

Down Payment Assistance Amount	Structure, Term and Rate
3.5%	Repayable: <ul style="list-style-type: none"> DPA is a 10 year term Interest rate 1% higher than the Interest rate on the First Mortgage
	Forgivable: <ul style="list-style-type: none"> DPA 30 year term, No payments due Interest rate at 0% Loan will be forgiven after 36 months of on-time consecutive 1st lien payments

Down Payment Assistance Amount	Structure, Term and Rate
5%	Repayable: <ul style="list-style-type: none"> DPA is a 10 year term Interest rate 1% higher than the Interest rate on the First Mortgage
	Forgivable: <ul style="list-style-type: none"> DPA 30 year term, No payments due Interest rate at 0% Loan will be forgiven after 36 months of on-time consecutive 1st lien payments

First Lien Requirements									
Property Type	Occupancy	Purpose	Minimum Loan Amount	Loan Amount	Min FICO	Max LTV	Max CLTV	Product 1st Lien	Term
1-2 Units	Primary	Purchase	\$100,000	FHA County Limit up to max \$1,249,125	600	96.50%	100%	30 yr. Fixed FHA	360

Homeownership Education Requirements Prior to Closing				
Homebuyer Education	FICO			Approved Counselling Courses
	600-619	Required	Must be through Money Management International. (No extra cost to borrower)	Money Management International
	620-639	Required	Must be through any HUD-approved education course.	Any HUD Approved Counseling
				Framework
				HomeView
640+	Not Required	N/A	N/A	

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FHA 100 Requirements

Chenoa Specifications	
General Eligibility	
AUS	<ul style="list-style-type: none"> • DU Approve/Eligible Required. No manual underwrites allowed.
DPA Amount	<ul style="list-style-type: none"> • 3.5% or 5%
DPA Term and Rate	<ul style="list-style-type: none"> • DPA Repayable: 10 year term, interest rate matching the first mortgage • DPA Forgivable: 30 year term, interest rate at 0%. Forgiveness is based on DPA. • 3.5% & 5% Forgivable after 36 consecutive, on-time payments on the first mortgage.
Fees	<ul style="list-style-type: none"> • Max Fee 1.5%
First Mortgage	<ul style="list-style-type: none"> • 30-year term, fixed rate, full amortization. Must be sold to CBC. • Maximum 1st Lien loan amount per FHA County Limits. • High Balance allowed <ul style="list-style-type: none"> • Repayable – allowed for 3.5% and 5% assistance • Forgivable – allowed for 3.5% assistance only
LTV/CLTV	LTV: Must be 90%-96.5%. CLTV: No overlay.
Manual Underwriting	Not allowed. Must have AUS approval.

Credit	
URLA Application	Present housing MUST be completed on the URLA. No exceptions.
Borrower Contribution	\$0
Credit Score	<ul style="list-style-type: none"> • Minimum 600 score. All Borrowers must have at least one score.
DTI	<ul style="list-style-type: none"> • Per AUS
Non-Occupant Coborrower	Allowed. Follow FHA guideline (family members or relatives only). When the loan includes a non-occupancy co-borrower, the qualifying income of only the occupying borrower(s) is used to determine program qualifications under AMI limits
Payment Shock	<ul style="list-style-type: none"> • Loans with AUS Approval will not have payment shock calculations applied. Manual underwrites need to be reviewed
Present Housing Expense	<ul style="list-style-type: none"> • Rental payment history may assist first time homebuyers (per FHA Mortgagee Letter 2022-17) • Rental payments can be combined for payment shock if borrowers have been living in separate residences. • Renting from family member: Must provide a copy of the executed lease agreement and 12 months canceled checks or bank statements. • Borrowers with "0" rental payment: rent free letter required. Max 33/45% DTI + 1 mos PITIA reserves for borrowers with 640+ FICO. FICO's 600-639 with No Present Housing Expense requires exception review.
Additional Properties Owned	Allowed. Motivational LOE is required, along with meeting all FHA requirements/guidelines to keep current residence while purchasing new property.

