



Click n' Close™

SMARTBUY FHA

Rosebud Down Payment Assistance Program With Repayable Second Lien *

Product Description	A Down Payment Assistance (DPA) program for use with fixed rate FHA first mortgages. The funds from the second lien are to be used towards down payment and closing costs for the purchase of a principal residence. The DPA is provided as a second mortgage by the Rosebud Sioux Tribe via either a 10-year fixed rate or as two balloon payment options. A 30-year is due in 10 years, or a 20-year is due in 10 years. Utilizing the DPA allows the borrower to use the funds to permanently buydown the mortgage interest rate or assist in meeting the minimum required investment.
Second Mortgage Details	<ul style="list-style-type: none">• 9.99% fixed interest rate for a 10-year term, 20/10, 20-year due in 10 years, or a 30/10, 30-year due in 10 years.• Balloon terms must be verbally communicated to borrowers per regulations• A separate file for both the 1st and 2nd mortgage must be created in Mortgage Machine.• A Loan Estimate and Closing Disclosure must be delivered to the customer meeting TRID timing requirements for both 1st and 2nd mortgages.• Resubordination is not allowed.
Second Mortgage Amount	Up to 5% of the purchase price, must use the of the lower of the purchase price or appraised value. Select the first mortgage product that matches the amount of assistance required.
DPA usage	<ul style="list-style-type: none">• The DPA funds may be used to fund 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. Excess DPA funds will be applied as a principal reduction. <p>Ineligible Transactions:</p> <ul style="list-style-type: none">• The DPA <i>cannot</i> be used in conjunction with a cash-out refinance, renovation, or one-time construction products.
Fees	<ul style="list-style-type: none">• A \$500 "SmartBuy Admin Fee" is to be charged on the <u>first</u> mortgage LE/CD in Section A. <p>Note: Applicable state recording fees, odd days interest, and title charges are the only fees that should be charged on the second LE/CD.</p>
Eligible States	<ul style="list-style-type: none">• All U.S States except Delaware and New York• Alaska and South Carolina have a minimum \$5,000 loan size
Loan Types	FHA only
Loan Purpose	Purchase or streamline refinance only
Property Usage	Primary Residence only
Property Types	<ul style="list-style-type: none">• One-unit properties only including Condominiums, PUDs, and Double Wide Manufactured Homes are eligible. <p>Ineligible Properties:</p> <ul style="list-style-type: none">• Unique homes including but not limited to Log, Barndominium, Single Wide Manufactured Homes, and Geodesic Domes are not eligible.
Max Total Loan Amount (first mortgage)	Lower of the county limit or \$726,200

* Last Revised on 6/05/2023

Income Limits	NONE
First-Time Buyer Restrictions	NONE
Minimum LTV	90%
Non-Occupant Coborrower	Allowed. Required to have 5-month combined reserves.
Payment Shock	Borrowers with payment shock greater than 125% will be required to pass residual income test. i.e. Current payment of \$1,000 with a new payment greater than \$1,250
Credit Scores	<ul style="list-style-type: none"> • Minimum median credit score of 660. • Blended median credit score of 670. The higher income borrower must have the higher score. All borrowers must be occupants when blending the credit scores. • Manufactured Home median credit score of 680. Definition of Higher Wage Earner <ul style="list-style-type: none"> • 60% or more of all household income for all borrowers on the application. • Household income includes all income from each borrower on the loan application, even if the income is not needed to qualify.
Credit Depth	<ul style="list-style-type: none"> • Two tradelines with a minimum of 12-month history
Derogatory Credit	<ul style="list-style-type: none"> • No previous property foreclosures. • Prior bankruptcy to follow standard FHA product guidelines. • Judgments must be satisfied and released prior to closing. • IRS and Lien repayment plans must be fully paid off prior to closing. • Patterns of NSF may cause ineligibility.
Underwriting	LP or DU Approve/Eligible required on first mortgage On 92900-LT the source for secondary financing should be REDCO
Ratios	<ul style="list-style-type: none"> • Max Housing 36% • Max total DTI 45% <p>Exceeding these ratios by 5% is allowed with multiple compensating factors including but not limited to: 3 months reserves, a 720 or higher median credit score, 5 years or more at their current employer, limited use of revolving debt, minimal payment shock, etc.</p>
Closing/Funding	<ul style="list-style-type: none"> • Second mortgage loan to close in the name of Click n' Close and be assigned to REDCO before insuring. • All closing documents must be prepared through Mortgage Machine and closed electronically except for notes and notary documents that are required to be ink signed at closing. • CLOSING DISCLOSURE on 1st lien should list the DPA as "REDCO 2nd Lien" in Section L.

