



# metroDPA

down payment assistance

July 13, 2023



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# The American Dream is within reach!

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**metroDPA**

**Down Payment Assistance Program**

**Sponsored by:**

**City and County of Denver**

**Presented by:**

**Lakeview Loan Servicing LLC**

# Local Government Partnership since 2012

The metroDPA Program was designed by the city and county of Denver to assist low- and moderate-income borrowers realize their dream of homeownership.

- Qualifies as a provider of down payment assistance under Fannie Mae, Freddie Mac, FHA, and VA guidelines.



# metroDPA and Partners

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Lakeview Loan Servicing, LLC (Lakeview)  
is a new **Master Servicer**



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



# Benefits

## Fewer Restrictions & Easier to Use

The metroDPA program is not funded with Federal, State, or local bond funding or resources.

- Unmatched pricing, credit, and underwriting concessions from FHA, VA, and the GSEs.
- **No Underwriter certification.**
- No Lender or Seller Affidavits; no income or Acquisition Cost worksheets.
- The program is **not limited to first-time homebuyers.**
- No minimum required investment.
- Federal Recapture does not apply.
- No purchase price limits (FHA, VA, and GSE loan limits do apply).
- No Program Administration Fee.
- No caps or restrictions on loan fees; “reasonable and customary.”

# Program Highlights

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- Purchase transactions only
- Owner-occupied, single-family properties, including:
  - Condos
  - PUDs
  - Townhomes
- Government and Conventional first loan options available
  - Must be paired with a **metroDPA** second mortgage
- Homebuyer Education (in person or on-line) is required for **all borrowers prior to close**
  - See the [metroDPA website](#) for list of acceptable providers
- Proceeds can be used for **100%** of the borrower's down payment

# Income Limits

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- **MetroDPA Program Income Limit:** **150%** of the Denver median income regardless of family size. See the rate sheet for Program Income Limits.
  - Additional limits may apply depending on the product selected.
  - Use [Fannie Mae's income lookup tool](#) to find AMI information.
- **Social Equity Program:** **80%** of the Denver median income.
  - **FHA/VA:** **150%** of the Denver median income
  - **Conventional:** **80%** of the Denver median income
- **All verified qualifying income must be applied against the applicable program income limit.**
  - Household income does not apply, only the borrower's income.

# Qualifying Income

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**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

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## 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 the 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.

# Location Information

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- Refer to the [metroDPA website](#) for additional details about **location availability** and helpful links.
  - Mortgage loans can only be made within the **City and County of Denver** and within the **incorporated areas of the Cities or Towns** listed on the website.
  - Mortgages can also be made in the **unincorporated areas** listed on the website.
- It is the lenders responsibility to verify that the property is within the eligible lending area

# First Mortgage Loans – Conventional

- Fannie Mae's **HFA Preferred** loans and Freddie Mac **HFA Advantage** loans only.
  - Standard Freddie Mac and Fannie Mae loan products are not permitted.
- **LTV/CLTV:** Up to maximum **97/105%**
- All Borrowers must have a **FICO score** of no less than **620**.
  - **Note:** an additional LLPA will apply on loans with FICO's of **620** to **639**.
- **DTI:** Not to exceed **50%** subject to a DU or LPA approval.
- **Underwriting:** **Approve/Eligible** from DU or **Accept/Eligible** from LPA; manual underwriting and/or non-traditional credit are not permitted.
- **Employment and income documentation follow DU/LPA findings**, with a few exceptions:
  - 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.  
[LakeviewCorrespondent.com/Tools/Guides, Matrices & Forms/HFA](#)*

# First Mortgage Loans – Conventional, continued

- No loan level price adjustments (LLPA)
- Lower “Charter or Custom” Mortgage Insurance coverage is available for loans with AMI ≤ **80%**.

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

- See the [product matrix](#) for more information.

