

# SETH GoldStar Homebuyer Assistance Program - Government

**Note: Special Programs may only be originated by trained, approved clients.**

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| <b>PROGRAM DESCRIPTION</b>   | <ul style="list-style-type: none"> <li>• Purchase only</li> <li>• Second Loan of up to <b>7%</b> of the <b>final first mortgage loan amount</b>, deferred, no accrued interest, due upon sale or refinance of the original loan, 7-year maturity with forgiveness pro-rata (1/84<sup>th</sup>) per month</li> <li>• Second Promissory Note and Second Deed of Trust provided by SETH</li> <li>• Second loan funds can be used towards down payment and/or closing costs</li> <li>• Other than reimbursement from earnest money or items paid by the borrower outside of closing, there can no cash back to the borrower</li> <li>• <b>Do not refer to Gateway's Overlay Matrix for this program</b></li> </ul> |
| <b>PROGRAM SPONSOR</b>       | <ul style="list-style-type: none"> <li>• Southeast Texas Housing Finance Corporation (SETH)</li> </ul>   |
| <b>PROGRAM ADMINISTRATOR</b> | <ul style="list-style-type: none"> <li>• George K. Baum &amp; Company (GKB)</li> </ul>   |
| <b>SERVICER</b>              | <ul style="list-style-type: none"> <li>• Gateway Mortgage Group, LLC (GMG)</li> </ul>  |
| <b>ELIGIBLE AREA</b>         | <ul style="list-style-type: none"> <li>• Program is available throughout the State of Texas except in the cities of El Paso, Grand Prairie and the County of Travis</li> </ul>   |
| <b>PRODUCT CODES</b>         | <ul style="list-style-type: none"> <li>• F30 – GOLDSTAR</li> <li>• V30 – GOLDSTAR</li> <li>• RD30 – GOLDSTAR</li> <li>• CF7 – 2<sup>ND</sup> Lien</li> </ul>   |
| <b>INTEREST RATES</b>        | <ul style="list-style-type: none"> <li>• Loan Rates and Program Assistance options are sent via email from GMG Secondary</li> <li>• 60-day lock</li> </ul>   |
| <b>LOAN TYPES</b>            | <ul style="list-style-type: none"> <li>• FHA - Section 203(b) FHA Home Mortgage Loans, including condominiums under 234(c)</li> <li>• VA</li> <li>• USDA</li> </ul>  |
| <b>OCCUPANCY</b>             | <ul style="list-style-type: none"> <li>• Primary Residence</li> </ul>  |
| <b>LOAN PURPOSE</b>          | <ul style="list-style-type: none"> <li>• Purchase</li> </ul>   |
| <b>ELIGIBLE PROPERTIES</b>   | <ul style="list-style-type: none"> <li>• SFR - 1-4-unit primary residence</li> <li>• PUDs</li> <li>• Townhouse</li> <li>• Condominium (Condominiums in litigation are not allowed)</li> <li>• Manufactured homes not allowed</li> </ul>  |

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| <b>MINIMUM CREDIT SCORE (ALL BORROWERS)</b> | <ul style="list-style-type: none"> <li>• 620 for all borrowers FHA and VA</li> <li>• 640 for all borrowers USDA</li> <li>• Each borrower must have a minimum of one credit score</li> <li>• FHA and VA loans may be manually underwritten if the credit score is 620 or higher</li> </ul>  |
| <b>LTV</b>                                  | <ul style="list-style-type: none"> <li>• Per applicable agency guidelines</li> </ul>   |
| <b>ELIGIBLE BORROWERS AND OCCUPANCY</b>     | <ul style="list-style-type: none"> <li>• No first-time homebuyer requirement</li> <li>• Buyers must occupy the property as their primary residence within 60 days of closing</li> <li>• Borrowers may have ownership interest in other properties at time of closing – follow agency guidelines</li> </ul>   |
| <b>HOMEBUYER EDUCATION</b>                  | <ul style="list-style-type: none"> <li>• Required for all Borrowers on the Note, even non-first-time homebuyers. Borrowers should visit the SETH homepage for <a href="#">seth Homebuyer Education</a> to receive instructions on how to sign up for the SETH on-line homebuyer education course provided by eHome America, a nationally recognized on-line homebuyer course</li> <li>• SETH Homebuyer Education must be completed prior to closing</li> <li>• Borrowers receipt of a homebuyer education counseling Certificate of Completion is a condition for the loan closing</li> </ul>  |
| <b>MAXIMUM DTI</b>                          | <ul style="list-style-type: none"> <li>• Max DTI = 55% with AUS approval</li> <li>• For Manual Underwrite:             <ul style="list-style-type: none"> <li>➢ FHA – Max 50% with compensation factors laid out by FHA</li> <li>➢ VA – Max 41% unless residual income exceeds guideline by at least 20%</li> <li>➢ USDA – Max 41%</li> </ul> </li> </ul>  |
| <b>PURCHASE PRICE LIMIT</b>                 | <ul style="list-style-type: none"> <li>• Maximum purchase price is \$453,100. VA and USDA loan limits apply</li> <li>• Maximum purchase price for FHA ranges from \$275,665 to \$362,250 which are determined by county location. Refer to purchase price limits by County.</li> <li>• Click on link to view <a href="#">purchase price limits by County</a></li> </ul>  |
| <b>OTHER ASSISTANCE PROGRAMS</b>            | <ul style="list-style-type: none"> <li>• Subject to Agency and investor requirements, GoldStar program may be combined with other down payment sources, including Mortgage Credit Certificates. In all cases, the most conservative guidelines for each program will apply.</li> <li>• Gateway prior approval required</li> <li>• Third Liens not allowed</li> <li>• Not allowed for USDA</li> </ul>   |
| <b>UNDERWRITING</b>                         | <ul style="list-style-type: none"> <li>• Allows DU Approve/Eligible, LP Accept/Accept, GUS Accept or follow Manual guidelines</li> <li>• Verify borrower’s qualifying income does not exceed income limits by County regardless of family size</li> <li>• SETH Homebuyer education required for all borrowers. Certificates must be in file</li> <li>• Program assistance is entered into AUS as a Community Second</li> <li>• No minimum loan amount</li> <li>• No asset test required</li> <li>• No minimum reserve requirement</li> <li>• Seller concessions permitted per agency guidelines</li> <li>• SETH’s EIN #76-0061310</li> </ul> |

