

# CAFA Gold 100 - Conventional

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

<p><b>PROGRAM DESCRIPTION</b></p>	<ul style="list-style-type: none"> <li>• Freddie Mac HFA Advantage First Loans</li> <li>• Purchase only</li> <li>• No first-time homebuyer requirement</li> <li>• No federal recapture tax provision</li> <li>• Second Loan of up to 7% of the final first mortgage loan amount, rounded down to the nearest dollar amount             <ul style="list-style-type: none"> <li>○ 0% interest</li> <li>○ 7 or 10 year terms</li> <li>○ No monthly payments</li> </ul> </li> <li>• <u>7 year term</u> – second will be forgiven after year 2 in 1/60<sup>th</sup> monthly increments for the remaining 5 year forgiveness period and will be 100% forgiven at maturity of note. If borrower should refi or sale within first 2 years, 2<sup>nd</sup> loan is due and repayable in full</li> <li>• <u>10 year term</u> – second will be forgiven after 5 years in 1/60<sup>th</sup> monthly increments for the remaining 5 year term and will be 100% forgiven at maturity of note. If borrower should refi or sale within the first 5 years, 2<sup>nd</sup> is due and repayable in full</li> <li>• Second loan funds can be used towards down payment and/or closing costs</li> <li>• Second Loan amounts should be rounded down to the nearest dollar</li> <li>• Second Loan amounts are calculated based on the final first loan amount, including and financed MI</li> <li>• Other than reimbursement from earnest money or items paid by the borrower outside of closing, there can be no cash back to the borrower</li> </ul>
<p><b>PROGRAM SPONSOR</b></p>	<ul style="list-style-type: none"> <li>• Capital Area Finance Authority (CAFA)</li> </ul>
<p><b>PROGRAM ADMINISTRATOR</b></p>	<ul style="list-style-type: none"> <li>• George K. Baum &amp; Company (GKB)</li> </ul>
<p><b>SERVICER</b></p>	<ul style="list-style-type: none"> <li>• Gateway Mortgage Group, LLC (GMG)</li> </ul>
<p><b>ELIGIBLE AREA</b></p>	<ul style="list-style-type: none"> <li>• Refer to <b>Exhibit A</b> for a complete list of participating parishes and income limits at the end of this product description</li> </ul>
<p><b>ADDITIONAL SUBSIDY</b></p>	<ul style="list-style-type: none"> <li>• Freddie Mac eligible loans are eligible for additional assistance: Affordable Subsidy (AIS) as follows:             <ul style="list-style-type: none"> <li>• Very Low Income Borrowers/Purchasers (VLIP) earning up to and including 50% of the County median income regardless of family size qualify for the Affordable Subsidy of <b>\$2500</b></li> <li>• Low Income Borrower/Purchasers (LIP) earning greater than 50% up to and including 80% of the parish median income regardless of family size may qualify for the Affordable Subsidy of <b>\$1500</b></li> <li>• The applicable AIS limits can be found in <b>Exhibit A</b> at the end of this product description</li> <li>• This Subsidy should be disclosed separately as an “Affordable Subsidy” in Section L of the Closing Disclosure.</li> <li>• These Subsidies are not repayable at any time</li> </ul> </li> </ul>

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	<ul style="list-style-type: none"> <li>• Subsidy must be used for closing costs only</li> <li>• Amount of Subsidy is not calculated in the second loan transaction</li> </ul> <p><b>NOTE: It is in the originating Lender's own financial interest to confirm that the Borrower is eligible for these Affordable Subsidies based on the final qualifying income (used for underwriting) as of the loan closing, not from when the loan rate was locked in.</b> If the Borrower were to be found ineligible after the loan closing, the originating lender will not be eligible for reimbursement by Freddie Mac or by the Servicer if applicable</p>
<b>PRODUCT CODES</b>	<ul style="list-style-type: none"> <li>• CF30-FHLMCCAFAGold</li> <li>• CF30-FHLMCCAFAGold80</li> <li>• CF30-FHLMCCAFAGold50</li> <li>• CF7-CAFAGold2nd</li> <li>• CF10-CAFAGold2nd</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>• Freddie Mac HFA Advantage</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 unit (FHLMC) 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>
<b>LTV/CLTV</b>	<ul style="list-style-type: none"> <li>• Up to 97% LTV/105% CLTV</li> </ul>
<b>MINIMUM CREDIT SCORE (ALL BORROWERS)</b>	<ul style="list-style-type: none"> <li>• =&gt;620 with LP Accept/Accept approval required</li> <li>• Each borrower must have a minimum of one credit score</li> <li>• Manual underwrite is not allowed and DU is not allowed</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 First Time Homebuyers, defined as a borrower who has not had ownership interest in a residential property in the last three years from the loan closing date</li> <li>• Borrowers may select from a CAFA approved nationally accredited in person or on-line</li> </ul>

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	<p>homebuyer education counseling center</p> <ul style="list-style-type: none"> <li>• A list of acceptable HECCs may be found at: <a href="http://www.thecafo.org/homebuyer/homebuyer_resources/">http://www.thecafo.org/homebuyer/homebuyer_resources/</a></li> <li>• Homebuyer Education must be completed prior to closing</li> <li>• Borrower 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>• Per LP Accept/Accept approval – <b>DU is not allowed</b></li> <li>• Manual Underwrite is not allowed</li> </ul>
<b>PURCHASE PRICE LIMIT</b>	<ul style="list-style-type: none"> <li>• There are no purchase price limits. Freddie Mac loan limits apply</li> </ul>
<b>OTHER ASSISTANCE PROGRAMS</b>	<ul style="list-style-type: none"> <li>• Gateway prior approval required</li> <li>• Subject to Agency and investor requirements, 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>• Third Liens not allowed</li> </ul>
<b>UNDERWRITING</b>	<ul style="list-style-type: none"> <li>• Verify borrower’s Qualifying income does not exceed income limits by County regardless of family size</li> <li>• Homebuyer education required for all First-Time Homebuyers. Certificates must be in file</li> <li>• Second loan must be entered into LPA in the “Total Gift Funds” field; the Second Loans should be represented as an Affordable Second</li> <li>• LP: Select Home Possible Advantage for HFAs as the Offering Identified 251</li> <li>• Manual underwrite not allowed</li> <li>• No minimum loan amount</li> <li>• No minimum reserve requirement</li> <li>• Seller concessions permitted per Freddie Mac guidelines</li> </ul>
<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 Parish are listed in <b>Exhibit A</b> at the end of this product description</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</b>	<ul style="list-style-type: none"> <li>• Not permitted</li> </ul>

