimum of 25% guaranty Homebuyer education is not required High Balance is not allowed |
| PRODUCT CODES | <ul style="list-style-type: none"> V15-TXV, CF15-TXV, F15-TXV V20-TXV, CF20-TXV, F20-TXV V25-TXV, CF25-TXV, F25-TXV V30-TXV, CF30-TXV, F30-TXV |
| MAXIMUM LOAN AMOUNT and MAXIMUM TLTV | <ul style="list-style-type: none"> \$453,100 (not to exceed FHA limits for area) For VA loans, include the funding fee Conventional <ul style="list-style-type: none"> ➤ without Subordinate Financing: 95% Maximum LTV ➤ with Subordinate Financing: 80% Maximum LTV – 90% Maximum TLTV ➤ 80/10/10 allowed - the first and second may have other combinations, but veteran must have minimum 10% investment in the loan |
| ELIGIBLE STATES | <ul style="list-style-type: none"> Entirely within the state of Texas |
| DOWN PAYMENT ASSISTANCE | <ul style="list-style-type: none"> Acceptable subject to agency guidelines, veterans can obtain a gift from a relative, domestic partner, fiancée, or a grant from an employer or a public agency. Gifts, grants, and secured/unsecured loans provided by non-profit organizations and government agencies must be approved by GMG. Loans with down payment assistance (DPA) from non-profit entities must receive approval from Gateway and TVLB prior to closing the loan and preferably prior to locking the loan. For DPA approval, please email the following documents to CorrUnderwriting@GatewayLoan.com - Type "DPA Request for TVLB" in subject line: <ul style="list-style-type: none"> ➤ Completed 1003 loan application ➤ Completed FHA 92900-LT, VA Loan Analysis or 1008 Transmittal Summary ➤ DPA information regarding the type and amount ➤ Lender Certification stating DPA has not affected the Sales Price and Property Value |
| HOMEBUYER ELIGIBILITY | <ul style="list-style-type: none"> All Borrowers MUST BE approved by VLB BEFORE proceeding with application Download "Certification of Eligibility" here www.texasveterans.com Eligibility Requirements <ul style="list-style-type: none"> ➤ At least 18 years of age. ➤ A Bona fide and legal resident of Texas on the date of application and meet the following requirements. Service Requirements <ul style="list-style-type: none"> ➤ An active duty military member. ➤ A member of the Texas National Guard. ➤ A reserve component military member having completed 20 qualifying years for retirement. ➤ A Veteran having served at least 90 active duty days unless discharged sooner due to service connected disability and not discharged dishonorably. ➤ A surviving spouse of a Veteran listed as missing in action or whose death was service connected. Any previous VLB mortgage loan must be paid off prior to closing. For full eligibility requirement go to www.texasveterans.com |

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| <p>NEW CONSTRUCTION REQUIREMENT - ENERGY STAR®</p> | <ul style="list-style-type: none"> • New construction defined as a home where the sales contract pre-dates the Certificate of Occupancy. • If New Construction: Home must be ENERGY STAR® certified to be eligible for purchase. One of two documents needed in the loan file. <ul style="list-style-type: none"> ➢ Copy of the ENERGY STAR® Certificate that is issued by the rater when the home is certified. OR ➢ A HERS Index Score of 75 or less following the RESNET National Home Energy Rating Standards and must have an energy rating Certificate that documents the HERS Index score of 75 or less. • (Note: VLB Take-out Affidavit required on construction to perm loans with the documents listed on the renewal and extension.) If the Certificate of Occupancy (CO) (or Final Building Inspection) is dated prior to the sales contract, the home is considered existing and does not require ENERGY STAR®. |
| <p>LAND MORTGAGES / NEW CONSTRUCTION</p> | <ul style="list-style-type: none"> • If after obtaining a land mortgage from the VLB a borrower decides to build a residence on the land that secures the land mortgage, the borrower may now “combine” an existing VLB land mortgage with a new VHAP mortgage in a maximum amount equal to \$325,000 plus the amount of the payoff on the VLB land mortgage. The total amount of this special type of loan is currently capped at \$405,000. <p>PLEASE NOTE: The VLB participating lender must obtain written approval from the Program Administrator prior to originating this type of loan.</p> |
| <p>PROGRAM OPTIONS</p> | <ul style="list-style-type: none"> • Disabilities Discount: Discount of 50 basis points available for Veterans with a compensable, service-connected disability of 30% or greater as verified by the VA. <ul style="list-style-type: none"> ➢ Documentation for file: VA Award Letter dated within 12 months of closing. ➢ Note: An unmarried surviving spouse of a veteran who is missing in action, or who died on the line of duty, or died from a service-connected cause and had a compensable service-connected disability rating of 30% or greater (as verified by an Award Letter from the VA) at the time of death is also eligible for the discount. ➢ Interest rate and discount are subject to change at any time • National Guard and Reserves: If the borrower is in the Reserves or National Guard and he/she is activated any time after the closing date, he/she qualifies for 0% interest for the entire time of activation and for 90 days after return. The VLB ultimately forgives that interest. The borrower is only responsible for principal and escrow during activation and the following 90 days. To claim the benefit, the borrower should send a copy of the activation orders in with the payment and request the 0%. |