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

# First Mortgage Loans – Government

## FHA/VA/HUD184

- **FHA 203b** or **limited 203k** available, including high balance\* loans
  - **FHA High Balance** are permitted with a maximum loan amount up to **\$787,750** or the applicable FHA maximum county limit.
    - **Note:** these high balance loans will incur an additional pricing adjuster that will be posted on the daily rate sheets.
- **LTV/CLTV** – per investor guidelines
- All borrowers must have a **FICO** score of no less than **620**.
  - **Note:** an additional LLPA will apply on loans with FICOs **620** to **639**.
- **DTI:** Not to exceed **50%** subject to a DU or LPA approval
- **Underwriting: Approve/Eligible** from DU or **Accept/Eligible** from LPA
  - Manual downgrades are permitted for FHA loans only if additional information was not considered in the Approve/Eligible or Accept/Eligible decision, subject to:
    - **660 minimum FICO** score for all borrowers.
    - **43% maximum DTI**.

*Please refer to the [product matrix](#) for complete program guidelines.  
[LakeviewCorrespondent.com/Tools/Guides, Matrices & Forms/HFA](#)*



# metroDPA Second Mortgage Assistance Programs

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- FHA, VA, Conventional first loans
- Second loans are **0%** interest.
- DPA (second loan proceeds) may be used to fund up to **100%** of the borrowers' cash to close.
- Deferred principal, no accrued interest, due upon sale or refinance
- Principal forgiven **1/36<sup>th</sup>** per full month over **3 years** the borrower resides in the home.
- Second loans are not assumable and not eligible for subordination.
- No additional subordinate liens are permitted.
- 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.

# metroDPA Second Mortgage Assistance Programs, continued

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## Conventional:

- **No DPA option**
- **3%, 4%, or 5%** of final first loan amount (including any financed MI), rounded down to nearest dollar.
- **Government:**
  - **No DPA option**
  - **3%, 4%, 5%, or 6%** of final first loan amount (including any financed MI), rounded down to nearest dollar.

*Select the correct Second Loan product code (shown on the Rate Sheet) for the corresponding DPA program.*

# Social Equity Program (SEP)

- **Eligible borrowers:** Resident or descendant of someone who lived in a Denver **redlined** area between 1938-2000.
- **0%** interest **3-year forgivable** second mortgage.
- **\$15,000** or **\$25,000**
  - Qualifying income < **80%** AML: **\$15,000** assistance
    - Pair with a Government or Conventional **metroDPA** first mortgage
  - Qualifying income ≥ **80%** AML: **\$25,000** assistance
    - Pair with a Government **metroDPA** first mortgage
- Borrowers must complete a form and provide the necessary documentation to Denver HOST.
  - Once approved, Denver HOST will provide an approval # which is required for locking loan.



# Second Loan Details

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## Disclosures

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

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

## Second Loan Documents

- Both sample versions and fillable PDF forms are available on the [metroDPA website](#).

# Second Loan Details, continued

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## 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 type for the Community Second as well. (Payments deferred)
- Within **LPA**, enter the second loan information into the section entitled **Other New Mortgage Loans on the Property You are Buying or Refinancing**.
  - Answer **Yes** to the question **Is the Other New Mortgage an Affordable Second?**
  - Answer **Yes** to the question **Is the Affordable Second Payment Deferred?**



# Second Loan Details, continued

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## Process

- Second loans are in metroDPA's name, as the second loan Lender and beneficiary.
- Second loan proceeds are advanced by the originating Lender, and reimbursed when the first and second loans are sold to Lakeview.
- Original second notes and a 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.

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

# The Process



# metroDPA Rate Locks

**metroDPA Loan Rates and Second Loan options are posted daily on the metroDPA website**

- All loans must be locked through [LakeviewCorrespondent.com](https://LakeviewCorrespondent.com).
- Borrowers must have fully executed sale contract before a rate lock is submitted.
- **Select the 1<sup>st</sup> loan product code for the corresponding DPA amount of the 2<sup>nd</sup> loan or SEP grant. 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.
- 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 in the lock screen.
- Commitment letter images are housed in **delivery folder 6033**

