

Home in Five Advantage Program

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Home in Five Advantage Program

- The **Home in Five Advantage Program** was designed by the Maricopa and Phoenix IDAs to support sustainable, long-term homeownership for qualified low and moderate-income buyers within Maricopa county.
- Through the program, homebuyers can obtain **FHA, VA, or Conventional** loan financing through either **Fannie Mae HFA Preferred** or **Freddie Mac HFA Advantage**.



[HUD Housing Handbooks](#)




[VA Lenders Handbook](#)

Benefits

- No finite source of funding; the program is continuously funded.
- The program is not limited to first-time homebuyers.
- Federal recapture does not apply.
- No purchase price limits (FHA, VA, GSE loan limits do apply)
- No Lender or Seller Affidavits, no worksheets
- No Underwriter Certificate
- No Program Administration Fee
- No caps or restrictions on loan fees; “reasonable and customary.”

Program Success since 2012



**\$191
Million**
total down
payment assistance
to homebuyers



**\$3.7
Million**
additional assistance
to our “heroes”
*(K-12 teachers, first responders,
U.S. military personnel,
veterans, and income-qualified
individuals)*

Program Success since 2012



24,571
total Home in Five
homebuyers



\$4.9
Billion
in total
Home in Five
loans

Home in Five Advantage and Partners

Lakeview Loan Servicing, LLC is the Master Servicer.

- All loans must be locked through and sold to LakeviewCorrespondent.com.

Since March 2019:

- 114 approved lenders
- 6,350 loans closed, \$1.6 billion in First Loans.

Stifel, Nicolaus & Company (Stifel) will provide certain administrative functions.

Unmatched pricing, credit, and underwriting concessions from FHA, VA and the GSEs.

Program Description

The **Home in Five Advantage Program** is a partnership program designed to support sustainable, long-term homeownership for qualified buyers by providing the down payment assistance needed to achieve their dream.

- Eligible borrowers must meet the program income limits currently per the product matrix (regardless of family size).
 - Additional income limit restrictions may apply depending on second mortgage product selected.
- No purchase price limits; current Fannie Mae/Freddie Mac conforming loan limit applies.
- Qualified individuals or families may obtain a 30-year, fixed-rate loan, with up to **6%** down payment/closing cost assistance.
 - An additional **1.5%** assistance is available for qualified borrowers

Program Parameters (All Loans, All Borrowers)

- **Purchases only**, 30-year fixed rate loans, owner occupied, primary residence
- **Homebuyer Education:**
 - All Borrowers on the Note, (even non-first-time homebuyers), are required to take an 8-hour homebuyer education course through an approved housing counseling agency located in Arizona and get a certificate of completion as a condition for closing a Home In Five loan.
 - See the **Home in Five** website for a list of approved providers.
 - The homebuyer education course may be in-person or online.
 - If a homebuyer takes an online class, they must provide their lender with a co-branded certificate with the local agency's name and/or logo, along with the online provider's information.

Qualifying Income

Lender must attempt to 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 investor guidelines (ex. one-time bonus), it does not need to be added to the application and run through the AUS. However, the Underwriter must indicate on the 1008/applicable government forms why it was not used for qualification.

Example: “Verified that borrower’s bonus was one-time.”

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.

Eligible Property Types

Owner-occupied, 1-unit primary residences including:

- Townhomes
- PUDs
- Condominiums

Location

- Property must be within Maricopa county.
 - Property must be within Maricopa county.
 - Borrowers must have a fully executed sale contract before a rate lock can be submitted.



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

First Mortgage

- **Eligible First Mortgage Product:** Fixed **30-year term** only, government and conventional options available
- **Purchase of a primary residence only**
- **Minimum FICO: 640;** all borrowers must have a FICO score.
- **DTI:** lesser of **50%** or AUS approval
- **Underwriting:** AUS; Manual downgrade permitted for FHA with specific requirements
- **Income limits: \$130,340.** Household income does not apply. AMI limits must be met depending on the product selected.
- **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 family.
- **Homebuyer Education:** Required for all homebuyers, see product matrix for details
- **Down payment and closing cost assistance up to 6% of the loan amount**
 - An **additional 1% - 1.5%** down payment assistance is available for borrowers in certain professions or in certain areas
- Not limited to first-time homebuyers

Program at a Glance - Conventional

- **Eligible First Mortgage Product:** Fixed **30-year term** only. Fannie Mae HFA Preferred or Freddie Mac HFA Advantage
- **Eligible Second Mortgage Product:** 30-year forgivable, 7-year forgivable, 10-year amortizing 2nd (*3-year forgivable forthcoming*)
- An improved interest rate is available for borrowers whose income limits are less than or equal to 80% AMI or if the property is located in a low-income census tract.
- **LTV/CLTV:** **97/105%**
- **Underwriting:** **Approve/Eligible** from DU or **Accept/Eligible** from LPA; manual underwriting and/or non-traditional credit not permitted
- **Qualifying Income:** Lender must attempt to verify all income listed on the application or disclosed through the loan process. All verified income must be applied against the program income limit.
- **Can be combined with Down Payment and closing cost assistance**

In the case of conflicting guidelines, lender must follow the more restrictive guidelines of Home in Five, Fannie Mae or Freddie Mac (as applicable), Mortgage Insurer, Lender or Lakeview Loan Servicing.

First Mortgage Loans – Conventional, continued

Other Key Features of Conventional Loans (Low-income only)

- No delivery fees, no loan level price adjustments
- Mortgage Insurance coverage required
 - Monthly, split and single MI premiums are permitted. Lenders should note that High-Cost triggers and calculations **do** apply.

