



The Lakeview National

Last Updated: June 3, 2022

Agenda

- Program Overview
- Benefits
- Process
- Q & A



Introduction

- Lakeview has partnered with Down Payment Assistance (DPA) providers to create the Lakeview National, a Community Lending Program.
- The goal of this program is to assist low to moderate income borrowers realize the dream of homeownership
- This program qualifies under [Fannie Mae's Community Second](#) and [Freddie Mac's Affordable Second](#) guidelines.



Program Advantages

- Flexible down payment and closing cost assistance
- Do not need to be a first-time homebuyer
- Program qualification based on borrower income only, not household.
- The amount of the assistance is based on the lesser of the purchase price or appraised value, not the first mortgage loan amount.

Second Mortgage DPA Partners

The first mortgage is always paired with an interest-only second mortgage from one of our partners.

Fahe

- Non-profit
- Founded in 1980
- Community Development Financial Institution
- Goal of creating housing and promoting community development in the areas they serve
- **My Place Mortgage**

Springboard

- Non-profit
- Established in 1982
- Community Development Financial Institution
- Goal to provide mortgage financing for low to moderate income and underserved communities
- **Springboard To Homeownership**

Lakeview National

What is the Lakeview National program?

- A partnership program pairing a Lakeview first mortgage with a **Fahe My Place Mortgage** or **Springboard to Homeownership DPA Interest-only second lien** for down payment and closing cost assistance.
- Available for LTVs between **80.01-97%***
- Lender will fund both the 1st and the 2nd in the lender's name
- Both the 1st and 2nd will be delivered to Lakeview Loan Servicing
 - Lakeview will purchase the 1st upon the DPA provider's approval of the 2nd
 - The DPA provider will purchase the 2nd

*** High balance/super conforming maximum LTV is limited to 95%**

The Process



Lakeview National

- **Fixed 30-year** term First Mortgage
- **Purchase** of a **primary residence** only
- **Fannie Mae/Freddie Mac** conventional or HomeReady® / Home Possible®
 - Conforming or High Balance/ Super Conforming
- **Minimum FICO = 660**
- **DTI = lesser of 50% or AUS**
- **LTV/CLTV** maximum = **97%/105%**
- **All borrowers must complete either HomeView™ or Credit Smart® homebuyer education (as applicable)** course prior to close.
- **Delegated underwriting only**
- **Approve/Eligible** from DU/LPA; **manual underwriting and use of non-traditional credit is not permitted**
- **Employment and income documentation follow AUS findings**, with a few exceptions.
 - Non-occupant co-borrower/co-signer income not permitted
 - Tax transcripts are required when utilizing 1040 income, working for family, or using WVOE as stand-alone income verification.

*Please refer to the [product matrix](#) for complete program guidelines.
(www.LakeviewCorrespondent.com/Client Login/Product Matrices)*

Qualifying Income

- **Qualifying Income:** Lender must attempt to develop and verify all income listed on the application or disclosed through the loan process.
- What is the definition of **disclosed through the process**?
 - Listed on the 1003
 - Shown on the pay stubs
 - Shown on a written verification of employment
 - Shown on tax documents
- If the additional income does not meet Fannie Mae/Freddie Mac guidelines (ex. one-time bonus), it does not need to be added to the application and run through DU/LPA. However, the Underwriter must indicate on the 1008 why it was not used for qualification.

Example: “Verified that borrower’s bonus was one-time only and therefore cannot use.”

Qualifying Income Examples

Example 1

- The 1003 lists a second job, but it is not needed to pass ratios.
Does the income need to be developed?
 - **Yes**, review the income documentation and determine if the income meets the guidelines: continuity, history, etc.
 - **If it does**, add it to the LOS and run through AUS for qualification.
 - **If it does not**, underwriter documents why.

Example 2

- The underwriter reviews a pay stub and sees a bonus or overtime income that was not listed on the 1003.
Does the income need to be developed?
 - **Yes**, review income documentation and determine if the income meets guidelines: continuity, history, etc.
 - **If it does**, add it to the 1003, LOS, and run through AUS for qualification.
 - **If it does not**, underwriter documents why.