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| <b>MINIMUM BORROWER INVESTMENT</b>                            | <ul style="list-style-type: none"> <li>No minimum investment required from the Borrower's own funds</li> </ul>  |
| <b>QUALIFYING INCOME LIMITS</b>                               | <ul style="list-style-type: none"> <li>Program Income Limits by County regardless of family size               <ul style="list-style-type: none"> <li><a href="#">VA Program Income Limits by County regardless of family size</a></li> <li><a href="#">USDA Program Income Limits by County regardless of family size</a></li> </ul> </li> <li>Qualifying Income:               <ul style="list-style-type: none"> <li>Follow agency guidelines with respect to allowable income sources and calculation method to be used</li> <li>Use 1003 Qualifying income only</li> <li>May be less than the total actual household income</li> <li>May not exceed amounts established for the MSA or County in which the property is located based on loan product</li> </ul> </li> </ul>              |
| <b>CO-SIGNERS AND NON-OCCUPANT CO-BORROWERS</b>               | <ul style="list-style-type: none"> <li>Allowed on FHA loans only</li> <li>Not allowed on VA and USDA loans</li> </ul>   |
| <b>PROGRAM FEES</b>   | <ul style="list-style-type: none"> <li>Reasonable and customary fees</li> <li>Discounts and <b>Origination fees not allowed</b></li> </ul>  |
| <b>GATEWAY LOAN REGISTRATION, CHANGES AND LOCK EXTENSIONS</b> | <ul style="list-style-type: none"> <li>SETH GoldStar Rate is published and sent via email from GMG Secondary</li> <li>Loans are locked for 60 days</li> <li>Locks for the first liens must be completed online in GEMS portal then create the second lien in GEMS to obtain a Gateway loan number</li> <li><b>Complete <a href="#">SETH GoldStar Registration Form</a> and email Gateway's Commitment Desk to request Second Lien lock</b></li> <li>Gateway will lock the second lien</li> <li>Client can view both lock confirmations in GEMS system</li> <li>Changes and lock extensions to first lien must follow Client Guide, Chapter 3</li> <li>Changes and lock extensions to second liens contact <a href="mailto:CorrBonds@GatewayLoan.com">CorrBonds@GatewayLoan.com</a></li> </ul> |
| <b>SECOND LIEN CLOSING AND FILE DELIVERY INSTRUCTIONS</b>     | <ul style="list-style-type: none"> <li>Initial and Final 1003 Loan Application</li> <li>Initial and Final Truth in Lending</li> <li>Need signed original second note with SETH as Lender and beneficiary</li> <li>Signed, notarized Second Deed of Trust with SETH as beneficiary</li> <li>Signed Borrower's Acknowledgement</li> <li>FHA only – SETH Commitment Letter (Legal Obligation Letter)</li> <li>Signed and updated Final Program Registration Form</li> <li>A certificate of completion for all homebuyer's education from SETH's on-line Homebuyer education course</li> <li>Underwriting and Transmittal Summary with EIN # from first lien</li> </ul>   |
| <b>TRAINING</b>   | <ul style="list-style-type: none"> <li><b>GMG Regional Sales Manager</b></li> <li>Training must be completed prior to loan registration, contact your Regional Sales Manager for training</li> </ul>  |