95.01%-97%	18%
90.01-95%	16%
85.01-90%	12%
80.01-85%	6%

- For Conventional loans for Borrowers earning **above 80% AMI**, standard MI coverages now apply (e.g., 35% for a 95.01-97% LTV).
- Charter MI is available for Borrowers earning **less than or equal to 80% AMI**

Program at a Glance - Government

- **Eligible First Mortgage Product:** Fixed **30-year term** only, VA, FHA (203b, 203k Limited), HUD 184
- **Eligible Second Mortgage Product:** 3-year forgivable, 7-year forgivable, 10-year amortizing 2nd
- **LTV:** **96.5%** (FHA), **100%** (VA)
- **CLTV:** per investor guidelines
- **Credit Score:** All Borrowers must have a FICO score of no less than **640**.
- **DTI:** **Not to exceed 50% subject to a DU or LPA approval**
- **Underwriting:**
 - **VA:** AUS only (DU or LPA)
 - **FHA:** **Approve/Eligible** or **Accept/Eligible**, manual downgrades dues to additional information not considered in the AUS decision are permitted subject to **660 FICO** and **43% maximum DTI**.
 - **HUD 184** – Follow HUD 184 process
- **Can be combined with Down Payment and closing cost assistance**

In the case of conflicting guidelines, lenders must follow the more restrictive guidelines of Home in Five, FHA or VA (as applicable), Lender, or Lakeview Loan Servicing.

Home in Five Advantage

Home in Five Advantage Down Payment Assistance (DPA) Guidelines *(available on the Home in Five website)*

- Can be paired with either a **conventional** or **government** first mortgage product as defined below*
- Due upon sale or refinance
- **30-year forgivable second mortgage** for **3%, 4%, or 5%** of the first mortgage. Conventional loans only
 - Forgives after 30 years. **0%** Interest
- **7-year forgivable second mortgage** for **3%, 4%, 5%, or 6%** of first mortgage. Conventional, FHA & VA loans only
 - For Borrowers with income less than or equal to **80%** AMI
 - Forgives 1/84th per full month. **0%** Interest
- **3-year forgivable second mortgage** for **3%, 4%, 5%, or 6%**, of first mortgage. FHA and VA loans only
 - Forgives 1/36th per full month. **0%** Interest
- **10-year amortizing second mortgage** for **3%, 4%, 5%, or 6%**, of first mortgage. Conventional, FHA & VA loans only
 - Repaid monthly at a **6%** rate
 - The P&I payments must be included in the DTI calculations for qualification purposes.

***See product matrix for complete details**

Home in Five Advantage, continued

- An **additional 1%** down payment assistance available for **qualified borrowers*** who are:
 - **First responders (professional peace officers, firefighters, emergency personnel or detention officers)**
 - **Income-qualified borrowers (annual income at or below 50% AMI)**
 - **United States military personnel or veterans**
 - **Qualified K-12 teachers (full-time)**

* There must be evidence in the file to support the qualification.

Select the correct **Second Loan product code** as shown on the Rate Sheet for the corresponding DPA amount, including additional DPA, if any.

Home in Five BOOST Second Mortgage Option

Home in Five has expanded its program and boosted the level of assistance to borrowers purchasing homes in low-income census tracts or with income less than or equal to **50% AMI**. This program is called **Home in Five Advantage BOOST, Better Options for Ownership and Stability Tomorrow**.

- These borrowers can choose to receive an additional .5% assistance for both conventional and government loan options.
- Boost can be combined with the Home in Five Advantage Plus for qualified borrowers for even more assistance.
 - For example, Ms. Smith, who is a **first responder** and is purchasing a home **in a low-income census tract** can receive an additional **1.5%** by combining the Advantage Plus and the Boost!
 - Ms. Smith and her loan officer reviewed her finances and her purchase agreement and decided she should use the Home in Five Advantage first mortgage program code FHA 305 and combine this with the new second mortgage code EPX311 resulting in a total of **6.5%** assistance (Home Advantage + Advantage Plus + Boost).

DU and LPA for Second Loan

Second Loan Representation in DU and LPA

- Within **DU**, second loans are entered as a liability and in the **Community Lending** section. Remember to fill out the correct repayment structure for the Community Second as well.
- Within **LPA**, the second loan information is entered into the **Other New Mortgage Loans on the Property You are Buying or Refinancing** section.
 - If the second loan is the 30-year, 7-year or 3-year forgivable, answer **Yes** to the question: **Is the Affordable Second Payment Deferred?**
 - If the second loan is the 10-year term principal amortization, answer **No** to the question: **Is the Affordable Second Payment Deferred?**

How to Determine if Property is in a Low-income Census Tract

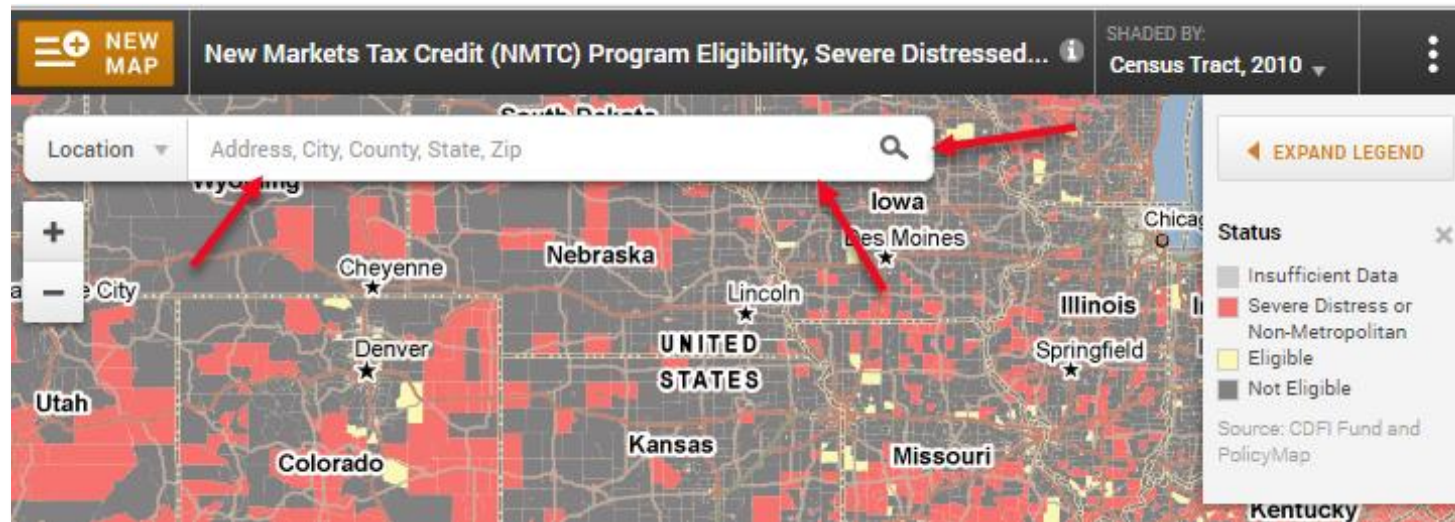
Step 1: Access the website

- <https://www.novoco.com/resource-centers/new-markets-tax-credits/data-tools/nmtc-mapping-tool>

Step 2: Scroll down and click on **Launch the NMTC Mapping Tool**.