Income Limits

- Income limits vary according to the product selected, but the maximum is **140% AMI**.
 - Use [Fannie Mae's income lookup tool](#) or [Freddie Mac's income lookup tool](#) (as applicable), to find AMI information.
- **All verified qualifying income must be applied against the applicable program income limit.**
 - Conventional: **140% AMI**
 - HomeReady®/ Home Possible®: **80% AMI**

HomeReady® / Home Possible vs. Conventional Underwriting

- If LTV is over 95% and **neither** borrower is a first-time homebuyer, HomeReady® / Home Possible® are the only options.
 - Remember to follow the appropriate **AMI limit**
- If the LTV is over 95% and **at least one** borrower is a first-time homebuyer, the standard conventional underwriting guidelines may be followed.
 - This offers the flexibility of income limits up to **140% AMI**.
- If the LTV is 95% or below, the standard conventional underwriting guidelines may be followed (**even if no borrower is a first-time homebuyer**).
 - This offers the flexibility of income limits up to **140% AMI**.

Property Types

Eligible Property Types

Owner occupied, 1-unit primary residences including:

- Single Family Detached
- Single Family Attached
- Single Family w/Accessory Units (zoned Single Family)
- Rural (Residential)
- PUDs
- Condominiums
 - For condominiums and PUDs, refer to the [Fannie Mae Seller Guide](#) or [Freddie Mac Seller Guide](#)

Borrowers and spouses must occupy the property as their primary residence within 60 days of closing.

Second Mortgage Program

The second mortgage program offered by Fahe/Springboard is aimed at assisting low to moderate-income borrowers obtain and maintain housing. The second mortgage program is the same for both Fahe and Springboard with only one exception:

- The state the property is located in determines the second mortgage provider (Fahe or Springboard).
- The 30 year interest-only second mortgage loan amount is up to **4%** of the lesser of the appraised value or purchase price (no dollar cap).
 - Lower percentages are permitted based on your borrower needs.
- The second mortgage proceeds can be used for either down payment assistance, closing cost assistance, or a combination of both.
 - **Second mortgage proceeds may be used to fund up to 100% of the Borrower's cash to close.**
 - The only cash back to the Borrower is a refund of any earnest money, prepaid fees, and interest or tax credit.

Second Mortgage Program, continued

- The Borrower signs a **Second Promissory Note** and a **Second Deed of Trust/Mortgage**, recorded as a subordinate lien on the property.
- The second mortgage is **due and payable** upon sale, maturation, refinance, early payoff of the first mortgage, or transfer of the property.
 - **Not forgivable**
- Second mortgage **interest rate is equal to the first.**
- Monthly **interest-only payments** are required.
- The monthly-interest only payments must be included in the DTI calculations for qualification purposes.

Running DU on the Interest-only Second Mortgage

- Must be entered as **Community Seconds** with the repayment structure field reading **Any payment (including interest only, P&I, etc.) required within first 5 years.**

Community Lending Information

Community Lending Product: HomeReady

Community Seconds: Yes

Community Seconds Repayment Structure: Any payment (including interest only, P & I, etc.) required within first 5 years

County:

← HomeReady®

Standard Conventional →

Community Lending Information

Community Lending Product:

Community Seconds: Yes

Community Seconds Repayment Structure: Any payment (including interest only, P & I, etc.) required within first 5 years

County:

HomeBuyer Education Completion:

MORNETPlus Community Lending

☒ Community Lending ☒ Community Seconds

Metropolitan Statistical Area or County:

Fannie Mae's Community Lending Product:

HUD Median Income:

Income Limit Adjustment Factor: %

Community Lending Income Limit:

Community Seconds Repayment Structure: 01 Any payment required within first five years

Borrower's CAIVRS #:

FHA Loan Data:

← Encompass Version

Running LPA on the Interest-only Second Mortgage

- Must be in the **Property You Are Buying** section.
- Select **Yes**, under **Is the other New Mortgage an Affordable Second?**
- Select **No**, under **Is the Affordable Second Payment Deferred?**

Below is an example of the **Other New Mortgage Loans on the Property You are Buying or Refinancing** section displayed in Loan Product Advisor via Loan Advisor single sign-on portal. For system-to-system Loan Product Advisor users, refer to your loan origination system (LOS).

