

**Mid America Mortgage, Inc. - Correspondent Division
FHA Down Payment Assistance Program**

General Description	Down payment assistance program will acquire closed first and second liens. The second lien funds can be used as a down payment and/or towards closing costs for the purchase of a principal residence. The second lien is fully forgiven after 5 years.
Term and Structure	5-year fixed rate mortgage; 0% interest rate, no monthly payments
Source of Funds	Rosebud Economic Development Corporation (REDCO)
DPA Amount	3.00% to 5.00% of home purchase price
Forgiveness schedule (assuming no 90-day late payments at forgiveness anniversary)	Month 12 (Year 1): 20% of second mortgage's original balance is forgiven Month 24 (year 2): 40% of second mortgage's original balance is forgiven Month 36 (year 3): 60% of second mortgage's original balance is forgiven Month 48 (year 4): 80% of second mortgage's original balance is forgiven Month 60 (year 5): 100% of second mortgage's original balance is forgiven
Eligible Lenders	Must be approved by Mid America Mortgage Inc.'s Correspondent Division
Use of Funds	Down payment, closing costs and prepaid items including any items paid outside closing (POC).
Property Locations	Available in all states except New York. Not available in U.S. territories.
Loan Products (first lien)	FHA 203(b) only; Conforming loan limits apply (no high balance loans) Purchase only
Eligible Properties	1-unit only; single-family detached/attached, condos and PUDs
Occupancy Type	Owner-occupied only Must remain principal residence throughout the first 5 years for full forgiveness of the second mortgage
Underwriting Requirements	Minimum representative credit score of 640 Must be approved by an Automated Underwriting System (DU, LPA, GUS) No manual underwriting
Loan-to-Value	Maximum LTV – 96.50%; maximum combined LTV – 105.00%
Borrower Eligibility	Determined by FHA 203(b) guidelines Borrowers do not have to be first-time homebuyers
Debt-to-Income	Maximum debt-to-income ratio is 50%
Allowable Lender Fees	3% of home purchase price
REDCO Administrative Fee	\$500 administrative fee netted at funding of second lien purchase
Loan Commitment Fee	\$500 commitment fee netted at funding of first lien purchase
Homeownership Counseling	Required for all first-time homebuyers from a HUD approved housing counseling agency with certificate of completion
Income Restrictions	None

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