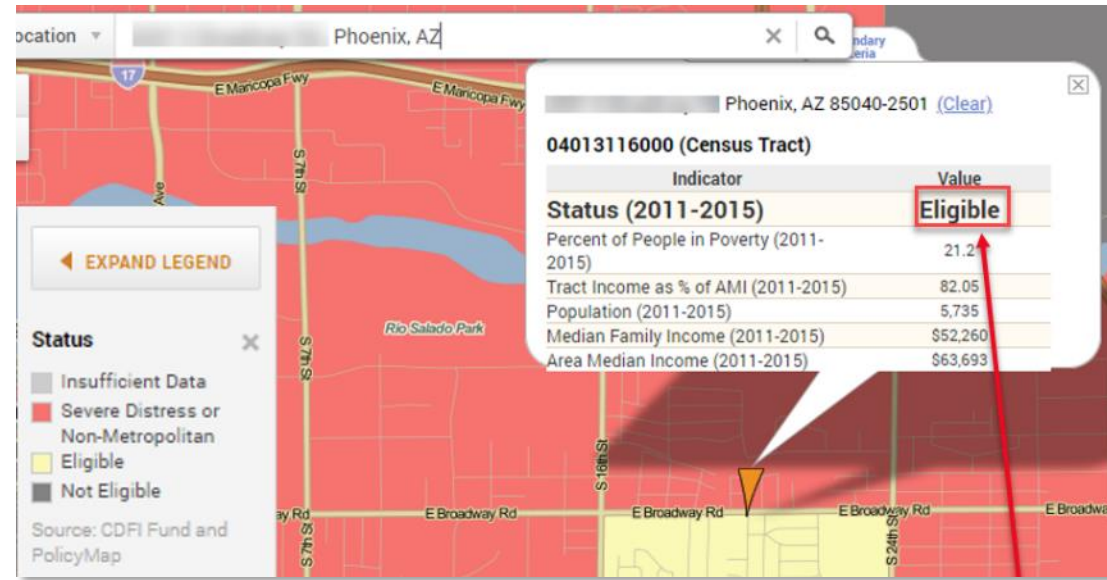
Launch the NMTC Mapping Tool

Step 3: Input the **property address** in the search bar.



How to Determine if Property is in a Low-income Census Tract, continued

Step 4: Review the results.



- Census tracts shown in yellow (low-income) will show as **Eligible** or in red (distressed) as **Severe Distress**. Both qualify for **Home in Five Advantage BOOST** rates.
- Addresses in gray areas do not qualify; their status is **Not Eligible**.
- A screenshot showing the eligibility of the property address **must** be placed in the file.
 - **In the case of borrowers with income $\leq 50\%$ AMI where the property is not in an eligible area, a screenshot from Fannie Mae or Freddie Mac's income look-up tool.**



The Process



Home in Five Rate Locks

- All loans must be locked through LakeviewCorrespondent.com.
- Borrowers must have a fully executed sale contract before a rate lock is submitted.
- **Select the 1st loan product code for the corresponding DPA amount of the 2nd loan**
- When locking the second loan, select the correct second loan product code (shown on the rate sheet) for the corresponding DPA amount, including additional DPA if applicable.
- Lenders should have an **estimate** of qualifying income at rate lock, but any rate concession is based on the **final** qualifying income.
- Rate locks may be modified or cancelled between **9am – 7pm EDT**.
- Lock extensions are permitted subject to an extension fee.
- First and second loan confirmations for rate lock amount, date, and expiration date are available on the lock screen. A step-by-step job aid detailing how to register and lock the loan is available under the **Training Resources** tab of the Lakeview Correspondent Delegated/Closed Loan portal.
- For additional assistance on how to lock a loan, contact Client Services at 85-Lakeview, option 3 or at ClientServices@BayviewLoans.com