Other New Mortgage Loans on the Property You are Buying or Refinancing

Creditor Name

Best Bank

Loan Amount / Amount Drawn *

\$ 1000.00

HELOC *

☐ Yes ☒ No

Creditor Type *

☒ Business ☐ Individual

Is the Other New Mortgage an Affordable Second?

☒ Yes ☐ No

Lien Type *

Second Lien

Is the Affordable Second Payment Deferred?

☐ Yes ☒ No

Monthly Payment

\$ 100.00

0 / 3

ADD

☐ Does not apply

Reminder: If the payment on the Affordable Second requires a payment **before** the Due Date of the 61st monthly payment the **Monthly Payment/Initial Principal and Interest Payment Amount** must be accurate with an amount greater than zero.

Second Mortgage Fees

Fees charged to borrower and disclosed

- All fees paid to government entities required to record the second lien in the specific state and/or jurisdiction of the property.
- Any prepaid interest, where applicable, may be also be charged.

No other fees are permitted or charged to the borrower.

Fees charged to lender and not disclosed

- **\$150** funding fee deducted from the second mortgage purchase.

The funding fee cannot be passed on the borrower

Eligible Locations

- Available in multiple states! Check the [product matrix](#) for full details in the **Geographic Restrictions Section**.



Lakeview National, a Community Lending Program (The National)

The Lakeview National, a Community Lending Program (The National) is a partnership program tailored to assist low to moderate income borrowers realize their dream of homeownership. This First mortgage program is paired with the Fahe My Place or Springboard To Homeownership second mortgage program.

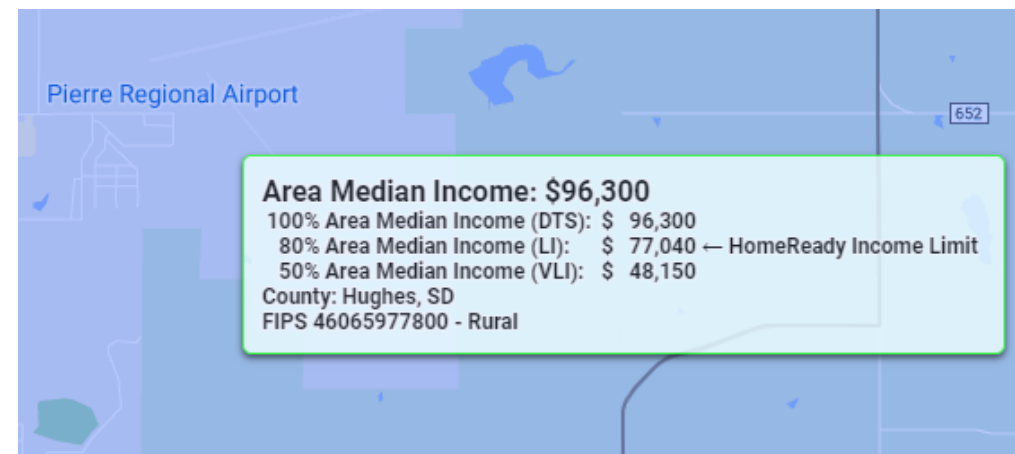
Geographic Restrictions	<u>Eligible states for each DPA Program Provider</u>
	<div><div>• Fahe:</div><div>←</div><div>• Springboard:</div><div>←</div></div>

Summary

- **Eligible Mortgage Product:** Fixed 30-year term only
- **Loan Purpose:** Purchase of a primary residence; 1 unit
- **Minimum FICO:** 660
- **DTI:** lesser of 50% or AUS findings
- **LTV/CLTV:** maximum 97% (95% HB/SC)/105%
- **Underwriting:** Approve/Eligible or Accept/Eligible from DU/LPA; **manual underwriting not permitted**
- **Product Matrix:** If the product matrix is silent on the topic, follow Fannie Mae/ Freddie Mac guidelines, as applicable
- **Homebuyer Education:** Required for **all borrowers prior to close** and must comply with Fahe's and Springboard's requirements (HomeView/Credit Smart).
- **DPA/Closing Cost Assistance:** Fahe My Place Mortgage or Springboard to Homeownership
- **Disclosures:** Must comply with TRID rules.
- **Second lien calculation:** Second loan amounts are always calculated as a **percentage of the lesser of the purchase price or appraised value.**
- **Second lien due and payable:** upon sale, maturation, refinance, early payoff of the first mortgage or transfer of the property.