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<b>CO-BORROWERS</b>	
<b>MORTGAGE INSURANCE</b>	<ul style="list-style-type: none"> <li>• 18% coverage for 95.01% up to 97%</li> <li>• 16% coverage for 90.01% up to 95%</li> <li>• 12% coverage for 85.01% up to 90%</li> <li>• 6% coverage for 80.01% up to 85%</li> <li>• Mortgage Insurers acceptable to Gateway, refer to Client Guide, Chapter 1</li> <li>• Borrower paid monthly, split and single premium plans are permitted</li> </ul>
<b>GATEWAY LOAN REGISTRATION, CHANGES AND LOCK EXTENSIONS</b>	<ul style="list-style-type: none"> <li>• CAFA Gold 100 Rate sheet 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>• Complete CAFA Gold 100 Registration form and email Gateway's Commitment Desk to request Second Lien lock</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>PROGRAM FEES</b>	<ul style="list-style-type: none"> <li>• No origination</li> <li>• Discounts are not allowed</li> <li>• Reasonable and customary fees</li> <li>• Other than a 2<sup>nd</sup> loan recording fee and 2<sup>nd</sup> loan transfer taxes, no other 2<sup>nd</sup> Loan fee permitted</li> </ul>
<b>SECOND LIEN CLOSING AND FILE DELIVERY INSTRUCTIONS</b>	<ul style="list-style-type: none"> <li>• Refer to CAFA Gold Client Checklist 2<sup>nd</sup> lien on our website</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>

## EXHIBIT A

### 2018 Eligible Parishes and Income Limits

Based on a percentage of the Area Median Income as provided by HUD for Government Loans and by FHFA for FHLMC HFA Advantage Loans. Income limits are typically adjusted annually.

Parish	FHLMC HFA Advantage Income Limit for All Borrowers	FHLMC HFA Advantage <=50% AMI Borrowers [1]	FHLMC HFA Advantage 50.01%-80% AMI Borrowers [1]	FHA, VA, USDA Income Limit for all Borrowers
Acadia	\$86,940	\$31,050	\$49,680	\$71,415
Allen	\$86,940	\$31,050	\$49,680	\$71,415
Ascension	\$104,720	\$37,400	\$59,840	\$86,020
Assumption	\$88,060	\$31,450	\$50,320	\$72,335
Avoyelles	\$86,940	\$31,050	\$49,680	\$71,415
Beauregard	\$87,500	\$31,250	\$50,000	\$71,875
Caddo	\$87,780	\$31,350	\$50,150	\$72,105
Calcasieu	\$86,940	\$31,050	\$49,680	\$71,415
Cameron	\$86,940	\$31,050	\$49,680	\$71,415
East Baton Rouge	\$104,720	\$37,400	\$59,840	\$86,020
East Feliciana	\$104,720	\$37,400	\$59,840	\$86,020
Evangeline	\$86,940	\$31,050	\$49,680	\$71,415
Franklin	\$86,940	\$31,050	\$49,680	\$71,415
Iberia	\$86,940	\$31,050	\$49,680	\$71,415
Iberville	\$86,940	\$31,050	\$49,680	\$71,415
Jackson	\$86,940	\$31,050	\$49,680	\$71,415
Jefferson	\$91,840	\$32,800	\$52,480	\$75,440
Jefferson Davis	\$86,940	\$31,050	\$49,680	\$71,415
Lafayette	\$98,560	\$35,200	\$56,320	\$80,960
Lafourche	\$86,940	\$31,050	\$49,680	\$71,415
Livingston	\$104,720	\$37,400	\$59,840	\$86,020
Ouachita	\$86,940	\$31,050	\$49,680	\$71,415
Pointe Coupee	\$104,720	\$37,400	\$59,840	\$86,020
St. Bernard	\$91,840	\$32,800	\$52,480	\$75,440
St. Helena	\$104,720	\$37,400	\$59,840	\$86,020
St. James	\$90,300	\$32,250	\$51,600	\$74,175
St. Landry	\$86,940	\$31,050	\$49,680	\$71,415
St. Martin	\$98,560	\$35,200	\$56,320	\$80,960
St. Mary	\$86,940	\$31,050	\$49,680	\$71,415
St. Tammany	\$91,840	\$32,800	\$52,480	\$75,440
Tangipahoa	\$88,620	\$31,650	\$50,640	\$72,795
Terrebonne	\$86,940	\$31,050	\$49,680	\$71,415
Vermillion	\$86,940	\$31,050	\$49,680	\$71,415
Washington	\$86,940	\$31,050	\$49,680	\$71,415
West Baton Rouge	\$104,720	\$37,400	\$59,840	\$86,020
West Feliciana	\$104,720	\$37,400	\$59,840	\$86,020

[1] Lower income Borrowers (<50% AMI) and Low-Income Borrowers (50-80% AMI) may be eligible for a Subsidy.