



Local Government Homebuyer Assistance Initiative

Correspondent Client Lenders

Last Updated: January 11, 2023

About the Initiative

- The program is designed to provide local governments with the resources to implement their own homeownership assistance program within their respective jurisdictions.
- The objective is to design a template that is **identical** and **consistent** from one program to the next. Ease of use, with as few restrictions as possible, is our primary goal.
- We launched our first successful program in 2019 with the Industrial Development Authorities of the City of Phoenix and Maricopa County (**Home in 5**) and the City and County of Denver (**metroDPA**).
- Lenders must be approved Lakeview correspondent lenders.
- Lenders will be asked to sign **one** program lender agreement and check off one or both programs.
- Once they are registered, the lender portal will recognize their email.

HFA Partners

- **Lakeview Loan Servicing, LLC** is the **Master Servicer**.
 - All loans must be locked and delivered through Lakeview's online portal at LakeviewCorrespondent.com
- **Stifel, Nicolaus & Company (Stifel)** will provide **administrative functions**.

STIFEL

- **Housing Resource Hub** will provide **lender training, support, and website management**.

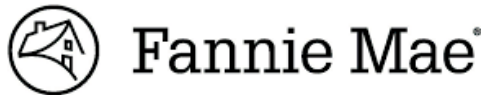


- **Cook County Bureau of Economic Development** is the **government sponsor/HFA partner** serving borrowers through the Cook County Homebuyer Assistance Program.



The Dream of Homeownership is within Reach!

- The Cook County Homebuyer Assistance program was designed to support sustainable, long-term homeownership for qualified, low- and moderate-income buyers in Illinois.
- The sponsor qualifies as a **Housing Finance Agency (HFA)** under HUD guidelines.
- The HFA qualifies as a provider of down-payment assistance under FHA (secondary financing), Fannie Mae (community seconds) and Freddie Mac (affordable seconds) guidelines.



Benefits

- **No** underwriter certification
- **Designated underwriting** per agency and lender guidelines
- **No** caps or restrictions on loan fees; “reasonable and customary”
- Based on **qualifying income**, not household income
- Federal recapture **does not apply**
- **No** additional lender or seller affidavits, no worksheets
- **No** program administration fee or reservations fees
- **Not limited** to first-time homebuyers
- **No pre-close compliance review**; no pre-close wiring of DPA funds

Fewer Restrictions, Ease of Use, Less Paperwork

Program Parameters (All Loans, All Borrowers)

Eligible Property Types

Owner-occupied, 1-unit primary residences per agency guidelines including:

- Townhomes
- PUDs
- Condominiums
- Leaseholds

Location

Property must be within Cook County, IL (includes all incorporated cities).

- Borrowers must have fully executed sales contract before a rate lock can be submitted.

Borrowers

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

Non-purchasing spouses are permitted; follow agency guidelines on NPS debt.

- Co-signers are not permitted.

No minimum investment from the borrower's own funds is required

- Gifts from any eligible source are permitted.

Borrower Assistance

3%, 4%, and 5% DPA available to all borrowers

Borrowers eligible for additional assistance:

- 1st responders (peace officers, firefighters, emergency personnel or detention officers)
- Income-qualified borrowers (annual income at or below 50% AMI)
- US military personnel or veterans
- K-12 teachers (full-time)

Program Parameters (All Loans, All Borrowers)

Loan Type

- **Purchase only**
 - 30-year fixed rate loans
 - Owner-occupied primary residences

Homebuyer Education

Required for all first-time homebuyers, it must be completed prior to close, and the Lender must retain the certificate of completion in the loan file.

