



## 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	620 for AUS / 660 for Manual

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, with a deferred, forgivable payment), 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	<ul style="list-style-type: none"> <li>• <b>Approve/Eligible</b> or <b>Accept</b> findings – minimum 620 Credit Score</li> </ul>
Credit Score	<ul style="list-style-type: none"> <li>• 620 Minimum Credit Score for AUS</li> <li>• 660 Minimum Credit Score for Manual Underwriting</li> <li>• Must meet all FHA credit standards per <a href="#">FHA Single Family Housing Handbook 4000.1</a></li> </ul>
Debt-to-Income Ratio (DTI)	<ul style="list-style-type: none"> <li>• Follow AUS findings (Approve/Eligible or Accept findings required)</li> <li>• Manual Underwriting – Maximum DTI is 45% and Minimum Credit Score is 660</li> <li>• <b>Fast 100+</b> <ul style="list-style-type: none"> <li>○ 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)</li> <li>○ Underwriter must resubmit to AUS after loan is locked</li> </ul> </li> </ul>
Eligible Properties	<ul style="list-style-type: none"> <li>• Condominium (must not be in litigation, must meet FHA guidelines)</li> <li>• Double-wide manufactured housing allowed (single-wide not allowed)</li> <li>• Planned Unit Development (PUD)</li> <li>• SFR (1-2 Units)</li> <li>• Townhouse</li> </ul>



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TOPIC	BORROWER ELIGIBILITY
Income	<ul style="list-style-type: none"> <li>• Follow <a href="#">FHA Single Family Housing Handbook 4000.1</a> guidelines</li> <li>• Income Limits:               <ul style="list-style-type: none"> <li>○ No restrictions</li> </ul> </li> </ul>
Ineligible Borrowers	<ul style="list-style-type: none"> <li>• 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)</li> </ul>
Occupancy	<ul style="list-style-type: none"> <li>• Primary Residence only</li> <li>• Non-occupant co-borrowers allowed per <a href="#">FHA Single Family Housing Handbook 4000.1</a></li> <li>• No First-time Homebuyer requirement</li> </ul>
TOPIC	FHA 1st TD with 2nd DPA Lien
1003 – Initial and Final	<ul style="list-style-type: none"> <li>• Initial and Final URLA are both required, per FHA guidelines</li> <li>• At least one of the URLAs must be signed by the Mortgage Loan Originator (MLO), and at least one must have the ‘Present Housing Expense’ section completed (no exceptions)</li> </ul>
Borrower Contribution	<ul style="list-style-type: none"> <li>• Borrower’s minimum contribution is \$0.00</li> </ul>
Cash Back to Borrower	<ul style="list-style-type: none"> <li>• Borrower may not receive any cash back from DPA proceeds (this includes any earnest money deposit)</li> </ul>
Credit Report – Tradelines	<ul style="list-style-type: none"> <li>• Borrower whose only credit history is built from ‘Authorized User’ account is not eligible</li> </ul>
Down Payment Assistance (DPA) and Closing Costs Assistance	<ul style="list-style-type: none"> <li>• Forward Lending allows Down Payment Assistance (DPA) as outlined below:               <ul style="list-style-type: none"> <li>○ Up to 3.5% of the Sales Price or Appraised Value (lesser of the two)</li> <li>○ DPA proceeds may be used for down payment and/or closing costs</li> <li>○ DPA proceeds may not be used for cash back to the borrower(s)</li> <li>○ <b>Fast 100</b> 2nd lien is a zero percent (0.00%) Note rate, fully amortized over 30 years with a forgivable option</li> <li>○ <b>Fast 100+</b> 2nd lien has an interest rate equal to first lien rate plus 2% with a 10-year amortization with monthly payments required</li> </ul> </li> </ul>
Fees and Compensation	<ul style="list-style-type: none"> <li>• N/A</li> </ul>



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First Mortgage Loan Types and Terms	<ul style="list-style-type: none"> <li>• Loan Types (FHA; in accordance with FHA Guidelines)               <ul style="list-style-type: none"> <li>○ 203(b)</li> <li>○ 203(b)(2)</li> <li>○ 234(c)</li> </ul> </li> <li>• Loan Term               <ul style="list-style-type: none"> <li>○ 30-Year Fixed with Full Amortization</li> </ul> </li> <li>• Maximum Loan Amount               <ul style="list-style-type: none"> <li>○ Conforming Limit (<a href="#">HUD FHA Mortgage Limits Lookup Tool</a>) or High Balance Loans</li> </ul> </li> <li>• Maximum LTV/CLTV               <ul style="list-style-type: none"> <li>○ Max LTV of 96.50% for First Mortgage</li> <li>○ Down Payment Assistance (DPA) of 3.5% Allowed</li> <li>○ Max CLTV of 100%</li> </ul> </li> </ul>
Forgivable Option (FAST100) Details	<ul style="list-style-type: none"> <li>• 2<sup>nd</sup> lien on FAST100 (forgivable option) is forgivable IF               <ul style="list-style-type: none"> <li>○ Loan has reached 10 years from Note date, and</li> <li>○ A Repayment Event has not occurred, and</li> <li>○ Borrower continues to occupy the property as their primary residence</li> </ul> </li> </ul> <p style="margin-left: 20px;">Repayment Event</p> <ul style="list-style-type: none"> <li>○ The First Deed of Trust or Mortgage on property is refinanced, or</li> <li>○ The First Deed of Trust or Mortgage on property becomes due and payable for any reason, or</li> <li>○ Borrower sells, transfers, or otherwise disposes of Property, including, without limitation, through foreclosure or transfer pursuant to any power of sale</li> </ul>
High-Cost, HPML, and QM Compliance	<ul style="list-style-type: none"> <li>• HPML transactions are permitted; Lender must comply with CFPB and TRID requirements</li> <li>• High-cost loans are <u>not</u> permitted</li> <li>• All loans must comply with QM/ATR compliance</li> <li>• Loans exceeding 3% maximum points/fees test are not permitted unless a cure is applied</li> </ul>