Sample Rate Sheet


	RATE SHEET DATE		60 DAY EXP DATE										
	2/15/2023		04/16/23										
	WEBSITE												
	LOCK DESK PHONE NUMBER/EMAIL												
City of Phoenix IDA/Maricopa County IDA HOME IN FIVE Program													
FHA Loans (3 Year Forgivable 2nd) Premium Pricing Only				FHA Loans (7 Year Forgivable 2nd) 50% Purchase Price w. ARPA		FHA Loans (10 Year Amortizing 2nd) 75% Purchase Price (IDA Bond Funded)							
1st Code	Rate	2nd Code	2nd %		1st Code	Rate	2nd Code	2nd %	1st Code	Rate	2nd Code	2nd %	
FPX303	7.750%	EPX 303	3.0%	**	FPX333	7.125%	EPX 310	3.0%	FPX353	6.625%	EPX 315	3.0%	
FPX304	NA	EPX 303	4.0%		FPX334	7.250%	EPX 310	4.0%	FPX354	NA	EPX 315	4.0%	
FPX305	NA	EPX 303	5.0%		FPX335	7.500%	EPX 310	5.0%	FPX355	7.000%	EPX 315	5.0%	
For Borrowers up to Program Income Limit					For Borrowers up to 80% AMI				For Borrowers up to Program Income Limit				
** Requires a 7% GN coupon					** Requires a 7% GN coupon								
VA Loans (3 Year Forgivable 2nd) Premium Pricing Only					VA Loans (7 Year Forgivable 2nd) 50% Purchase Price w. ARPA					VA Loans (10 Year Amortizing 2nd) 75% Purchase Price (IDA Bond Funded)			
1st Code	Rate	2nd Code	2nd %		1st Code	Rate	2nd Code	2nd %	1st Code	Rate	2nd Code	2nd %	
VPX303	7.750%	EPX 303	3.0%	**	VPX333	7.125%	EPX 310	3.0%	FPX353	6.625%	EPX 315	3.0%	
VPX304	NA	EPX 303	4.0%		VPX334	7.250%	EPX 310	4.0%	FPX354	NA	EPX 315	4.0%	
VPX305	NA	EPX 303	5.0%		VPX335	7.500%	EPX 310	5.0%	FPX355	7.000%	EPX 315	5.0%	
For Borrowers up to Program Income Limit					For Borrowers up to 80% AMI					For Borrowers up to Program Income Limit			
AZ PLUS	7.625%	Forgivable	3.0%										
FNMA/FHLMC (30 Year Forgivable 2nds) 50% Price (Purchased by Lakeview)					FNMA/FHLMC (7 Year Forgivable 2nd) 50% Purchase Price with ARPA					FNMA/FHLMC (10 Year Amortizing 2nd) 75% Purchase Price (IDA Bond Funds)			
1st Code	Rate	2nd Code	2nd %		1st Code	Rate	2nd Code	2nd %	1st Code	Rate	2nd Code	2nd %	
CPX400	6.375%	EPX 303	0.0%		CPX473	7.000%	EPX 310	3.0%	CPX453	6.875%	EPX 315	3.0%	
CPX403	7.750%	EPX 303	3.0%	***	CPX474	7.125%	EPX 310	4.0%	CPX454	NA	EPX 315	4.0%	
CPX404	NA	EPX 303	4.0%		CPX475	7.375%	EPX 310	5.0%	CPX455	7.000%	EPX 315	5.0%	
CPX405	NA	EPX 303	5.0%						CPX456	7.125%	EPX 315	6.0%	
For Borrowers up to 80% AMI					For Borrowers up to 80% AMI					For Borrowers up to Program Income Limit			

Lakeview's 7 Year Forgivable 2nds will be discontinued



FHA Commitment Letter

7/12/2019 Pricing Engine



**The [Industrial] Development Authority of the City of Phoenix, Arizona
The Industrial Development Authority of the County of Maricopa
Legally Enforceable Commitment Letter for HUD Mortgagee Letter #2013-14 and
Mortgagee Letter #2019-06 (FHA Loans Only)**

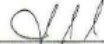
Date: 7/12/2019
To Lender: Demo Correspondent
Subject: HOME IN FIVE™ Advantage Down Payment Assistance Program


Borrower(s): test commitment
Borrower(s): _____
Property Address: 1 main st **City:** phoenix
County: Maricopa **State:** Arizona **Zip Code:** 44444
Second Loan Amount (\$): \$10,000.00

This letter is to document Program compliance with FHA's requirements applicable to Secondary Financing ("Second Loans"), as outlined in HUD Mortgagee Letter #2013-14 dated May 9, 2013 and HUD Mortgagee Letter #2019-06 dated April 18, 2019. The Industrial Development Authority of the City of Phoenix, Arizona, and The Industrial Development Authority of the County of Maricopa (collectively, the "IDAs") have provided to the Lender a legal opinion from the law firm of Riley Carlock & Applewhite that satisfies HUD Mortgagee Letter #2019-06.

As required by both Mortgagee Letters, the IDAs state that they have, at or before closing, incurred a legally enforceable obligation to provide the Second Loan funds towards all or a portion of the Borrower's Minimum Cash Investment and that the provision of such funds is not contingent upon any future transfer of the First Mortgage Loan. Funds provided towards the Borrower's minimum required investment were funds legally belonging to the IDAs and were provided in the IDAs' governmental capacity in the jurisdiction in which the subject property is located. In addition to retaining this Commitment Letter in your loan file, you must also satisfy FHA insurability requirements for the First Mortgage Loan originated in conjunction with the Program referenced above.

As provided in the Program Guidelines, the above referenced Second Loan Amount will be advanced upon closing by the Lender on behalf of the IDAs for the benefit of the Borrower. The IDAs will provide for the reimbursement of the Second Loan Amount to the originating Lender at the time the First Mortgage Loan is purchased and funded by the IDAs designated Servicer, to whom all First Mortgage Loans may be sold. The above referenced Program Assistance will be evidenced by a Second Promissory Note and secured by a Second Deed of Trust and subordinate lien on the Property with the IDAs as the beneficiary.

The Industrial Development Authority of the City of Phoenix, Arizona
 By: 
 Juan Salsgado
 Chief Executive Officer

The Industrial Development Authority of the County of Maricopa
 By: 
 Shelly L. Scharbach
 Executive Director

The **Legally Enforceable Commitment Letter (FHA only)** is found on the **Lakeview portal** and available at the time of loan lock in the **6033 delivery folder**.

Second Loans: Lender Responsibilities

Reminders

- Enter the second loan information correctly within the Lakeview system.
- Size the second loans as a percentage of the final first loan amount (includes any financed MI), rounded down to the nearest dollar.
- Advance the second loan funds at the loan closing, on behalf of the IDAs, for the benefit of the borrower(s).
- There is no cash back from second loan proceeds. Surplus may be used for a first loan principal reduction.
- Utilize the Second Loan Documents provided on the [Home in Five](#) website.
 - Be sure to select the correct loan term from the sets of second loan documents:
 - One for 3- and 7-year terms
 - One for the 10-year term
 - One for the 30-year term

Second Loan Disclosures, Fees and Originals

Disclosures

- The Lender must disclose the second loan terms on behalf of the IDAs in accordance with CFPB guidelines. Under CFPB's partial disclosure exemption, Lenders may use:
 - The Home in Five RESPA 2nd loan disclosure, or
 - Lender's own TRID 2nd Loan Estimate and 2nd Loan Closing Disclosure (CD)

Note: The 10-year amortizing 2nd loan does **not** qualify for the partial exemption. Lenders must originate a **full** origination package, including a loan application, 2nd Loan Estimate, Closing Disclosure, etc.

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

Permitted Fees

- Recording fee, transfer taxes and any applicable assignment fee are the only permitted second loan fees. Both should be reflected on the second loan disclosures and not in the first loan disclosures.