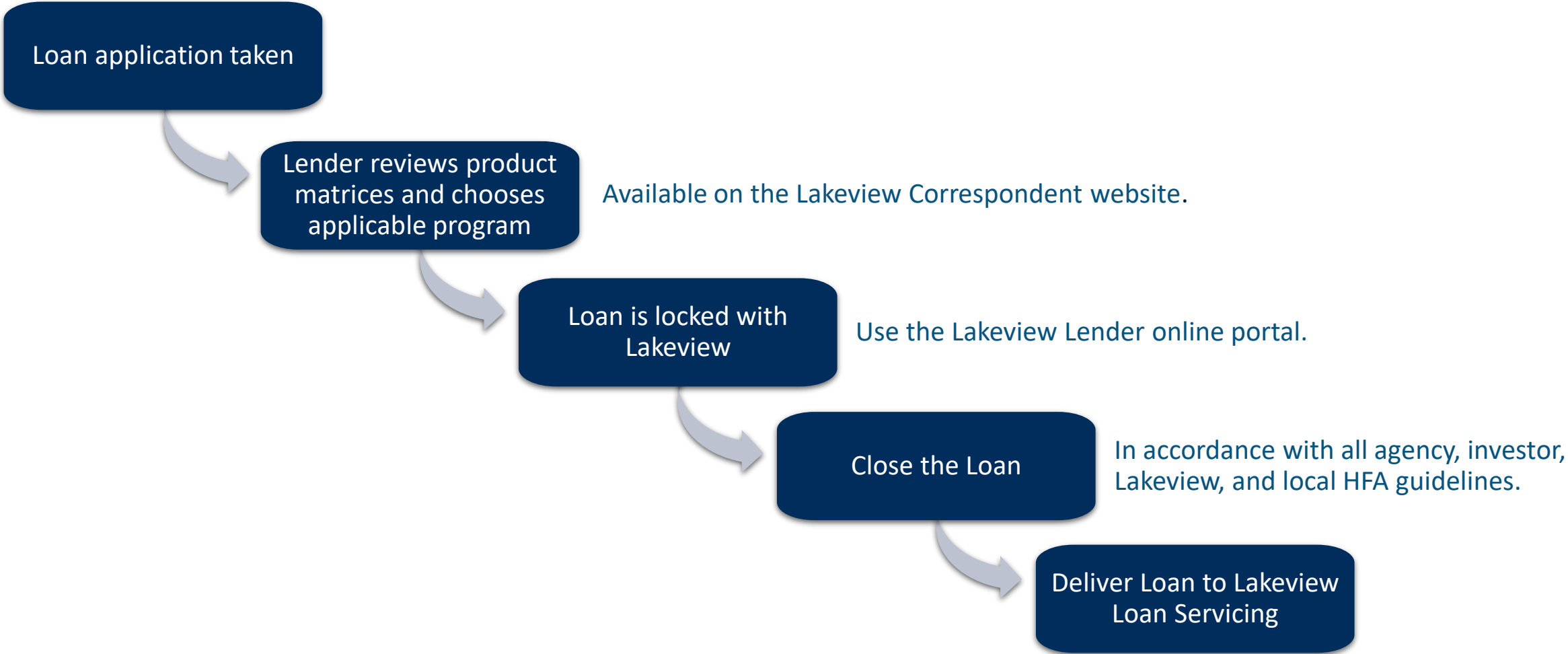
Homebuyer Education course must:

- Meet Cook County and Investor guidelines.
- Meet the standards defined by the National Industry Standards for Homeownership Education and Counseling or be HUD-approved (Conventional).
- Be HUD-approved (Government).
- Be either in-person or from an accredited on-line course. See the Product Matrices for specific requirements.

Income Limits and Qualifying Income (All Borrowers)

- **Program income limit:** Currently at **\$130,480** regardless of family size.
- **Qualifying income:** All income listed on the application or disclosed at any time through the loan process must be developed according to investor guidelines.
- Calculated in accordance with FHA, Fannie Mae, Freddie Mac guidelines
 - All qualifying income used for underwriting must be applied against the income limit.
 - Develop all disclosed borrower(s) income sources in accordance with FHA, Fannie Mae, and Freddie Mac guidelines and standard lender underwriting practices.
 - Document why any borrower(s) disclosed income was not used for underwriting or applied against the income limit.
 - Household income does not apply.
- **Tax transcripts** are required when tax returns are used to qualify a borrower when a written VOE form is used (standalone) or when employed by a family member.

The Process



For more information refer to the training posted on www.LakeviewCorrespondent.com.

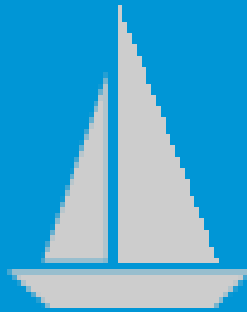
First Mortgage Loans – Conventional



- **\$450,000** purchase price limit.
- Not limited to first-time homebuyers.
- Co-signers and non-occupant co-borrowers are not permitted.

Fannie Mae HFA Preferred and Freddie Mac HFA Advantage loans only.

- Standard Freddie Mac and Fannie Mae loan products are not permitted.