Income	
AMI Limit	No income limits. <ul style="list-style-type: none"> • HUD AMI Limit

Income (Continued)	
Gaps in Employment	FHA requires all loan applications to contain a complete two-year history of employment on the URLA. An LOE for files with less than two (2) years of employment history is required. The start date of this two-year history is the application date for 1003. FHA employment history requirements/guidelines must be applied.
Self-employed Borrower Business Verification	Self-employed borrowers must have their business verified as open and operating within 30 calendar days prior to the Note date. Documentation must be provided with one of the following to confirm that the business is open and operating:
	<ul style="list-style-type: none"> Evidence of current work (executed contracts or signed invoices that indicate the business is operating on the day the correspondent verifies self-employment)
	<ul style="list-style-type: none"> Evidence of current business receipts within 30 days of the Note date (payment for services performed)
	<ul style="list-style-type: none"> Correspondent certification that the business is open and operating (correspondent confirmed through a phone call or other means)
	<ul style="list-style-type: none"> Business website demonstrating activity supporting current business operations (timely appointments for estimates or service can be scheduled)

Property	
Property Types Eligible	<ul style="list-style-type: none"> 1 - 2 units only - SFR, PUD, townhome, condo, attached, detached, modular.
	<ul style="list-style-type: none"> Manufactured - allowed on Approve/Eligible Loans only. No manual underwrites. Non-occupant not allowed
Property Types Ineligible	<ul style="list-style-type: none"> Building on own land
	<ul style="list-style-type: none"> Construction to Perm
	<ul style="list-style-type: none"> Easements and deed restrictions that affect marketability
	<ul style="list-style-type: none"> Proposed or under construction
	<ul style="list-style-type: none"> Illegal Accessory Units
Manufactured Home	<ul style="list-style-type: none"> 1 unit Primary Residence, Fixed Rate, Fee Simple Only
	<ul style="list-style-type: none"> Structural Engineer's report is required that meets HUD requirements. Existing engineer's cert acceptable as long as there is no new modifications made.
	<ul style="list-style-type: none"> Affidavit of affixation, recorded, signed and written statement acknowledging that the manufactured home is attached and classified as real property required.
	<ul style="list-style-type: none"> Property must not be located in a deed restricted area including restrictions for age and income
	<ul style="list-style-type: none"> HUD Data Plates (Paper Certification located on the interior of the property) or IBTS Verification
	<ul style="list-style-type: none"> Built on or after June 15, 1976
	<ul style="list-style-type: none"> Built on a permanent chassis (attached to the land) in compliance with the applicable Manufactured Homes (HUD Codes) in effect as of the date the Manufactured Home was constructed.
	<ul style="list-style-type: none"> Must be at least 12 feet wide (single-wide not allowed) and have a minimum of 600 square feet of gross living area.
	<ul style="list-style-type: none"> Manufactured Condos, Co-ops, Mobile Home Parks, Proposed or under construction, construction to perm, building on own land not allowed
	<ul style="list-style-type: none"> Dwellings cannot be located within Flood Zones A or V are ineligible. It is however acceptable for the land to be located within Flood Zone A or V.
	<ul style="list-style-type: none"> Manufactured home must be on original site, relocated homes are not permitted
	<ul style="list-style-type: none"> HUD Certification Labels (metal plates attached) or IBTS Verification if not attached to the property
State-specific Guidance	Alaska and South Carolina
	<ul style="list-style-type: none"> The minimum second mortgage loan amount is \$5,000. Therefore, for purchase prices below \$166,666.67 with 3% assistance, \$143,800 with 3.5% assistance, or \$100,000 with 5% assistance, the DPA amount will be \$5,000 in those states.
	Not offered in the state of New York.
Subordinate Financing	Borrowers may increase their minimum required investment (down payment) by putting down additional funds above and beyond the assistance received as long as the loan-to-value ratio does not go below 90%.

Miscellaneous	
Cash Back to Borrower	Borrowers may receive a refund of documented earnest money deposit and other documented, paid, third-party costs only.

Miscellaneous (Continued)

Forgiveness Conditions	Applies only to the Forgivable 2nd	
	•	Chenoa Fund 3.5% DPA
	•	Forgiven once the borrower makes 36 consecutive on-time payments on the FHA first mortgage. (The borrower must request forgiveness once forgiveness conditions are met and provide payment for processing the lien release.)
	•	This forgiveness period resets if the borrower makes a late payment on the first mortgage.
	•	If this forgiveness condition is not met before the end of the 30-year term, then the loan may be forgiven at the borrower's request and upon the borrower's payment of processing the lien release.
	•	This loan permanently loses its forgivable status if, during the initial 36 payments on the first mortgage, the borrower refinances the first mortgage and state law allows the second mortgage to subordinate without prior consent.

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