Original Second Loan Documents

- Original second notes and true certified copy 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.

Second Loan Documents

HOME IN FIVE ADVANTAGE PROGRAM/Lakeview Loan Servicing
2nd Loan Data Entry Form/Correspondent Lenders

2nd Loan Data: Choose 3 or 7 Year Term <i>Key in data, hit ENTER then TAB</i>	Comments										
Select 2nd Loan Term: --- Years [1] 2nd Loan Number: --- Borrower(s) <table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 20px; text-align: center;">1</td><td style="border: 1px solid red; height: 15px;"></td></tr> <tr><td style="text-align: center;">2</td><td style="border: 1px solid red; height: 15px;"></td></tr> <tr><td style="text-align: center;">3</td><td style="border: 1px solid red; height: 15px;"></td></tr> <tr><td style="text-align: center;">4</td><td style="border: 1px solid red; height: 15px;"></td></tr> <tr><td style="text-align: center;">5</td><td style="border: 1px solid red; height: 15px;"></td></tr> </table>	1		2		3		4		5		Select the 2nd Loan Term from the Drop Down Box Separate # assigned by Lakeview, will appear on all documents Borrower(s) vested as: <div style="border: 1px solid red; height: 20px; margin-top: 5px;"></div> <p style="font-size: small; margin-top: 5px;">Borrower full names and vesting must match the First Loan documents. Borrower 5 is reserved for Non-Purchasing Spouse and will only appear on the 2nd Deed of Trust.</p>
1											
2											
3											
4											
5											
Street Address: City: Zip: County: Maricopa	Enter Full Street Address, City and Zip Code separately										
2nd Loan Date: 00 / 00 / 2022	Select the Month and Day of the Loan Closing Date from the Drop Down Boxes. Do not use the first payment date.										
2nd Loan Maturity Date: 0 / 0 / 0	<i>Auto-Calculation Field:</i> 2nd Loan Date plus 2nd Loan Term										
Forgiveness Period: From 0 / 0 / 0 To 0 / 0 / 0	<i>[1] Auto-Calculation Field:</i> 2nd Loan Term will determine Forgiveness Period. For a 3-year term, 1/36th per full month. For a 7-year term, 1/60th per full month in Years 3-7.										
2nd Loan Amount (\$): 0	As a % of final first loan amount, rounded down to nearest \$.										
2nd Loan Recording Fee (\$): 	These are the only 2nd Loan fees permitted.										
2nd Loan Transfer Taxes (\$): 											

2nd Loan Documents can be found on Home in Five site: <https://homein5advantage.com/resources-for-lenders/>

Documents include:

1. Disclosure of 2nd Loan Terms
2. 2nd Promissory Note
3. 2nd Deed of Trust
4. 2nd Loan Closing Instructions

Input data in red boxes on 2nd Loan Data Entry Form and the documents will auto-populate.

Be sure to select the correct loan term from the sets of second loan documents:

- One for 3- and 7-year terms
- One for the 10-year term
- One for the 30-year term

Second Loan Note Sample (3-year and 7-year)



**HOME IN FIVESM Homebuyer Assistance Loan Program
Disclosure of Second Loan Terms**

Second Loan Date:	▼ ▼ 20 ▼
Second Loan Amount (\$):	
Second Loan Maturity Date:	▼ ▼ 20 ▼
Borrower(s):	_____ _____ _____
Property Address:	_____ City: _____ County: <u>Maricopa</u> State: <u>Arizona</u> Zip Code: _____
Second Loan Lender:	The Industrial Development Authority of the City of Phoenix, Arizona The Industrial Development Authority of the County of Maricopa
Forgiveness Period:	From: ▼ ▼ 2019 to: ▼ ▼ 20: ▼

I/we as applicant(s) may be eligible for a first mortgage loan (the "First Loan") to be secured by a Deed of Trust on certain property more fully described in that Deed of Trust ("Property") and, if chosen, a second mortgage loan (the "Second Loan") to be provided by The Industrial Development Authority of the City of Phoenix, Arizona and The Industrial Development Authority of the County of Maricopa (collectively, the "Second Loan Lender") through their HOME IN FIVESM Homebuyer Assistance Loan Program (the "Program").

- I/We have been advised by the First Loan Lender of all other eligible sources of down payment and closing costs that are available to me/us, of any other mortgage loan alternatives that may be available to me/us at a lower loan rate, and of the benefits of this First Loan and if applicable, Second Loan relative to these other mortgage loan alternatives, that I/we have reviewed and understand these benefits of the Program.
- I/we understand that the Second Loan will be evidenced by a Second Note and secured by subordinate lien ("Second Deed of Trust") on the Property, subordinate only to the senior deed of trust.
- I/we understand that the Second Loan is a fixed zero interest (0%) loan, with the Second Loan amount stated above due in full should the Second Loan become repayable as described in Paragraph 6 below. No scheduled payments are required until an action listed in Paragraph 5 below occurs. I/we understand that I/we am/are not entitled to any forgiveness if an action listed in Paragraph 5 occurs prior to the Forgiveness Period. During the Forgiveness Period as stated above, the Second Loan amount shall be eligible for forgiveness 1/36th per full month, should the Second Loan become repayable as described in Paragraph 6 below. There is no forgiveness for partial months.
- If no action listed in Paragraph 5 occurs by the conclusion of the Forgiveness Period, the Second Loan will be forgiven in its entirety. I/we should refer to the Second Note and Second Deed of Trust evidencing and securing, respectively, the Second Loan for more information about non-payment, default, acceleration, prepayment rights and prepayment penalties and other important terms and conditions. No prepayment penalty will be imposed.