- Delegated UW only:
- Approve/Eligible from DU or Accept/Eligible from LPA only
 - Manual UW and non-traditional credit are not permitted.

- **LTV/CLTV:** Up to maximum of **97/105%**
- **DTI:** Not to exceed 50%, subject to a DU or LPA approval
- **Credit score:** FICO score of at least **640**



- Mortgage Insurance**
- Charter MI permitted for borrowers \leq **80%** AMI
 - Borrowers earning above **80%** AMI, must utilize standard MI coverages

Conventional loan rates are lower for borrowers earning \leq **80%** AMI.

Refer to the Lakeview Conventional First Loan product matrix for full details.



In the case of conflicting guidelines, follow the more restrictive guidelines of the HFA, Fannie Mae or Freddie Mac, Mortgage Insurer, Lender, or Lakeview Loan Servicing.

First Mortgage Loans – Government

Loan Type

FHA loans only

- 203(b)
- Limited 203(k)
 - Full 203(k) loans are not permitted

Maximum loan limit

- the lesser of **\$450,000** or FHA county maximum

Guidelines

- **LTV/CLTV:** 96.5%, CLTV per FHA guidelines
- **DTI:** Not to exceed 50%, subject to a DU or LPA approval
- **Credit score:** FICO score of at least **640**

Underwriting

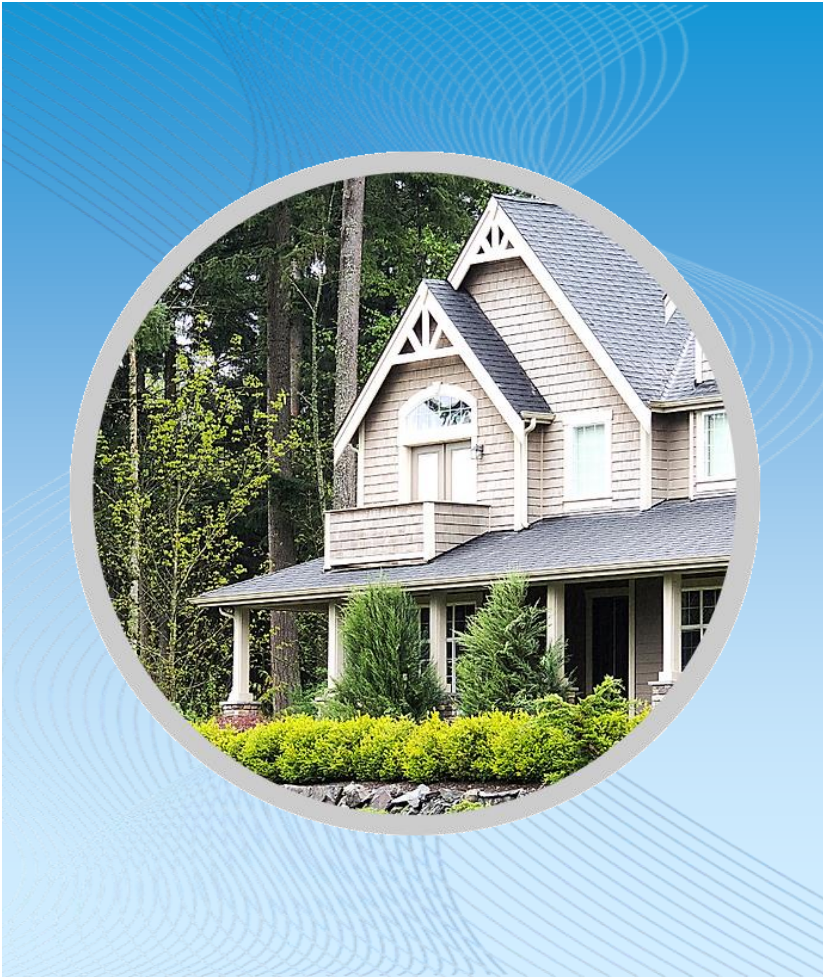
Approve/Eligible from DU or Accept/Eligible from LPA

- Manual downgrades permitted if additional information not considered in the Approve/Eligible or Accept/Eligible decision.
 - subject to **660** minimum FICO score and a 43% maximum DTI for all borrowers

In the case of conflicting guidelines, lender must follow the more restrictive guidelines of the HFA, FHA, Lender, or Lakeview Loan Servicing.