How To Apply In Mortgage Machine

FIRST MORTGAGE

Complete pricing and product selections for the first mortgage. Ensure the **Portfolio/Bonds/Rosebud** box is checked within the Special Features section. Choose the product with the corresponding percentage of down payment assistance needed. Note—the Smart Buy – FHA 30 DPA Rosebud Repay provides 3.5% assistance.

Loan Information			
Business Channel	Wholesale	Amortization Type	Fixed
Lien Priority	First Lien	Borrower Type	US Citizen
Mortgage Type	FHA	Documentation Type	Full Documentation
Loan Purpose	Purchase	Prepayment Penalty	None
Property Usage	Primary Residence	Yrs Since Bankruptcy	None
Sales Price	\$ 300,000.00	Credit Score	Manual 700
Appraised Value	\$ 300,000.00	Term	360 mos
Base Loan Amt	\$ 289,500.00	LTV	96.500%
MIP/FF/MI	1.750% \$ 5,066.25	CLTV	100.000%
MI Paid In Cash	\$ 0.25	DTI Ratio	0.000%
Total Loan Amt	\$ 294,566.00	Monthly MI	
Cashout	\$ 0.00		
Subordinate - New	\$ 10,500.00		
		Special Features	
		<input type="checkbox"/> Balloon	
		<input type="checkbox"/> HUD Repo	
		<input type="checkbox"/> Buydown	
		<input type="checkbox"/> Repair Escrow	
		<input type="checkbox"/> Escrow Waiver	
		<input type="checkbox"/> Lender Insured	
		<input type="checkbox"/> Interest Only	
		<input type="checkbox"/> Texas 50(a)(6)	
		<input type="checkbox"/> Non-Warrantable Condo	
		<input checked="" type="checkbox"/> Portfolio/Bonds/Rosebud	
		<input type="checkbox"/> High Balance Loan	

Product Name

SmartBuy - FHA 30 Closing Cost Assistance Repay (3%) [3235]

SmartBuy - FHA 30 Closing Cost Assistance Repay (4%) [3237]

SmartBuy - FHA 30 Closing Cost Assistance Repay (5%) [3239]

SmartBuy - FHA 30 DPA Rosebud Repay [3219]

SmartBuy - FHA 30 DPA Rosebud Forgive [3222]

Section 4b of the loan application on the first mortgage should be completed as below with the proper loan amount and monthly payment included for the second lien.

4b. Other New Mortgage Loans on the Property You are Buying or Refinancing

Creditor Name	<input type="text" value="REDCO"/>	<input type="checkbox"/> Creditor is an individual
Lien Priority	<input type="text" value="Second Lien"/>	
Loan Amount	\$ <input type="text" value="10,500.00"/>	
Monthly Payments	\$ <input type="text" value="92.07"/>	
Funds Source	<input type="text" value="Community NonProfit"/>	
Features	<input type="checkbox"/> Affordable Loan?	
	<input type="checkbox"/> HELOC?	HELOC Balance \$ <input type="text" value="0.00"/> Credit Limit \$ <input type="text" value="0.00"/>
	<input type="checkbox"/> Payment deferred for first five years?	

SECOND MORTGAGE

A second mortgage must be created in Mortgage Machine for this program. On the Pricing and Lock screen, the **Lien Priority** and **Mortgage Type** are set to **Second Lien** and **Conventional** to receive the loan program options. The term should be either **120, 240, or 360 months** depending on the desired amortization. The “Portfolio/Bonds/Rosebud” does get checked, as will the “Balloon” box if the amortization is set at 240 or 360 months.