# First and Second Loan Product Codes

metroDPA 3-year Forgivable Program Fannie Mae HFA Preferred or Freddie Mac HFA Advantage 1 <sup>st</sup> Mortgage Product Codes	
CDN403 – 3%, 3-year forgivable DPA ≤ 80% AMI	CDN503 – 3%, 3-year forgivable DPA > 80% AMI
CDN404 – 4%, 3-year forgivable DPA ≤ 80% AMI	CDN504 – 4%, 3-year forgivable DPA > 80% AMI
CDN405 – 5%, 3-year forgivable DPA ≤ 80% AMI	CDN505 – 5%, 3-year forgivable DPA > 80% AMI
metroDPA 2 <sup>nd</sup> Mortgage Product Code	
EDN300 – 3% to 5% assistance	

metroDPA 3-Year Forgivable Program FHA, HUD 184, and VA 1 <sup>st</sup> Mortgage Product Codes	
FDN303 – FHA 3%, 3-year forgivable DPA • 203b, 203k Limited & HUD 184	VDN303 – 3%, 3-year forgivable DPA
FDN304 – FHA 4%, 3-year forgivable DPA • 203b, 203k Limited & HUD 184	VDN304 – 4%, 3-year forgivable DPA
FDN305 – FHA 5%, 3-year forgivable DPA • 203b, 203k Limited & HUD 184	VDN305 – 5%, 3-year forgivable DPA
FDN306 – FHA 6%, 3-year forgivable DPA • 203b, 203k Limited & HUD 184	VDN306 – 6%, 3-year forgivable DPA
metroDPA 2 <sup>nd</sup> Mortgage Product Code	
EDN300 – 3 to 6% assistance	

# Social Equity Program Product Codes

<b>metroDPA Social Equity Grant Program</b> <b>Fannie Mae HFA Preferred or Freddie Mac HFA Advantage 1<sup>st</sup> Mortgage Product Codes</b>	
CDN600 – 30 year fixed w/ \$25,000 Grant for ≤ 80% AMI	Not Available for > 80% AMI

<b>metroDPA Social Equity Grant Program</b> <b>FHA, HUD 184, and VA 1<sup>st</sup> Mortgage Product Codes</b>	
FDN600 – FHA 30 year fixed w/ \$25,000 Grant for ≤ 80%AMI • 203b, 203k Limited & HUD 184	VDN600 – VA 30 year fixed w/ \$25,000 Grant for ≤ 80% AMI
FDN700 – FHA 30 year fixed w/ \$15,000 Grant for > 80% AMI • 203b, 203k Limited & HUD 184	VDN700 – VA 30 year fixed w/ \$15,000 Grant for > 80% AMI



# Other Program Information

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- **Lender Compensation:** 1.5% SRP, 1.25% maximum origination fee allowed.
- **Higher Priced Mortgage Loan (HPML) Calculations:** The program is exempt.
  - The program is not exempt from **High-Cost Mortgage (Section 32) Calculations.**