Cook County Assistance Guidelines

Available at www.yourhousingresource.org



- **3%, 4%, or 5%** of the final first loan amount (including any financed MI), rounded down to the nearest dollar
 - see the Daily Rate Sheet for availability.
- **3-year** term
- Deferred principal, no accrued interest, due upon sale or refinance
- Principal forgiven; **1/36th** per full month over **3** years if the first lien stays in place
- Targeted borrowers are eligible for an additional DPA of **1%** on all loans
- Second mortgage qualifies for CFPB's partial disclosure exemption
 - **Lenders may use RESPA style disclosures as provided by Stifel or their own TRID-based disclosures.**

Second Loan Requirements and Restrictions

Requirements

- Second Promissory Note; secured by a recorded second Deed of Trust/mortgage.
- Second loans in the HFA name as second loan lender and beneficiary.
- Second loans disclosed by the originating lenders concurrently with the first loan in accordance with CFPB guidelines.
- Second loan proceeds are advanced by the originating lender, reimbursed when the first and second loans are sold to Lakeview.
- Second loan proceeds may be used to fund up to **100%** of the borrower's cash to close.

Restrictions

- Second loans are not assumable and not eligible for subordination.
- No cash back from the second loan proceeds
 - Any surplus must be used to reduce the first loan principal.
 - This rule does not impact cash back due to the borrower from earnest money, prepaid fees, or pro-rated interest. Follow all investor guidelines.

Lenders must refer to the posted Assistance Program Guidelines for complete details on how the second loans are disclosed, processed and funded.

Second Loan Processing

Second Loan Representation in DU and LPA

- In **DU**, enter second loans as a liability and in the **Community Lending** section.
 - Fill out the correct repayment type for the **Community Second** as well.
- In **LPA**, enter the second loan information in the **Other New Mortgage Loans on the Property You are Buying or Refinancing** section.
 - Select **Yes** under Is the **Other New Mortgage an Affordable Second?**
 - Select **Yes** under Is the **Affordable Second Payment Deferred?**

EIN numbers for FHA loans

- Cook County: 36-6006541

Second Loan Processing, continued

Each Lender should check with their own Compliance Department to determine how and when the second loan terms should be disclosed to the borrower.

- Under CFPB's partial disclosure exemption, lenders may use:
 - Cook County RESPA 2nd loan disclosure, or
 - Lender's own TRID second LE and second CD
- Recording fee and transfer taxes are the only permitted second loan fees. Both should be reflected on the second loan disclosures and not in the first loan disclosures.
- For those lenders using TRID-based second loan disclosures, lenders may request a second note and security instruments for boarding on their own LOS.

Original Second Loan Documents

- Original second notes and true certified copies of the second loan deed of trust with recordation stamp should be returned to the originating lender and then delivered to Lakeview for advance reimbursement.

Rate Locks

- Loan rates and second loan options are posted at www.yourhousingresource.org.
- **Rate concessions or subsidies are based on the final Qualifying Income.**
- All loans must be locked through LakeviewCorrespondent.com.
 - Credentials are issued through a Lakeview-authorized person at each lender. To find out who in your organization is authorized to issue credentials, contact Client Services at 85-Lakeview, option 3 or at ClientServices@BayviewLoans.com.
- Borrowers must have a fully executed sale contract before submitting a rate lock.
- Second loans are locked at **0%** interest.
 - When locking the second loan, select the correct second loan EXXxxx product code (shown on the rate sheet) for the corresponding DPA amount, including additional DPA if applicable.
- Rate locks may be requested, modified, or cancelled between **9am – 7pm EDT** before the loan closes **without penalty**. For any loan that closes with an incorrect rate lock, losses incurred by Lakeview will be deducted from the loan purchase price paid to the lender.
- All loans must be purchased by the **60-day expiration date** (extensions with a fee). This includes locking, closing, loan delivery, and purchase.
- First loan, second loan confirmations and commitment letters (FHA only) are available at LakeviewCorrespondent.com.
- For additional assistance on how to lock a loan, contact Client Services at 85-Lakeview, option 3 or at ClientServices@BayviewLoans.com

Access Pricing in Optimal Blue (OB)