| <p>PROPERTY ELIGIBILITY</p> | <ul style="list-style-type: none"> • Single family detached/attached • Townhouse or town home • Condominium • PUD • 2-4 unit constructed at least 5 years prior to loan closing - 1 unit must be borrower's primary residence. • Manufactured Housing, if <ul style="list-style-type: none"> ➢ Single family residence ➢ Factory built after June 15, 1976 ➢ Delivered on site in at least two sections ➢ Permanent foundation ➢ Dimensions no less than 20 feet X 40 feet ➢ Sloping roof • Mobile homes are not eligible. |
| <p>OTHER ELIGIBILITY GUIDELINES</p> | <ul style="list-style-type: none"> • Follow agency guidelines on max acreage • Owner occupied only • Assumptions generally not allowed • Trusts not allowed • Refinances not allowed - Except construction to permanent financing not exceeding 24 months (and veteran signs the VLB Take Out Affidavit and provide copy of interim financing agreement) • “One-time closings” are not eligible Cosigners/Guarantors are allowed if the veteran can qualify for 60% of the PITI. MCCs are not allowed • Loans in excess of 365 days from closing are not eligible for purchase. |

| LENDER FEES | <ul style="list-style-type: none"> • 1.00% Origination fee • 1.00% Participation fee (must be listed as such on CD) • Reasonable and customary fees and actual costs for appraisal, title insurance, credit report, underwriting, etc. • The Gateway funding fee cannot be charged to the borrower | | | | | | | | |
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| LIST OF TVLB FORMS | <ul style="list-style-type: none"> • Listed below are the VLB Program documents to be completed, as applicable. <ul style="list-style-type: none"> ➢ Required of all applicants: VLB Certification of Eligibility Application to receive Notice of Eligibility – Found here www.texasveterans.com. ➢ TVLB Registration Form – Located on Gateway's website ➢ New Construction Only – TVLB Take-Out Loan Affidavit Form – Located on Gateway's website ➢ Deed of Trust Rider – Located on Gateway's website | | | | | | | | |
| INTEREST RATES | <ul style="list-style-type: none"> • The Texas Veterans Land Board (VLB) publishes the rate weekly. Rates are found on the VLB web site at www.texasveterans.com Interest rate and discount are subject to change at any time. | | | | | | | | |
| GATEWAY LOAN REGISTRATION, CHANGES TO REGISTRATION FORM, RATE LOCK PROCEDURES, RATE LOCK EXTENSIONS, RELOCKS AND CANCELLATIONS | <ul style="list-style-type: none"> • The Notice of Eligibility (NOE) must be issued on the veteran prior to locking the loan with Gateway. The veteran is not eligible for the weekly published rate until the NOE has been issued. • Import a FNMA 3.2 File in the GEMS System, generating a Gateway loan number • Complete the Gateway TVLB Registration Form and upload it to GEMS System labeled as Lock-In Agreement • Client to email Gateway Commitment Desk to request TVLB Lock <ul style="list-style-type: none"> ➢ Send email to CorrBonds@GatewayLoan.com by 3:00 pm CT on Friday (or the last business day of the week) to request lock with that week's price. The email Subject Line MUST read "TVLB Lock Request" and the body of the email should include the Gateway Loan Number. • You MUST contact our Commitment Desk if you do not receive an email within 24 hours confirming your loan has been locked. • Loans are locked with a 60 deliver by date • Locked loan must be purchased by Gateway within 10 days following Lock Expiration date to avoid additional fees • Changes to Registrations and Locks <ul style="list-style-type: none"> ➢ All changes must be approved by Gateway Commitment Desk • Client can request an extension or loan modification by providing the following information to the Gateway Commitment desk: <ul style="list-style-type: none"> ➢ Gateway Loan Number, Extension Days and/or loan Changes ➢ Commitment Desk will confirm extension and/or loan changes of TVLB locked loan via email to client ➢ Commitment confirmation with updated lock expiration date and/or changes will be available in the GEMS System • Lock Extension Policy: • Lock extensions must be completed prior to initial lock expiration date and may only be extended up to 3 times for a maximum of 15 days. <table border="1" data-bbox="505 1413 1214 1566"> <thead> <tr> <th>Extension Term</th> <th>Extension Fee</th> </tr> </thead> <tbody> <tr> <td>1-3 days</td> <td>.0375%</td> </tr> <tr> <td>4-7 days</td> <td>.0875%</td> </tr> <tr> <td>8-15 days</td> <td>.1875%</td> </tr> </tbody> </table> • Relock(s) <ul style="list-style-type: none"> ➢ Per VLB guidelines, Rate Locks that expire may be relocked only after the loan is closed and delivered to Gateway ➢ VLB provides final pricing for relocked loans after Gateway sells the loan to VLB ➢ Gateway notifies Client of final relock price and passes on relock costs to the Client ➢ If original lock expired within 1 year of the TVLB Lock Expiration date, the new loan will be subject to worse case pricing ➢ Locks expired more than 1 year go to current TVLB pricing • Cancellations <ul style="list-style-type: none"> ➢ Loans in Pended or Suspend status greater than 30 days from the original Lock Expiration Date may be subject to "Ineligible for Purchase" status change. | Extension Term | Extension Fee | 1-3 days | .0375% | 4-7 days | .0875% | 8-15 days | .1875% |
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| UNDERWRITING | <ul style="list-style-type: none"> • DU • LPA • Full Doc (Manual Underwriting for FHA and VA ONLY) • “Approve/Eligible” and “Accept” are the only acceptable findings from DU or LP Appraisals and must provide interior/exterior inspections. • Appraisal Form 1004 is required. Standard mortgage insurance coverage must be obtained regardless of AUS findings. |
| PACKAGING AND DELIVERY | <ul style="list-style-type: none"> • The following TVLB specific program documents and checklists must be completed and delivered with the closed loan package to Gateway • Gateway TVLB Checklist completed and signed • http://www.glo.texas.gov/vlb/forms/index.html |
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