# Access Pricing in Optimal Blue (OB)

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- Log into OB.
- Search the **Products and Pricing** tab for the Lakeview Loan Servicing folder.
  - **Note:** You must have Lakeview Correspondent Rate Sheets loaded into your version of OB.
- Open the folder for the applicable HFA Program.
  - **Note:** 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: <input type="text" value="3"/> Years <small>[1]</small>	Term must match the 2nd Loan Confirmation from Lakeview												
2nd Loan Number: <input type="text"/>	Separate # assigned by Lakeview, will appear on all documents												
<b>Borrowers:</b>	<b>Borrower(s) vested as:</b>												
<table><tr><td>1</td><td>Borrower 1</td></tr><tr><td>2</td><td>Borrower 2</td></tr><tr><td>3</td><td>Borrower 3</td></tr><tr><td>4</td><td>Borrower 4</td></tr><tr><td>5</td><td>Non Purchasing Spouse</td></tr></table>	1	Borrower 1	2	Borrower 2	3	Borrower 3	4	Borrower 4	5	Non Purchasing Spouse	<table><tr><td><input type="text" value="Married Couple"/></td></tr><tr><td>Borrower full names and vesting must match the First Loan documents. Borrower 5 is reserved for Non-Purchasing Spouses (only sign the 2nd Mortgage).</td></tr></table>	<input type="text" value="Married Couple"/>	Borrower full names and vesting must match the First Loan documents. Borrower 5 is reserved for Non-Purchasing Spouses (only sign the 2nd Mortgage).
1	Borrower 1												
2	Borrower 2												
3	Borrower 3												
4	Borrower 4												
5	Non Purchasing Spouse												
<input type="text" value="Married Couple"/>													
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: <input type="text" value="123456 ytytytytytytyty"/>	Enter Full Street Address, City and Zip Code separately												
City: <input type="text"/> Zip Code: <input type="text"/>													
County: <input type="text" value="Cook"/>	Select the Month and Day of the Loan Closing Date from the Drop Down Boxes. Do not use the first payment date.												
2nd Loan Date: <input type="text" value="07 28 2021"/>	<b>Auto-Calculation Field:</b> 2nd Loan Date plus 2nd Loan Term												
2nd Loan Maturity Date: <input type="text" value="07 28 2024"/>	<b>[1] Auto-Calculation Field:</b> 2nd Loan Term will determine Forgiveness Period. For a 3-year term, 1/36th per full month.												
Forgiveness Period: From <input type="text" value="07 28 2021"/> To <input type="text" value="07 28 2024"/> <small>[1]</small>	2nd Loan does 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 \$.												
1st Loan Amount (\$\$\$,###.##): <input type="text" value="105,477.99"/>	Only fees permitted. Use actual amounts.												
2nd Loan Ptg: <input type="text" value="5.0%"/> 2nd Amt (\$): <input type="text" value="5273"/>													
2nd Loan Recording Fee: <input type="text"/> 2nd Loan Transfer Fee: <input type="text"/>													
<b>2nd Mortgage - Legal Description:</b>	Key in "See Exhibit A" if Lender wish to use their own Exhibit A, or the Exhibit A as provided herein (page 18).												
<input type="text" value="See EXHIBIT A"/>													
<b>Correspondent Lender Name:</b>	<b>Lender "Return to" Address for 2nd Mortgage</b>												
<input type="text" value="Cook County Bureau of Economic Development"/>	<input type="text" value="Corporate Street, Suite"/>												
	<input type="text" value="Chicago, Illinois, 80204"/>												

Second loan documents can be generated through a fillable PDF file provided by Stifel (posted on the metroDPA website).

- 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

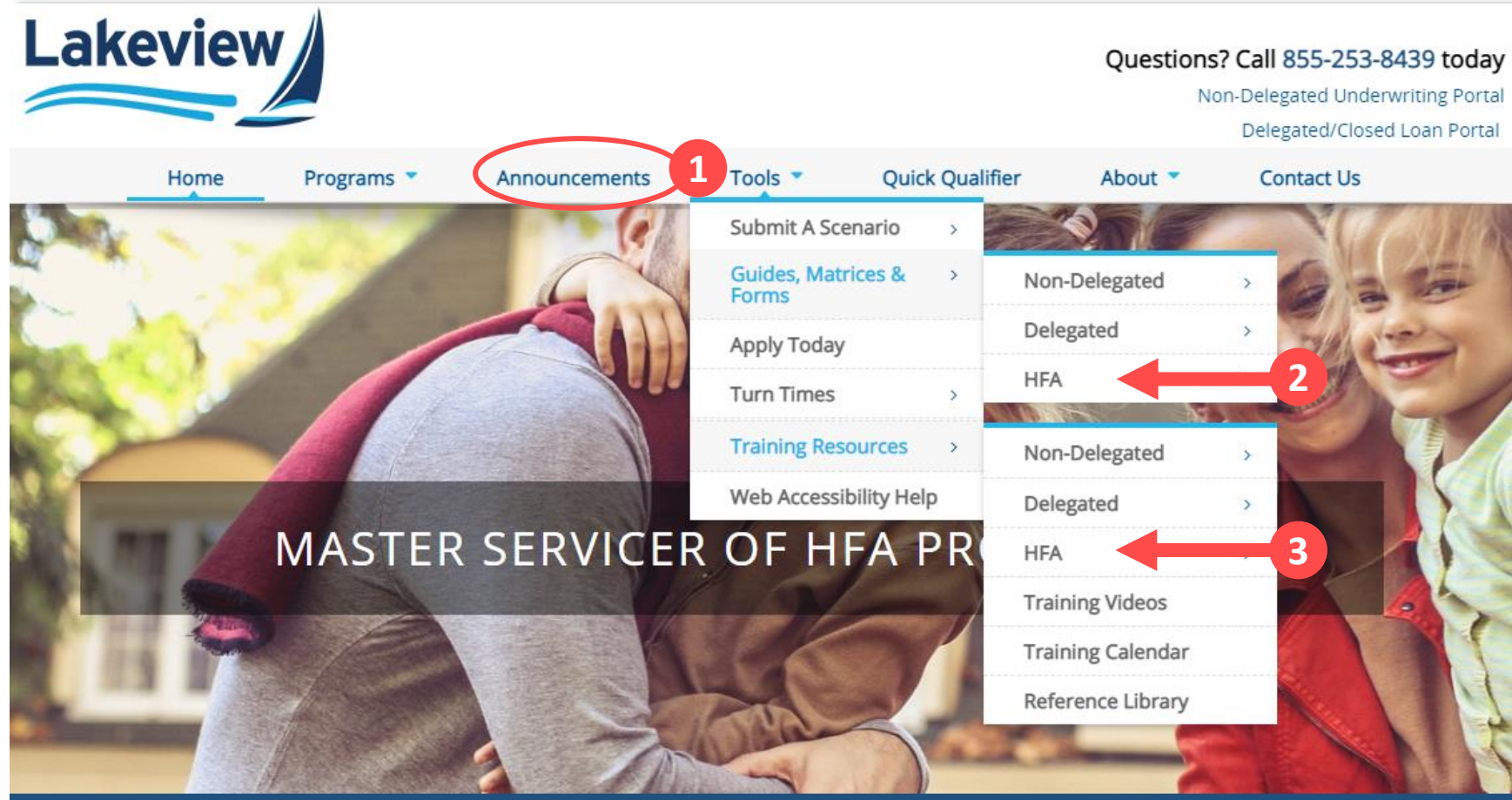
For Social Equity loans, second loan documents are not necessary since the DPA is a grant; however, the following documents are required in the file:

