

CAFA Gold 100 - Government

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

PROGRAM DESCRIPTION	<ul style="list-style-type: none"> • Purchase only • Second Loan of up to 6% of the final first mortgage loan amount, rounded down to the nearest dollar amount <ul style="list-style-type: none"> ○ 0% interest ○ 7 or 10 year terms ○ No monthly payments • <u>7 year term</u> – second will be forgiven after year 2 in 1/60th 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, 2nd loan is due and repayable in full • <u>10 year term</u> – second will be forgiven after 5 years in 1/60th 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, 2nd is due and repayable in full • Second loan funds can be used towards down payment and/or closing costs • Other than reimbursement from earnest money or items paid by the borrower outside of closing, there can no cash back to the borrower • Do not refer to Gateway’s Overlay Matrix for this program
PROGRAM SPONSOR	<ul style="list-style-type: none"> • Capital Area Finance Authority (CAFA)
PROGRAM ADMINISTRATOR	<ul style="list-style-type: none"> • George K. Baum & Company (GKB)
SERVICER	<ul style="list-style-type: none"> • Gateway Mortgage Group (GMG)
ELIGIBLE AREA	<ul style="list-style-type: none"> • Refer to Exhibit A for a complete list of participating parishes and income limits
PRODUCT CODES	<ul style="list-style-type: none"> • F30 –CAFAGold • V30 –CAFAGold • RD30 –CAFAGold • CF7-CAFAGold2nd • CF10-CAFAGold2nd
INTEREST RATES	<ul style="list-style-type: none"> • Loan Rates and Program Assistance options are sent via email from GMG Secondary • 60-day lock
LOAN TYPES	<ul style="list-style-type: none"> • FHA - Section 203(b) FHA Home Mortgage Loans, including condominiums under 234(c) • VA • USDA
OCCUPANCY	<ul style="list-style-type: none"> • Primary Residence
LOAN PURPOSE	<ul style="list-style-type: none"> • Purchase

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ELIGIBLE PROPERTIES	<ul style="list-style-type: none"> • SFR - 1-4-unit primary residence • PUDs • Townhouse • Condominium (Condominiums in litigation are not allowed) • Manufactured homes not allowed
MINIMUM CREDIT SCORE (ALL BORROWERS)	<ul style="list-style-type: none"> • 600 with AUS approval FHA and VA • 620 with GUS approval USDA • Each borrower must have a minimum of one credit score • FHA and VA loans may be manually underwritten if the credit score is 620 or higher • USDA loans may be manually underwritten if the credit score is 640 or higher
LTV	<ul style="list-style-type: none"> • Per applicable agency guidelines
ELIGIBLE BORROWERS AND OCCUPANCY	<ul style="list-style-type: none"> • No first-time homebuyer requirement • Buyers must occupy the property as their primary residence within 60 days of closing • Borrowers may have ownership interest in other properties at time of closing – follow agency guidelines
HOMEBUYER EDUCATION	<ul style="list-style-type: none"> • 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 • Borrowers may select from a CAFA approved nationally accredited in person or on-line homebuyer education counseling center • A list of acceptable HECCs may be found at: http://www.thecafa.org/homebuyer/homebuyer_resources/ • Homebuyer Education must be completed prior to closing • Borrower receipt of a homebuyer education counseling Certificate of Completion is a condition for the loan closing
MAXIMUM DTI	<ul style="list-style-type: none"> • Max DTI = No max with AUS approval or GUS Approve for USDA • For Manual Underwrite: <ul style="list-style-type: none"> ➢ FHA – Max 50% with compensating factors laid out by FHA ➢ VA – Max 43% with compensating factors laid out by VA and residual income exceeds guideline by at least 20% ➢ USDA – Max 44% with compensating factors laid out by GUS
PURCHASE PRICE LIMIT	<ul style="list-style-type: none"> • Maximum purchase price is \$484,350. VA and USDA loan limits apply • Maximum purchase price for FHA ranges from \$314,827 to \$395,600 which are determined by county location. Refer to purchase price limits by County.

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OTHER ASSISTANCE PROGRAMS	<ul style="list-style-type: none"> • Gateway prior approval is required • 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. • Gateway prior approval required • Third Liens not allowed • Not allowed for USDA
UNDERWRITING	<ul style="list-style-type: none"> • Allows DU Approve/Eligible, LP Accept/Accept, GUS Accept or follow Manual guidelines • Verify borrower's qualifying income does not exceed income limits by County regardless of family size • Homebuyer education required for all First Time Homebuyers. Certificates must be in file • Program assistance is entered into AUS as a Community Second • No minimum loan amount • No minimum reserve requirement • Seller concessions permitted per agency guidelines • CAFA's EIN #72-1013030
MINIMUM BORROWER INVESTMENT	<ul style="list-style-type: none"> • No minimum investment required from the Borrower's own funds
QUALIFYING INCOME LIMITS	<ul style="list-style-type: none"> • Refer to Exhibit A at the end of this product description • Qualifying Income: <ul style="list-style-type: none"> ➢ Follow agency guidelines with respect to allowable income sources and calculation method to be used ➢ Use 1003 Qualifying income only ➢ May be less than the total actual household income ➢ May not exceed amounts established for the MSA or County in which the property is located based on loan product
CO-SIGNERS AND NON-OCCUPANT CO-BORROWERS	<ul style="list-style-type: none"> • Allowed on FHA loans only • Not allowed on VA and USDA loans
PROGRAM FEES	<ul style="list-style-type: none"> • Reasonable and customary fees in accordance with agency, federal, state and local laws and regulations • Discounts and Origination fees not allowed unless there is a 1% reduction of SRP paid for Government loans with <u>either or both</u>: A representative credit score of 620-659 and/or DTI 45.01% - 50%. Reduction is not cumulative. Client may collect up to 1% origination fee

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GATEWAY LOAN REGISTRATION, CHANGES AND LOCK EXTENSIONS	<ul style="list-style-type: none">• Loans are locked for 60 days• Client must lock first lien on Gateway's website using the GEMS portal• The Gateway Commitment Desk will lock your second lien after Client completes a CAFA Gold Registration Form on Gateway's website and uploads the saved pdf form into GEMS as a stored document under your first lien loan number• Incomplete second lien registration forms cannot be locked, confirm all information is completed accurately prior to upload• The first and second liens each have a separate loan number and lock confirmation that Client can access in GEMS• Client to follow Client Guide, Chapter 3 for changes to first lien lock and lock extensions• Client must contact corrbonds@gatewayloan.com for assistance
SECOND LIEN CLOSING AND FILE DELIVERY INSTRUCTIONS	<ul style="list-style-type: none">• Refer to CAFA Gold Client Checklist 2nd Lien on our website

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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.