- [-] Cook County Program
 - [-] Cook County - First Lien Conforming
 - [-] Cook County First Lien - FNMA/FHLMC
 - Cook County 30 Year Conventional w/ No DPA - Qualifying Income <=80% AMI (CCC400)
 - Cook County 30 Year Conventional w/ 3-Yr Forgivable 3.0% DPA - Qualifying Income <=80% AMI (CCC403)
 - Cook County 30 Year Conventional w/ 3-Yr Forgivable 4.0% DPA - Qualifying Income <=80% AMI (CCC404)
 - Cook County 30 Year Conventional w/ 3-Yr Forgivable 5.0% DPA - Qualifying Income <=80% AMI (CCC405)
 - Cook County 30 Year Conventional w/ No DPA - Qualifying Income >80% AMI (CCC500)
 - Cook County 30 Year Conventional w/ 3-Yr Forgivable 3.0% DPA - Qualifying Income >80% AMI (CCC503)
 - Cook County 30 Year Conventional w/ 3-Yr Forgivable 4.0% DPA - Qualifying Income >80% AMI (CCC504)
 - Cook County 30 Year Conventional w/ 3-Yr Forgivable 5.0% DPA - Qualifying Income >80% AMI (CCC505)
 - [-] Cook County - Government
 - [-] Cook County First Lien - FHA
 - [-] Cook County First Lien - FHA 203b
 - Cook County 30 Year FHA 203b w/ 3-Yr Forgivable 3.0% DPA (FCC303)

- Log into OB
- Search the **Products and Pricing** tab for the Lakeview Loan Servicing Folder
 - You must have Lakeview Correspondent Rate Sheets loaded into your version of OB
- Open the folder for the applicable HFA Program
 - You must be an approved lender for the applicable DPA program
- Click on the desired product name for the associated rates.



Second Loan Documents

COOK COUNTY HOMEBUYER ASSISTANCE PROGRAM
Lakeview Loan Servicing 2nd Loan Data Entry Form/Correspondent Lenders

Select 2nd Loan Term: Years [1] Term must match the 2nd Loan Confirmation from Lakeview

2nd Loan Number: Separate # assigned by Lakeview, will appear on all documents

Borrowers:

1	<input type="text" value="Borrower 1"/>
2	<input type="text" value="Borrower 2"/>
3	<input type="text" value="Borrower 3"/>
4	<input type="text" value="Borrower 4"/>
5	<input type="text" value="Non Purchasing Spouse"/>

Borrower(s) vested as:
Borrower full names and vesting must match the First Loan documents. Borrower 5 is reserved for Non-Purchasing Spouses (only sign the 2nd Mortgage).

Street Address:
 City: Zip Code:
 County:

2nd Loan Date:
 2nd Loan Maturity Date:
 Forgiveness Period: From [1] To
[1] Auto-Calculation Field: 2nd Loan Term will determine Forgiveness Period. For a 3-year term, 1/36th per full month.

1st Loan Amount (\$\$\$,SS\$.SS):
 2nd Loan Ptg: 2nd Amt (\$):
2nd Loan docs must reflect final 1st Loan amount, 2nd Loan % must match the 2nd Loan Confirmation. 2nd Loan Amount is auto-calculated, rounded down to the nearest \$.

2nd Loan Recording Fee: 2nd Loan Transfer Fee: Only fees permitted. Use actual amounts.

2nd Mortgage - Legal Description:
Key in "See Exhibit A" if Lender wish to use their own Exhibit A, or the Exhibit A as provided herein (page 18).

Correspondent Lender Name:
Lender "Return to" Address for 2nd Mortgage

Last page of 2nd Note and 2nd Mortgage provide input box for Lender Name, Loan Officer Name and NMLS

Second loan documents can be generated through a fillable PDF file provided by Stifel.

- Enter information in red boxes on the Data Entry Form.
- The data is used to populate the following:
 - Borrower’s Acknowledgment
 - Second Promissory Note
 - Second Mortgage
 - Second Loan Closing Checklist

Cook County (IL) Sample Rate Sheet

Cook County

Conventional Products

30 Year w/ 3-Yr Forgivable DPA

Qualifying Income <= 80% AMI **

Prod Code	Rate	DPA 2nd
CCC400		-
CCC403		3%
CCC404		4%
CCC405		5%

Qualifying Income > 80% AMI **

Prod Code	Rate	DPA 2nd
CCC500		-
CCC503		3%
CCC504		4%
CCC505		5%

Second Lien Options

ECC300	3%, 4% or 5% assistance (no additional assistance)
ECC301	Additional 1% assistance for First Responders*
ECC302	Additional 1% assistance for qualified borrowers earning <= \$\$\$\$\$\$*
ECC303	Additional 1% assistance for Qualified US military personnel/veterans*
ECC304	Additional 1% assistance for K-12 Teachers*