- Commitment/Gift Letter (on the Lakeview system)
- Borrower Attestation Form (located on the Denver website: [www.denvergov.org/metroDPA](http://www.denvergov.org/metroDPA))

# 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



**For additional assistance on how to lock a loan, contact Client Services at 85-Lakeview, option 3 or at [ClientServices@BayviewLoans.com](mailto:ClientServices@BayviewLoans.com).**

# On-Line Resources

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- For more information or questions about the **Second Mortgage** options, including lender agreement, contact information, conventional/government product matrices, and program guidelines, refer to the [metroDPA website](#)
  - Daily Rate Sheet
  - First Loan – At a Glance
  - First Loan Matrices (Conventional Loans and Government Loans)
  - Program Down Payment Assistance Guidelines
  - Program overview and Locking Instructions training videos
- For more information or questions about the **First Mortgage** please see the applicable product matrix at [www.lakeviewcorrespondent.com](http://www.lakeviewcorrespondent.com).
  - First Loan Matrices (Conventional Loans and Government Loans)
  - First Loan rate lock and loan delivery job aids



# Who to Contact With Questions

<b>General Program Rollout</b>	Contact your internal Product Implementation Team or your Lakeview Business Development Director
<b>Disclosures, Forms, or Conditions on Closed Loans</b>	Contact your Lakeview Client Manager
<b>Pricing</b>	Contact the Lakeview Commitment Desk at 1-855-253-8439, option 1
<b>Program Guidelines or Specific Scenarios</b>	Contact the Lakeview UW Scenario Dept at 1-855-253-8439, option 2 or at <a href="mailto:underwritingquestions@bayview.com">underwritingquestions@bayview.com</a>
<b>Locking or Delivering Loans</b>	Contact Lakeview Client Services at 1-855-253-8439, option 3 or at <a href="mailto:clientservices@bayviewloans.com">clientservices@bayviewloans.com</a>

# Additional Contacts



Contact	Phone	Email
Marc Paskulin	530.492.3264	<a href="mailto:paskulinm@stifel.com">paskulinm@stifel.com</a>
Scott Riffle	720.673.3957	<a href="mailto:riffles@stifel.com">riffles@stifel.com</a>
DeDe Cross	720.673.3947	<a href="mailto:crossde@stifel.com">crossde@stifel.com</a>