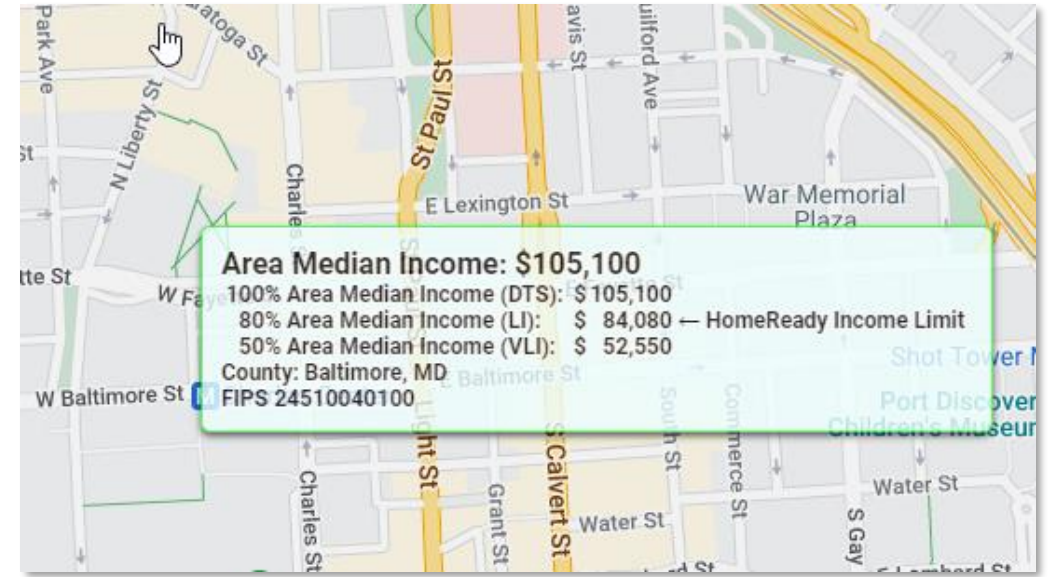
Live Loan Scenarios - HomeReady® / Home Possible®

- Mr. and Mrs. Smith are buying a new home in Pierre, SD
- Mr. Smith = **\$60,000/year** Mrs. Smith = **\$600/month**
- Annual Combined Income = **\$67,200**
- 80% AMI = **\$77,040**
- Purchase Price = **\$170,000**
- Down Payment needed = **\$5100** Closing costs needed = **\$8500**
- They have owned their current home for three years and will realize **\$8,000** net proceeds from the sale. They want to keep **\$3000** for an emergency fund. Therefore, they only have **\$5,000** to use for a down payment and closing costs.
- They qualified for a **\$2000** grant from their local housing assistance program, but this is not enough to cover all the closing costs and the down payment of their new home. ($\$13,600 - \$5,000 - \$2,000 = \$6,600$ short)
- They utilized the Lakeview National first mortgage of \$164,900 and utilized HomeReady® / Home Possible® since their income meets the guidelines. They also utilized a Springboard To Homeownership interest-only second mortgage for **\$6600**.



Live Loan Scenarios – Standard Conventional

- Ms. Willis is buying her first home in Baltimore, MD.
- Base Salary = **\$95,000/year**
- Average Bonus = **\$16,000**
- Qualifying Income = **\$111,000**
- AMI = **\$105,100**
- 140%** of AMI = **\$147,140**
- Purchase Price = **\$460,000**
- Miss Willis has money for her down payment and closing, but she prefers to keep her own reserves for the future and to make some home improvements.
- She utilized the Lakeview National first mortgage for **\$446,200** and a Fahe My Place Mortgage second mortgage for **\$18,400**.



Common Questions/Suspense Items

Is there a minimum loan requirement/maximum loan amount for the second mortgage program?

- *No minimum loan requirement or maximum dollar amount, but the Program is capped at up to four percent (4%) of the lesser of the appraised value or the purchase price.*

If the loan amount is a high balance/super conforming mortgage, is the Loan-to-Value (“LTV”) limited to ninety-five percent (95%) per Fannie Mae/Freddie Mac guidelines?

