



**SMARTBUY ROSEBUD  
DOWNPAYMENT ASSISTANCE PROGRAM  
With 5-YEAR FORGIVEABLE SECOND**

**3.5% Second Mortgage Down Payment Assistance**

Product Description	Rosebud is a Down Payment Assistance (DPA) program used with a fixed interest rate FHA or USDA first mortgage. The DPA is provided by the Rosebud Sioux Tribe and is forgivable after 5 years.
Eligible Channels	Wholesale & Correspondent Channels
2 <sup>nd</sup> Mortgage DPA Details	<ul style="list-style-type: none"> <li>• No interest &amp; No Payments</li> <li>• If the first mortgage is current at time of payoff, the Rosebud DPA will be forgiven after 60 payments.</li> <li>• If the first mortgage is paid-off before 60 payments have been made the full amount of the Rosebud DPA will be due and payable.</li> <li>• The property must remain owner occupied through the 60<sup>th</sup> payment or the Rosebud DPA will be called due and payable.</li> <li>• The Rosebud DPA cannot be resubordinated.</li> </ul>
2 <sup>nd</sup> Mortgage Amount	<ul style="list-style-type: none"> <li>• DPA loan amount- 3.5% of the sales price or appraised value- which ever value is lower.</li> </ul>
DPA usage	<ul style="list-style-type: none"> <li>• The DPA funds may be used fund up to 100% of the Borrower's cash requirement to close, including the down payment, closing costs, pre-paid items and other related mortgage loan fees and expenses. No portion of the DPA can be paid to the Borrower unless the Borrower is being reimbursed for an overage of earnest money deposit to the extent the minimum borrower contribution has been satisfied.</li> <li>• The DPA <i>cannot</i> be used in conjunction with a cash-out refinance, renovation, or one-time construction products.</li> </ul>
Fees	<ul style="list-style-type: none"> <li>• A \$500 " SmartBuy Admin Fee" is to be charged on the first mortgage LE/CD in Section A.</li> <li>• There is NO LE/CD for the second mortgage. No fees can be charged on the second mortgage.</li> </ul>
Eligible States	<ul style="list-style-type: none"> <li>• All Except Delaware</li> </ul>
Loan Types	<ul style="list-style-type: none"> <li>• FHA</li> <li>• USDA-RD</li> </ul>
Loan Purpose	<ul style="list-style-type: none"> <li>• Purchase</li> <li>• No Cash-Out Refinance (FHA Only)</li> </ul>



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Property Types	<ul style="list-style-type: none"> <li>• <b>Eligible:</b> One-unit properties including Condominiums, PUDs, and Doublewide Manufactured Homes and 2-Units</li> <li>• <b>Ineligible:</b> 3-4 units. Unique homes including, but not limited to Log Homes, Barndominium, Singlewide Manufactured Homes, and Geodesic Domes.</li> </ul>
1 <sup>st</sup> Mortgage Max Total Loan Amount	<ul style="list-style-type: none"> <li>• Lower of county limit or \$500,000</li> <li>• <b>Loan Amounts over \$400,000, a 1.00 price adjustment will be added to price</b></li> </ul>
Income Limits	<ul style="list-style-type: none"> <li>• NONE other than product specific i.e., USDA</li> </ul>
First-Time Buyer Restrictions	<ul style="list-style-type: none"> <li>• NONE</li> </ul>
Non-Occupant Coborrower	<ul style="list-style-type: none"> <li>• Allowed with 5-month combined reserves</li> </ul>
Payment Shock	<ul style="list-style-type: none"> <li>• Borrower with payment shock greater than 50% will require a residual income review including a deeper review of bank statements to ensure ability to repay.</li> </ul>
Credit Scores	<ul style="list-style-type: none"> <li>• Minimum: 640</li> <li>• Blended Score Feature: 660 (the higher income earning borrower must have the higher scores) (All borrowers must be occupants)</li> <li>• Manufactured Home: 680</li> <li>• 2-Unit: 700</li> </ul>
Derogatory Credit	<ul style="list-style-type: none"> <li>• No Foreclosures in past 7 years.</li> <li>• Bankruptcy follows program guidelines (FHA and USDA).</li> <li>• Judgements must be satisfied and released prior to closing.</li> <li>• IRS and Lien repayment plans must be paid-off in full prior to closing.</li> <li>• Patterns of NSF may cause ineligibility.</li> </ul>
Underwriting	<ul style="list-style-type: none"> <li>• LP/DU Accept/Approve Required for FHA.</li> <li>• GUS Approval Required for USDA.</li> </ul>
Ratios	<ul style="list-style-type: none"> <li>• Max Housing 40%</li> <li>• Max total DTI 50%</li> <li>• Exceeding these ratios require multiple compensating factors including 120% of a residual income calculation.</li> </ul>
Homeownership Counseling	<ul style="list-style-type: none"> <li>• <b>FHA</b> - All 1<sup>st</sup> time home buyers with a DTI greater than 43% must complete a HUD approved or HFA approved homeownership counseling course.</li> <li>• <b>USDA</b> All borrowers must complete a HUD approved or HFA approved homeownership counseling course.</li> </ul>