Loan Information			
Business Channel	<input type="text" value="Wholesale"/>	Amortization Type	<input type="text" value="Fixed"/>
Lien Priority	<input type="text" value="Second Lien"/>	Borrower Type	<input type="text" value="US Citizen"/>
Mortgage Type	<input type="text" value="Conventional"/>	Documentation Type	<input type="text" value="Full Documentation"/>
Loan Purpose	<input type="text" value="Purchase"/>	Prepayment Penalty	<input type="text" value="None"/>
Property Usage	<input type="text" value="Primary Residence"/>	Yrs Since Bankruptcy	<input type="text" value="None"/>
Sales Price	\$ <input type="text" value="300,000.00"/>	Credit Score	<input type="text" value="Manual"/> <input type="text" value="700"/>
Appraised Value	\$ <input type="text" value="300,000.00"/>	Term	<input type="text" value="360"/> mos
Base Loan Amt	\$ <input type="text" value="10,500.00"/> Down Pmt Calculator	LTV	<input type="text" value="3.500"/> %
MIP/FF/MI	<input type="text" value="0.000"/> %	CLTV	<input type="text" value="3.500"/> %
MI Paid In Cash	\$ <input type="text" value="0.00"/>	DTI Ratio	<input type="text" value="0.000"/> %
Total Loan Amt	\$ <input type="text" value="10,500.00"/>	Monthly MI	<input type="text" value=""/>
Cashout	\$ <input type="text" value="0.00"/>		
Subordinate - New	\$ <input type="text" value="0.00"/>		
Special Features			
<input checked="" type="checkbox"/> Balloon			
<input type="checkbox"/> HUD Repo			
<input type="checkbox"/> Buydown			
<input type="checkbox"/> Repair Escrow			
<input type="checkbox"/> Escrow Waiver			
<input type="checkbox"/> Lender Insured			
<input type="checkbox"/> Interest Only			
<input type="checkbox"/> Texas 50(a)(6)			
<input type="checkbox"/> Non-Warrantable Condo			
<input checked="" type="checkbox"/> Portfolio/Bonds/Rosebud			
<input type="checkbox"/> High Balance Loan			

Product Name

SmartBuy 2nd DPA Repay 30/10 Govt [3231]



Smart Buy Rosebud DPA -- Blended Credit Score Feature

- **Eligibility:**
 - FHA with Smart Buy repayable DPA
- **Here is how it works:**
 - Does the higher wage earner have a better credit score? GREAT
 - We can now blend the higher wage earner's middle credit score with the lower wage earner's middle credit score to get a blended qualifying score of 670 or above.
- **Required**
 - The higher wage earner must have the higher credit score.
 - There is no minimum credit score for the lower wage earner, as long as the blended score is 670 or above.
 - Must maintain AUS approval.
 - All other Rosebud guidelines apply.
- **Definition of Higher Wage Earner**
 - 60% or more of *all household income* for all borrowers on the application.
 - Household income includes *all* income from each borrower on the loan application, even if the income is not needed to qualify.
- **Example: Calculating Blended Score**
 - Example 1:

Primary Wage Earner	751	760	761
Secondary Wage Earner/Unemployed	600	603	610
Blended Score = $760 + 603 = 1363 / 2$	681	Qualifying Score (always round down)	
This loan DOES qualify; the blended score is above 670.			
 - Example 2:

Primary Wage Earner	600	603	610
Secondary Wage Earner/Unemployed	751	760	761
This loan does NOT qualify; the primary wage earner does not have the higher scores.			
 - Example 3:

Primary Wage Earner	680	670	660
Secondary Wage Earner/Unemployed	600	603	610
Blended Score = $670 + 603 = 1273 / 2$	636	Qualifying Score (always round down)	
The loan does NOT qualify; the blended score is below 670.			
- **How to Price this Loan**
 - Use the Manual Feature on the Credit Score in Mortgage Machine to input the Blended Score.
 - The Blended Score will be used for pricing.

Loan Information			
Business Channel	Wholesale	Amortization Type	Fixed
Lien Priority	First Lien	Borrower Type	US Citizen
Mortgage Type	FHA	Documentation Type	Full Documentation
Loan Purpose	Purchase	Prepayment Penalty	None
Property Usage	Primary Residence	Yrs Since Bankruptcy	None
Sales Price	\$ 300,000.00	Credit Score	Manual 681
Appraised Value	\$ 300,000.00	Term	360 mos
Base Loan Amt	\$ 289,500.00	LTV	96.500%
MIP/FF/MI 1.750%	\$ 5,066.25	CLTV	96.500%
MI Paid In Cash	\$ 0.25	DTI Ratio	0.000%
Total Loan Amt	\$ 294,566.00	Monthly MI	%
Cashout	\$ 0.00		
Subordinate - New	\$ 0.00		
		Special Features	
		<input type="checkbox"/> Balloon	
		<input type="checkbox"/> HUD Repo	
		<input type="checkbox"/> Buydown	
		<input type="checkbox"/> Repair Escrow	
		<input type="checkbox"/> Escrow Waiver	
		<input type="checkbox"/> Lender Insured	
		<input type="checkbox"/> Interest Only	
		<input type="checkbox"/> Texas 50(a)(6)	
		<input type="checkbox"/> Non-Warrantable Condo	
		<input checked="" type="checkbox"/> Portfolio/Bonds/Rosebud	
		<input type="checkbox"/> High Balance Loan	