- *Yes. However, the Combined LTV maximum is one hundred and five percent (105%) even on a high balance loan per Fannie Mae Community Seconds®/ Freddie Mac Affordable Seconds®.*

Can we choose an HFA Preferred Special Feature Code (“SFC”) when we run the first mortgage through DU®?

- *No. The only options permitted are standard conventional or HomeReady® if using DU. Freddie Mac’s HFA Advantage is also not permitted.*

Can the borrower utilize Mortgage Credit Certificate (“MCC”) income?

- *MCC income is permitted subject to all applicable Fannie Mae/ Freddie Mac guidelines for this type of income.*

Most Common Suspense Items

- Incorrect Homebuyer Education course
- Incomplete packages
- Inaccurate information
- MERS transferred incorrectly (DPA Provider is both the servicer and investor)

Correspondent Portal

1. Loan Registration/Lock/Registration

- Print confirmations for the loans

2. Product Matrix Document

- Product Matrices - Lakeview

3. Seller Guides

- Special Products Seller Guide

4. Reference Library

- Bayview Quick Reference Guide
- Delivery checklist for closing & credit
- Sample documents

5. Training Resources

- Job Aids, Reference Guides, and Videos
- 1:1 training available through Client Services

Note: Access to the site may be limited by your organization. Follow your internal process for obtaining information on program details.

The screenshot shows the Lakeview Correspondent Portal interface. On the left is a vertical navigation menu with the following items: Main, Loan Registration/Lock/Pricing, Current Rate Sheet, (6033) BayView/Lakeview Closed Loan, - Deliver Loans / TDOCS, - Titanium ULDD/XML Upload, - Reporting, Announcements, Product Matrices and Resources - Bayview, Product Matrices and Resources - Lakeview, Product Matrices - Lakeview Affordable Lending, Product Matrices and Resources - Non-Delegated, Seller Guides, Exclusionary List, Reference Library, Training Resources, User Profile, and Logout. Numbered callouts point to: 1 - Loan Registration/Lock/Pricing, 2 - Product Matrices and Resources - Lakeview, 3 - Seller Guides, 4 - Reference Library, and 5 - Training Resources. On the right, there are two sections: 'Daily Turn Times' and 'Announcements'. The 'Daily Turn Times' section has a table with columns for loan type and initial review time. The 'Announcements' section has a table with columns for descriptions and dates.

	Initial Rev
Conv/Gov't/HFA	3 Days
Jumbo	7 Days
Non-Agency	Coming Soon

Descriptions
2022 All Announcements
C2022-09 - HFA, NonAgency, Operation
C2022-08 - Website Change and Tax Tra
C2022-07 - Agency, DSCR, Jumbo and C
C2022-06 - Home in Five and Agency In
C2022-05 - Agency and DSCR Updates
C2022-04 - AIP Expansion, Jumbo Upda
Reminders
C2022-03 - Agency, VA, HFA, DSCR, Ju
C2022-02 - SC Enhancements, Hoosier h
C2022-01 - Agency Updates
2021 All Announcements
2020 All Announcements
2019 All Major Disaster Announcements

Program Resources

- For more information or questions about the **First Mortgage** see the Lakeview National product matrix or the Lakeview Loan Servicing Seller Guide at www.lakeviewcorrespondent.com.
- For more information or questions about the **My Place Mortgage Second Mortgage**, including process flow, program guidelines, FAQs, and delivery checklists, refer to the Fahe website at <https://fahe.org/myplacemortgage/>.
- For more information or questions about the **Springboard to Homeownership Second Mortgage**, including process flow, program guidelines, FAQs, and delivery checklists, refer to the Springboard website at <http://springboardcdfi.org>.

Who to Contact With Questions

General Program Rollout	Contact your internal Product Implementation Team or your Lakeview Business Development Director
Disclosures, Forms, or Conditions on Closed Loans	Contact your Lakeview Client Manager
Pricing	Pricing and guidelines are available in most product and pricing engines. Contact your internal lock desk on how to access your pricing.
Program Guidelines or Specific Scenarios	Contact the Lakeview UW Scenario Dept at 1-855-253-8439, option 2 or at underwritingquestions@bayview.com
Locking or Delivering Loans	Contact Lakeview Client Services at 1-855-253-8439, option 3 or at clientservices@bayviewloans.com



Any Questions?

Thank you!

