Effective 07/28/2025

Legacy Builder – FHA DPA

3.5% FHA DPA PROGRAM DETAILS	
Requirements	• 580 minimum FICO score required for each borrower with AUS approval • Manual underwriting allowed – 600 minimum FICO score required • First Time Home Buyer acceptable • Non-Occupant Co-Borrowers allowed • FHA 1st Lien to 96.5% LTV – 30-Year Fixed Rate or 25-Year Fixed Rate; 100% max CLTV • Standard and High balance loan amounts acceptable (see Terms topic below) • DPA funds can be used for down payment and/or closing costs • Follow FHA Handbook 4000.1 for underwriting
Income Limits	• No cap on qualifying income
Program Fees	• Normal and customary fees are allowed (i.e. Appraisal, Credit Report, Survey, Title Insurance, etc.) • Fees must be charged in accordance with FHA Handbook 4000.1 • No Lender fees can be charged on the DPA 2nd Lien, only Title or Escrow fees may be charged • Maximum Origination Points/Discount Points of 2.00% charged on the 1st TD transaction only
Eligible Borrowers	• U.S. Citizens • Permanent Resident Aliens • Inter Vivos Revocable Trusts • Non-Occupant Co-Borrowers
Eligible Properties	• Single Family Detached - 1 Unit • Single Family Attached - 1 Unit • Duplexes - 2 Units • Planned Unit Developments (PUDs) • Townhouses • Condos: FHA approved only, no litigation • Manufactured Homes: Double-Wide only • Owner Occupied only
DPA Terms	• DPA 2nd Lien = Lesser of 3.5% of purchase price or appraised value ▪ Standard Balance and High Balance: 3.5% DPA 2nd lien may be Forgivable or Repayable (see below) • DPA 2nd lien may not be resubordinated **Forgivable DPA Terms** • Term = Non-amortizing loan for 360 months • No monthly payments required • Lien may be forgiven at borrower request after 36 consecutive and on-time payments completed on the 1st mortgage **Repayable DPA Terms** • Interest Rate = 1st TD Note Rate + 2% **Check daily rate sheet for changes** • Term = Fully amortizing loan for 120 months • Include payment in DTI calculation
Homeowner Education	At least one borrower must receive housing counseling from a HUD-approved non-profit housing counseling agency. The U.S. Department of Housing and Urban Development provides a database of approved housing counseling services. https://answers.hud.gov/housingcounseling/s/?language=en_US
2-1 Buydown	• Available for 25-Year Fixed Rate or 30-Year Fixed Rate Standard and High Balance FHA 1st lien • Purchase only • Seller or builder paid buydowns allowed; borrower paid buydowns are not permitted • Buydown must be included in the 6% interested party contribution limit • Borrower must qualify at the Note Rate

Effective 07/28/2025

5% FHA DPA PROGRAM DETAILS	
Requirements	• 580 minimum FICO score required for each borrower AUS approval • AUS approval required; manual underwriting not allowed • First Time Home Buyer acceptable • Non-Occupant Co-Borrowers allowed • FHA 1st Lien to 96.5% LTV – 30-Year Fixed Rate or 25-Year Fixed Rate; 101.5% max CLTV • Standard and High balance loan amounts acceptable (see Terms topic below) • DPA funds can be used for down payment and/or closing costs • Follow FHA Handbook 4000.1 for underwriting
Income Limits	• No cap on qualifying income
Program Fees	• Normal and customary fees are allowed (i.e. Appraisal, Credit Report, Survey, Title Insurance, etc.) • Fees must be charged in accordance with FHA Handbook 4000.1 • No Lender fees can be charged on the DPA 2nd Lien, only Title or Escrow fees may be charged • Maximum Origination Points/Discount Points of 2.00% charged on the 1st TD transaction only
Eligible Borrowers	• U.S. Citizens • Permanent Resident Aliens • Inter Vivos Revocable Trusts • Non-Occupant Co-Borrowers
Eligible Properties	• Single Family Detached - 1 Unit • Single Family Attached - 1 Unit • Duplexes - 2 Units • Planned Unit Developments (PUDs) • Townhouses • Condos: FHA approved only, no litigation • Manufactured Homes: Double-Wide only • Owner Occupied only
DPA Terms	• Interest Rate = 1st TD Note Rate + 2% **Check daily rate sheet for changes** • DPA 2nd Lien = Lesser of 5% of purchase price or appraised value ▪ Standard Balance and High Balance: 5% DPA 2nd lien must be Repayable • Term = Fully amortizing loan for 120 months • Include payment in DTI calculation • DPA 2nd lien may not be resubordinated
Homeowner Education	At least one borrower must receive housing counseling from a HUD-approved non-profit housing counseling agency. The U.S. Department of Housing and Urban Development provides a database of approved housing counseling services. https://answers.hud.gov/housingcounseling/s/?language=en_US
2-1 Buydown	• Not permitted for 5% DPA program