FORWARD LENDING 2ND LIEN MATRIX
FHA FAST 100 & FAST 100+ DPA

Transaction Type	Number of Units	Maximum LTV/CLTV/HCLTV	Minimum Credit Score
FHA 30-Yr Fixed Purchase	1-2 Units	96.50% LTV + 3.5% DPA = 100% CLTV	600

Forward Lending **Fast 100/Fast 100+** DPA is designed to increase homeownership opportunities for low-to-moderate income individuals and families nationwide (excluding New York and Washington State). Unless otherwise specified here as an overlay, Forward Lending adheres to all posted guidelines for FHA eligibility, as found in the FHA Single Family Housing Handbook 4000.1. Down Payment Assistance is available to achieve 100% CLTV with these two options: **1) Fast 100** (2nd lien is a zero percent (0.00%) Note rate, fully amortized over 30 years, with a forgivable option), and **2) Fast 100+** DPA featuring a 2nd lien that has an interest rate equal to the first lien rate plus 2% with a 10 year amortization and monthly payments required.

TOPIC	BORROWER ELIGIBILITY
AUS	• **Approve/Eligible** or **Accept** findings required • Manual Underwriting is not allowed
Credit Score	• 600 Minimum Credit Score • Must meet all FHA credit standards per FHA Single Family Housing Handbook 4000.1

Debt-to-Income Ratio (DTI)	• Follow AUS findings (Approve/Eligible or Accept findings required)
	• Fast 100+
	  ○ Payment for the 2nd lien must be included in qualifying ratios (2nd rate equal to first lien rate plus 2% with a 10-year amortization)
	  ○ Underwriter must resubmit to AUS after loan is locked

Eligible Properties	• Condominium (must not be in litigation, must meet FHA guidelines) • Double-wide manufactured housing allowed (single-wide not allowed) • Planned Unit Development (PUD) • SFR (1-2 Units) • Townhouse

TOPIC	BORROWER ELIGIBILITY

Income	• Follow FHA Single Family Housing Handbook 4000.1 guidelines
	• Income Limits:
	  ○ No restrictions
	  ○ Underwriter to notate Income Limit on 92900LT (per https://www.huduser.gov/portal/datasets/il.html)
	  ▪ Use Individual Median Family Income
	  ▪ Search by State and County in which property is located

Ineligible Borrowers	• Any borrower who does not meet FHA's definition of a lawful, legal resident of the United States of America (For borrower residency or VISA classification acceptance, follow FHA Guidelines)
Occupancy	• Primary Residence only • Non-occupant co-borrowers allowed per FHA Single Family Housing Handbook 4000.1 • No First-time Homebuyer requirement
TOPIC	**FHA 1st TD with 2nd DPA Lien**
1003 – Initial and Final	• Initial and Final 1003 are both required, per FHA guidelines • At least one of the 1003s must be signed by the Mortgage Loan Originator (MLO), and at least one must have the 'Present Housing Expense' section completed (no exceptions)
Borrower Contribution	• Borrower's minimum contribution is $0.00
Cash Back to Borrower	• Borrower may not receive any cash back from DPA proceeds (this includes any earnest money deposit)
Credit Report – Tradelines	• Borrower whose only credit history is built from 'Authorized User' account is not eligible

Down Payment Assistance (DPA) and Closing Costs Assistance	• Forward Lending allows Down Payment Assistance (DPA) as outlined below:
	  ○ Up to 3.5% of the Sales Price or Appraised Value (lesser of the two)
	  ○ DPA proceeds may be used for down payment and/or closing costs
	  ○ DPA proceeds may not be used for cash back to the borrower(s)
	  ○ Fast 100 2nd lien is a zero percent (0.00%) Note rate, fully amortized over 30 years with a forgivable option
	  ○ Fast 100+ 2nd lien has an interest rate equal to first lien rate plus 2% with a 10-year amortization with monthly payments required

TOPIC	FHA 1st TD with 2nd DPA Lien
Fees and Compensation	• N/A

First Mortgage Loan Types and Terms	• Loan Types (FHA; in accordance with FHA Guidelines)
	  ○ 203(b)
	  ○ 203(b)(2)
	  ○ 234(c)
	• Loan Term
	  ○ 30-Year Fixed with Full Amortization
	• Maximum Loan Amount
	  ○ Conforming Limits (HUD FHA Mortgage Limits Lookup Tool)
	• Maximum LTV/CLTV
	  ○ Max LTV of 96.50% for First Mortgage
	  ○ Down Payment Assistance (DPA) of 3.5% Allowed
	  ○ Max CLTV of 100%

Forgivable Option (FAST100) Details	• 2nd lien on FAST100 (forgivable option) is forgivable IF
	  ○ Loan has reached 10 years from Note date, and
	  ○ A Repayment Event has not occurred, and
	  ○ Borrower continues to occupy the property as their primary residence
	
	Repayment Event
	  ○ The First Deed of Trust or Mortgage on property is refinanced, or
	  ○ The First Deed of Trust or Mortgage on property becomes due and payable for any reason, or
	  ○ Borrower sells, transfers, or otherwise disposes of Property, including, without limitation, through foreclosure or transfer pursuant to any power of sale

High-Cost, HPML, and QM Compliance	• HPML transactions are permitted; Lender must comply with CFPB and TRID requirements • High-cost loans are not permitted • All loans must comply with QM/ATR compliance

TOPIC	FHA 1st TD with 2nd DPA Lien
High-Cost, HPML, and QM Compliance continued	• Loans exceeding 3% maximum points/fees test are not permitted unless a cure is applied • Bona Fide Discount Points must adhere to CFPB and all (if any) state regulations
Homebuyer Education	• At least one borrower must receive housing counseling from a Fannie Mae, Freddie Mac, or HUD-approved non-profit housing counseling agency prior to the Note date • A partial list of options can be found in these links: Fannie Mae HomeView® Freddie Mac CreditSmart® Homebuyer U HUD Housing Counseling Services
Ineligible Features	• Building on own land • Construction-to-Perm • Easements and Deed Restrictions that affect value, marketability, or property accessibility as determined by the appraiser and for which no protective title endorsement is available • Loans with resale Deed Restrictions • Proposed, or Under Construction (New Construction is eligible, provided it is complete at the time of purchase)
IRS Transcripts	• Required for self-employed borrowers, or any borrower who needs tax returns for qualifying
Loan Amount	• Maximum loan amount follows standard conforming FHA Guidelines and varies by subject property county (HUD FHA Mortgage Limits Lookup Tool) • Minimum Loan Amount - $75,000.00
Loan Purpose	• Purchase only
Mortgage Insurance (MI)	• Standard FHA Coverage
Product Description	• 1st TD, 30-Year Fixed Rate Term, Full Amortization • Fast 100 2nd lien is a zero percent (0.00%) Note rate, fully amortized over 30 years with a forgivable option • Fast 100+ 2nd lien has an interest rate equal to first lien rate plus 2% with a 10-year amortization with monthly payments required

TOPIC	FHA 1st TD with 2nd DPA Lien
State-specific Overlays	• AZ – Minimum 2nd TD Loan Amount of $5,000.00 • MA – Not eligible • ME – Not eligible • NY – Not eligible • SC – Minimum 2nd TD Loan Amount of $5,000.00 • WA – Not eligible
Temporary Buydown	• Ineligible for this product