- I/We understand that the Second Loan must be repaid upon:
 - The sale, disposition or transfer of the Property
 - The refinancing or payment in full of the First Loan
 - Upon acceleration of the First Loan or Second Loan for any reason
- I/we understand(s) upon the occurrence of any of the actions described in Paragraph 5 herein (each a "Payment Action"), the Second Loan becomes immediately due and payable and I/we shall repay to the Second Loan Lender the entire remaining Second Loan Amount, net of any forgiveness.
- I/we also understand that the Second Loan Lender will not subordinate its second lien position on the Property under any circumstances, even to allow for the First Loan to be refinanced at a lower rate.
- I/we understand that this Second Loan is not assumable - i.e., a subsequent purchaser of the Property cannot assume the remainder of the Second Loan.
- I/we understand that, other than a Second Loan recording fee, there are no other permitted Second Loan related fees and that the recording fee, if any, stated below are not considered finance charges.
- I/we understand and agree that if the Second Loan Lender deems it necessary or appropriate under applicable federal or state law, it may send you an IRS Form 1099-C on or before March 1 of each year to evidence the amount of the Second Loan forgiven for the prior calendar year. Borrower may be required to treat the forgiven Second Loan Amount as ordinary income when completing my/our federal and state tax returns for each calendar year in which the debt is partially forgiven.
- I/we understand that Lender does not provide any advice or guidance as to the tax consequences for any forgiveness of the Second Note and I/we have been urged to consult with a tax advisor as to any tax consequences.

AMOUNT FINANCED: The amount of credit provided to you	FINANCE CHARGE: The dollar amount the credit will cost you	TOTAL NUMBER OF PAYMENTS: The amount you will pay upon the occurrence of a Payment Action	INTEREST RATE: The cost of your credit	ANNUAL PERCENTAGE RATE: The cost of your credit as a yearly rate, including any Finance Charges
\$ _____	\$0.00	Remaining unforgiven portion of the Second Loan	0%	0%

Second Loan Recording Fee: \$ _____ Second Loan Transfer Taxes: \$ _____

Your payment schedule will be:

NUMBER OF PAYMENTS	AMOUNT OF PAYMENTS	WHEN PAYMENT IS DUE
One (1) payment, upon the occurrence of a Payment Action	The remaining unforgiven portion of the Second Loan	Upon meeting any condition in Paragraph 5

I/we hereby acknowledge receipt of this disclosure:

Borrower's Signature Date _____
Borrower's Signature Date _____

Second Loan Note Sample (30-year)

30 Year Term



HOME IN FIVESM Advantage Down Payment Assistance Program Disclosure of Second Loan Terms

Second Loan Date:	11 / 17 / 2022
Second Loan Amount (\$):	11,600
Second Loan Maturity Date:	11 / 17 / 2052
Borrower(s):	Borrower #1 Borrower #2
Property Address:	10302 North Anywhere City: Phoenix County: Maricopa State: Arizona Zip Code: 85033
Second Loan Lender:	The Industrial Development Authority of the City of Phoenix, Arizona The Industrial Development Authority of the County of Maricopa
Forgiveness Date:	11 / 17 / 2052

I/we as applicant(s) may be eligible for a first mortgage loan (the "First Loan") to be secured by a Deed of Trust on certain property more fully described in that Deed of Trust ("Property") and, if chosen, a second mortgage loan (the "Second Loan") to be provided by The Industrial Development Authority of the City of Phoenix, Arizona and The Industrial Development Authority of the County of Maricopa (collectively, the "Second Loan Lender") through their HOME IN FIVESM Advantage Down Payment Assistance Program (the "Program").

- I/we have been advised by the First Loan Lender of all other eligible sources of down payment and closing costs that are available to me/us, of any other mortgage loan alternatives that may be available to me/us at a lower loan rate, and of the benefits of this First Loan and if applicable, Second Loan relative to these other mortgage loan alternatives, that I/we have reviewed and understand these benefits of the Program.
- I/we understand that the Second Loan will be evidenced by a Second Note and secured by subordinate lien ("Second Deed of Trust") on the Property, subordinate only to the senior deed of trust.
- I/we understand that the Second Loan is a fixed zero interest (0%) loan, with the Second Loan amount stated above due in full should the Second Loan become repayable as described in Paragraph 6 below. No scheduled payments are required until an action listed in Paragraph 5 below occurs. I/we understand that I/we am/are not entitled to any forgiveness if an action listed in Paragraph 5 occurs prior to the Forgiveness Date. On the Forgiveness Date as stated above, the Second Loan amount shall be eligible for forgiveness in full.
- If no action listed in Paragraph 5 occurs prior to the Forgiveness Date, the Second Loan will be forgiven in its entirety. I/we should refer to the Second Note and Second Deed of Trust evidencing and securing, respectively, the Second Loan for more information about non-payment, default, acceleration, prepayment rights and prepayment penalties and other important terms and conditions. No prepayment penalty will be imposed.

30 Year Term

- I/we understand that the Second Loan must be repaid upon:
 - The sale, disposition or transfer of the Property
 - The refinancing or payment in full of the First Loan
 - Upon acceleration of the First Loan or Second Loan for any reason
- I/we understand(s) upon the occurrence of any of the actions described in Paragraph 5 herein (each a "Payment Action"), the Second Loan becomes immediately due and payable and I/we shall repay to the Second Loan Lender the entire remaining Second Loan Amount.
- I/we also understand that the Second Loan Lender will not subordinate its second lien position on the Property under any circumstances, even to allow for the First Loan to be refinanced at a lower rate.
- I/we understand that this Second Loan is not assumable – i.e., a subsequent purchaser of the Property cannot assume the remainder of the Second Loan.
- I/we understand that, other than a Second Loan recording fee, there are no other permitted Second Loan related fees and that the recording fee, if any, stated below are not considered finance charges.
- I/we understand and agree that if the Second Loan Lender deems it necessary or appropriate under applicable federal or state law, it may send you an IRS Form 1099-C to evidence the amount of the Second Loan forgiven for the prior calendar year. Borrower may be required to treat the forgiven Second Loan Amount as ordinary income when completing my/our federal and state tax returns.
- I/we understand that Lender does not provide any advice or guidance as to the tax consequences for any forgiveness of the Second Note and I/we have been urged to consult with a tax advisor as to any tax consequences.

