

SMARTBUY DOWN PAYMENT ASSISTANCE FOR FHA BORROWERS



| | OPTION 1 (FORGIVABLE) | OPTION 2 (FORGIVABLE) | OPTION 3 (REPAYABLE) |
|------------------------------|--|---|--|
| Max LTV / CLTV | Up to 101.5% | • 96.5% LTV FHA ONLY | • 96.5 LTV/ 101.5 CLTV FHA ONLY |
| Max 2nd Loan Amount | 5% Grant or Second Lien | • 3.5% & 5.0% of Sales Price | • Up to 5.0% of Sales Price |
| Max 1st Loan Amount | • \$ 766,550 | • \$ 766,550 | • FHA County Loan Limit or \$766,550, whichever is less |
| Loan Term | Follows FHA 30-Year Fixed | • 5 Years | • 10-, 20- & 30-Year Terms Available |
| Forgivable | Not available when the first is FHA High Balance | • 100% Forgiven after 5 years | • No |
| Interest Rate on 2nd | • No | • No | • Yes |
| Monthly Payment on 2nd | • No | • No | • Yes |
| Allowable Use of Funds | • Down Payment Assistance | • Down Payment, Closing Costs, Fees, Pre-pays, Expenses | • Down Payment, Closing Costs, Fees, Pre-pays, Expenses |
| Transactions | • Purchase Only | • Purchase & Rate-Term Refi | • Purchase & Rate-Term Refi |
| Occupancy Eligible Property | • Primary Residence Only, No Investment Properties | • Primary Residence: SFR, Condo, PUDs, 2 Units, Manufactured Homes, (Doublewide OK) | • Primary Residence: SFR, Condo, PUDs, Manufactured Homes, (Doublewide OK) |
| Income Limits | • None | • None | • None |
| Gifts Allowed | • Allowed | • Yes | • Yes |
| Eligible Home Buyer | • Primary Residence Only, No Investment Properties | • All Eligible Borrowers | • All Eligible Borrowers |
| Minimum FICO Standard Option | • 600 Minimum FICO | • 620 Minimum FICO (1 & 2 Unit: 620, Manufactured Homes: 640) | • 660 Minimum FICO (Manufactured Homes = 660) |
| Minimum FICO Blended Option | • Not Available | • 660 on Borrower, No Minimum on Co-Borrower | • 670 on Borrower, No Minimum on Co-Borrower |
| Ratios - AUs | • No Max DTI with AUS Approval (Max DTI for MFH = 45%) | • Determined by AUS* | • Determined by AUS* |
| Ratios - Manual U/W | • Not Allowed | • Exception Basis Only (640 Minimum FICO) | • Not Allowed |
| Seller Concessions | • Allowed per FHA Guidelines | • Allowed per FHA Guidelines | • Allowed per FHA Guidelines |

Forgiveness Terms:

- After 60 payments, if 1st Mortgage is current at time of payoff, the Down Payment Assistance 2nd will be forgiven.
- If 1st Mortgage is paid-off before 60 payments are made - full amount of Down Payment Assistance 2nd will be due & payable.
- Property must remain owner occupied thru the 60th payment or Down Payment Assistance 2nd will be called due & payable.
- The Down Payment Assistance 2nd cannot be resubordinated.



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