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TOPIC	FHA 1st TD with 2nd DPA Lien
High-Cost, HPML, and QM Compliance continued	<ul style="list-style-type: none"> <li>Bona Fide Discount Points must adhere to CFPB and all (if any) state regulations</li> </ul>
Homebuyer Education	<ul style="list-style-type: none"> <li>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</li> <li>A partial list of options can be found in these links:               <ul style="list-style-type: none"> <li><a href="#">Fannie Mae HomeView®</a></li> <li><a href="#">Freddie Mac CreditSmart® Homebuyer U</a></li> <li><a href="#">HUD Housing Counseling Services</a></li> </ul> </li> </ul>
Ineligible Features	<ul style="list-style-type: none"> <li>Building on own land</li> <li>Construction-to-Perm</li> <li>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</li> <li>Loans with resale Deed Restrictions</li> <li>Proposed, or Under Construction (New Construction is eligible, provided it is complete at the time of purchase)</li> </ul>
IRS Transcripts	<ul style="list-style-type: none"> <li>Required for self-employed borrowers, or any borrower who needs tax returns for qualifying</li> </ul>
Loan Amount	<ul style="list-style-type: none"> <li>Maximum loan amount follows standard FHA Guidelines and varies by subject property county (<a href="#">HUD FHA Mortgage Limits Lookup Tool</a>)</li> <li>Minimum Loan Amount - \$75,000.00</li> </ul>
Loan Purpose	<ul style="list-style-type: none"> <li>Purchase only</li> </ul>
Manual Underwriting	<ul style="list-style-type: none"> <li>Maximum DTI is 45%</li> <li>Minimum Credit Score is 660</li> <li>Except where noted above for max DTI and minimum credit score, must follow FHA guidelines regarding manual underwriting and required compensating factors</li> </ul>
Mortgage Insurance (MI)	<ul style="list-style-type: none"> <li>Standard FHA Coverage</li> </ul>
Product Description	<ul style="list-style-type: none"> <li>1st TD, 30-Year Fixed Rate Term, Full Amortization</li> <li><b>Fast 100</b> 2nd lien is a zero percent (0.00%) Note rate, fully amortized over 30 years with a forgivable option</li> </ul>



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	<ul style="list-style-type: none"> <li>• <b>Fast 100+</b> 2nd lien has an interest rate equal to first lien rate plus 2% with a 10-year amortization with monthly payments required</li> </ul>
State-specific Overlays	<ul style="list-style-type: none"> <li>• AZ – Minimum 2nd TD Loan Amount of \$5,000.00</li> <li>• ME – Not eligible</li> <li>• NY – Not eligible</li> <li>• SC – Minimum 2nd TD Loan Amount of \$5,000.00</li> <li>• WA – Not eligible</li> </ul>
Temporary Buydown	<ul style="list-style-type: none"> <li>• Allowed with Limitations – see ‘Temporary Buydown Guide’ below for specific terms and conditions</li> </ul>

TEMPORARY BUYDOWN GUIDE	
Product Eligibility	<ul style="list-style-type: none"> <li>• Temporary buydown only applies to first lien and is not applicable to the DPA product</li> <li>• Must meet all terms of the Fast 100 program (AUS approve / accept, etc)</li> </ul>
Term of Buydown	<ul style="list-style-type: none"> <li>• 2/1 Buydown:               <ul style="list-style-type: none"> <li>○ 24-month term</li> <li>○ Initial interest rate temporarily reduced by no more than two percent below the note rate and increased by no more than one percent annually for no more than two years, with the non-reduced note rate applying for years three through 30</li> </ul> </li> </ul>
Underwriting Criteria	<ul style="list-style-type: none"> <li>• Borrowers qualified using note rate, not buydown rate</li> <li>• Standard Interested Party Contribution guidelines apply</li> <li>• Temporary Buydowns do not apply to the DPA transaction – only to the first lien</li> </ul>