AMOUNT FINANCED: The amount of credit provided to you	FINANCE CHARGE: The dollar amount the credit will cost you	TOTAL NUMBER OF PAYMENTS: The amount you will pay upon the occurrence of a Payment Action	INTEREST RATE: The cost of your credit	ANNUAL PERCENTAGE RATE: The cost of your credit as a yearly rate, including any Finance Charges
\$ 11,600	\$0.00	Remaining unforgiven portion of the Second Loan	0%	0%

Second Loan Recording Fee: \$50.00 Second Loan Transfer Taxes: \$

Your payment schedule will be:

NUMBER OF PAYMENTS	AMOUNT OF PAYMENTS	WHEN PAYMENT IS DUE
One (1) payment, upon the occurrence of a Payment Action	The remaining unforgiven portion of the Second Loan	Upon meeting any condition in Paragraph 5

I/we hereby acknowledge receipt of this disclosure:

Borrower's Signature Date Borrower's Signature Date
Borrower's Signature Date Borrower's Signature Date

Second Loan Note Sample (10-Year Amortizing)



**The Industrial Development Authority of the City of Phoenix, Arizona
The Industrial Development Authority of the County of Maricopa
HOME IN FIVE Advantage Down Payment Assistance Program
Second Promissory Note (Amortizing)**

Second Loan Date:	_____	Second Loan Number:	_____
Second Loan Amount (\$):	_____		
Second Loan Maturity Date:	_____		
Borrowers:	_____ _____ _____		
Property Address:	City: _____ County: Maricopa State: Arizona, Zip Code: _____		
Second Loan Lender	The Industrial Development Authority of the City of Phoenix, Arizona The Industrial Development Authority of the County of Maricopa		
Second Loan Servicer:	Lakeview Loan Servicing, LLC		
Monthly Payment:	\$ _____		
Second Loan Interest Rate:	6%		

1. **AMOUNT.** THE INDIVIDUAL(S) LISTED ABOVE AND UNDERSIGNED BORROWERS promise to pay to the order of The Industrial Development Authority of the City of Phoenix, Arizona and The Industrial Development Authority of the County of Maricopa, each a political subdivision existing under the laws of the State of Arizona or their assignee (the "Second Loan Lender"), that portion of the Second Loan Amount that is due and payable at the times set forth in this Second Promissory Note (this "Second Note"). This Second Note is originated on this date by the Second Loan Lender under the **Home In Five Advantage Down Payment Assistance Program** (the "Program") to provide a second mortgage loan (the "Second Loan") to finance all or a portion of the down payment and closing costs associated with the first mortgage loan (the "First Loan") towards the purchase of the residence located at the Property Address and more fully described in the Second Deed of Trust securing the Second Loan (the "Property").

2. **BORROWERS' PROMISE TO PAY.** In return for the Second Loan Amount that the Borrowers have received from the Second Loan Lender, the Borrowers promise to pay the Second Loan Amount, plus accrued interest and any outstanding Late Charge as defined in Section 6 of this Note, if any, to the order of the Second Loan Lender. The Borrowers will make all payments under this Second

Note in U.S. currency in the form of cash, check, money order or other payment method accepted by the Second Loan Lender.

The Borrowers understand that the Second Loan Lender may transfer this Second Note. The Second Loan Lender or anyone who takes this Second Note by transfer and who is entitled to receive payments under this Second Note is called the "Note Holder".

3. **INTEREST RATE.** Interest will be charged on the unpaid Second Loan Amount until the Second Loan Amount has been paid in full. The Borrowers will pay interest at a yearly rate equal to the Second Loan Interest Rate stated above.

4. **NOTE PAYMENTS**

(A) **Time of Payments.** Borrowers will pay the principal and interest due by making a payment every month (the "Monthly Payment").

The Borrowers will make the Monthly Payment on the ___ day of each month beginning on _____. The Borrowers will make such payments every month until the Borrowers has repaid the Second Loan Amount plus interest in full and any other charges described below that the Borrowers(s) owes under this Second Note. Each Monthly Payment will be applied as of its scheduled due date and will be applied to interest and any outstanding Late Charge as defined in Section 6 of this Note first before the Second Loan Amount. If, on the Second Loan Maturity Date, the Borrowers still owe amounts under this Second Note, the Borrowers(s) will pay those amounts on that date.

(B) **Place of Monthly Payments.** All Monthly Payments, if any, shall be made by Borrowers payable to the Lender and mailed or delivered to the Second Loan Servicer on behalf of the Second Loan Lender or at such other place or places as the Second Loan Servicer may designate in writing from time to time.

(C) **Amount of Monthly Payments.** The Borrowers' Monthly Payment will be in the amount of \$ _____, with no adjustment for any Prepayment as permitted by Section 5 of this Second Note.

(D) **Conditions for Second Loan Becoming Due Before the Second Loan Maturity Date.** The Second Loan will become due before the Second Loan Maturity Date upon the occurrence of any one of the following dates:

- (i) The date on which the Property (or any interest therein) is sold or otherwise transferred;
- (ii) The date on which the First Loan is refinanced or paid in full;
- (iii) The date on which the First Loan becomes due and payable for any reason; or
- (iv) The date the Borrowers cease to use the Property as a primary residence.

5. **BORROWERS' RIGHT TO PREPAY.**

The Borrowers have the right to make payments towards the Second Loan Amount before they are due at any time. A payment of Second Loan principal before it is due is known as a "Prepayment". When the Borrowers make a Prepayment, the Borrowers will notify the Note Holder in writing of such Prepayment. The Borrowers may not designate a payment as a

Second Loan Deed of Trust

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:	(For Recorder's Use Only)
THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF PHOENIX, ARIZONA THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF MARICOPA HOME IN FIVESM HOMEBUYER ASSISTANCE LOAN PROGRAM Second Deed of Trust, Security Agreement, Assignment of Rents and Leases and Fixture Filings	
Second Loan Date:	(▼)/(▼)/201(▼) Second Loan Number: _____
Second Loan Amount (\$):	_____
Second Loan Maturity Date:	(▼)/(▼)/202(▼)
Forgiveness Period:	From: (▼)/(▼)/2019 to: (▼)/(▼)/202(▼)
Forgiveness Calculation:	1/36 th of the original Second Loan Amount per month for each full month during the Forgiveness Period
Trustor/Borrower(s):	_____ _____ _____ _____
Property Address:	_____ City: _____ County: <u>Maricopa</u> State: <u>Arizona</u> Zip Code: _____
Trustee:	First American Title Insurance Company
Trustee Address:	2425 E. Camelback Road, Suite 300, Phoenix, AZ 85016
Second Loan Lender/Beneficiaries	The Industrial Development Authority of the City of Phoenix, Arizona The Industrial Development Authority of the County of Maricopa
Second Loan Servicer:	Lakeview Loan Servicing, LLC