Government Products

30 Year w/ 3-Yr Forgivable DPA

FHA

Prod Code	Rate	DPA 2nd
FCC303		3%
FCC304		4%
FCC305		5%

Second Lien Options

ECC300	3%, 4% or 5% assistance (no additional assistance)
ECC301	Additional 1% assistance for First Responders*
ECC302	Additional 1% assistance for qualified borrowers earning <= \$\$\$\$\$\$*
ECC303	Additional 1% assistance for Qualified US military personnel/veterans*
ECC304	Additional 1% assistance for K-12 Teachers*

* See Down Payment Assistance Guidelines for details

** Refer to Cook County guidelines for current income limits

Rates subject to change at Lakeview's discretion

Program At-a-Glance

Loan Type	Government Insured	Fannie Mae (FNMA)/Freddie Mac (FHLMC)
Eligible Loans	FHA insured loans only	FNMA HFA Preferred, FHLMC HFA Advantage. Separate rates for <=80% AMI and >80% Ami Borrowers.
Max LTV/CLTV	96.5%/CLTV per FHA Guidelines	Up to 97%/105% with Community/Affordable 2nds
Eligible Area	Properties must be located within the Counties or Cities as specified in the Program Guidelines for each Program	
Eligible Properties	1 unit SF, Condos, PUD, townhouses per Agency guidelines	
Eligible Borrowers	First time and repeat buyers.	
Targeted Borrowers	First Responders, military personnel, very low income borrowers, K-12 teachers.	
Credit Score Minimum	See Government Product Matrix	See Conventional product matrix
Borrower Investment	No minimum required from the Borrower's own funds. Gifts from documented relatives are permitted.	
Purchase Price Limit	\$450,000	
Income Limits	Up to 140% AMI regardless of family size as specified in the Program Guidelines	Up to 140% AMI regardless of family size as specified in the Program Guidelines. Lower loan rates available for those earning up to 80% AMI.
DTI Ratio Maximum	50% max subject to DU or LPA approval (subject to interim COVID restrictions)	
Homebuyer Education	All first-time homebuyers must complete per requirements. In person and on-line courses are permitted.	
Mortgage Insurance	As required by FHA	<=80% AMI Borrowers: Charter MI coverage; >80% AMI Borrowers: Standard MI coverage
Program Assistance	Second Loans, 3-year term pro rata forgiveness, sized at 3%, 4% or 5% of final first loan amount. For Targeted Borrowers, add 1% to 2 nd Loan amount.	
Assistance Funding	Advanced by Lender at the loan closing, reimbursed upon purchase by Lakeview.	
Program Fees	No Discount Points; origination fee up to 1%. Customary and reasonable loan fees.	
Servicer Fees	\$400 Funding Fee; \$10 Flood Cert Fee; \$75 Tax Service Fee payable to Lakeview	

Who to Contact With Questions

Housing Resource Hub

Heather Presley-Cowen

- 260.440.9969

hello@yourhousingresource.org

Stifel

Marc Paskulin

- 530.492.3264

paskulinm@stifel.com

<p>General Program Rollout</p>	<p>Contact your internal Product Implementation Team or your Lakeview Business Development Director.</p>
<p>Disclosures, Forms, or Conditions on Closed Loans</p>	<p>Contact your Lakeview Client Manager.</p>
<p>Pricing</p>	<p>Contact the Lakeview Commitment Desk at 85-Lakeview, option 1</p>
<p>Program Guidelines or Specific Scenarios</p>	<p>Contact the Lakeview UW Scenario Dept at 85-Lakeview, option 2 or at underwritingquestions@bayview.com or hello@yourhousingresource.org</p>
<p>Locking or Delivering Loans</p>	<p>Contact Lakeview Client Services at 85-Lakeview, option 3 or at clientservices@bayviewloans.com</p>

Additional Resources



Refer to www.yourhousingresource.org for more information or questions about the second mortgage options, including lender agreement, contact information, conventional/government product matrices and program guidelines.

- Daily Rate Sheet
- Program At-a-Glance
- First loan matrices (Conventional and Government loans)
- Program Down Payment Assistance Guidelines

Visit Lakeviewcorrespondent.com to access:

- Second loan documents in a fillable PDF format
- Lakeview training materials and instructional videos

Thank You!