For good and valuable consideration, the receipt and sufficiency of which are acknowledged, Trustor agrees and covenants as follows:

- Grant in Trust.** Trustor irrevocably grants, conveys, and transfers to Trustee, its successors and assigns, in trust, pursuant to this Second Deed of Trust, Security Agreement, Assignment of Rents and Leases, and Fixture Filing ("Second Deed of Trust") and Arizona law, WITH POWER OF SALE AND RIGHT OF ENTRY AND POSSESSION, all of Trustor's right, title, and interest in and to that real property ("Premises") situated in the County listed above, State of Arizona, more particularly described on **Exhibit "A"** attached and, by this reference, incorporated in this Second Deed of Trust. The Premises are conveyed by Trustor in trust

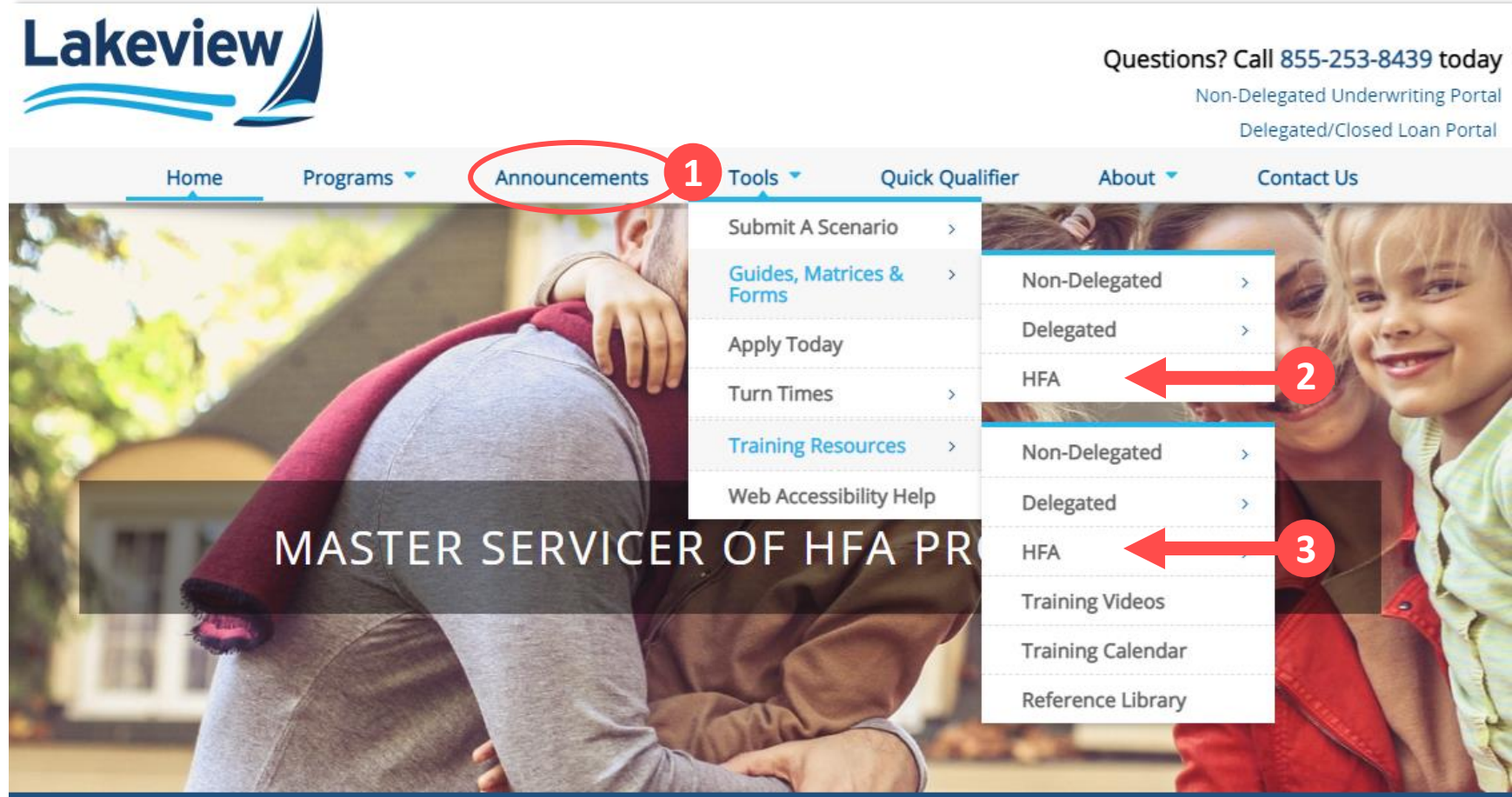
Home In Five Program
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Lakeview Correspondent Website

Here you will find:

1. Announcements
2. Product Matrices and Seller Guides
3. Training Resources and a Reference library, which houses:
 - Quick reference guides
 - Delivery file checklists for closing and credit
 - Sample documents



Resources

- For more information or questions about the **First Mortgage** please see the applicable product matrix at www.lakeviewcorrespondent.com.
- For more information or questions about the **Second Mortgage** options, including conventional/government product matrices, down payment assistance guidelines, lender agreement, or contact information, refer to <http://www.homein5advantage.com/resources-for-lenders/>.

Questions?

<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.</p>
<p>Locking or Delivering Loans</p>	<p>Contact Lakeview Client Services at 85-Lakeview, option 3 or at clientservices@bayviewloans.com.</p>
<p>First Mortgage Payoffs</p>	<p>Contact LoanCare at 1-800-509-0183.</p>

Additional Contacts

STIFEL

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MARICOPA COUNTY



PHOENIXIDA

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