



TSAHC Government Program



The TSAHC Government Program is a partnership program between Lakeview Loan Servicing and the Texas State Affordable Housing Corporations with the goal of assisting Texans obtain a place to call home.

TSAHC Government Matrix				
Fixed Rate Purchase				
Occupancy	Number of Units	Maximum LTV (CLTV per investor guidelines)	FICO	DTI ¹
Primary Residence	1- 4 Units	FHA: 96.5%	620	Determined by AUS
	Manufactured		640	
	1- 4 Units	VA: 100% ²	620	Determined by AUS
	Manufactured		640	
	1 Units	USDA: 100% ²	620	Determined by AUS
	Manufactured		640	
¹ FHA Manual downgrades and non-traditional credit are limited to 43% DTI, (see AUS and Non-traditional Credit section for full details)				
² Exclusive of Financed Guaranty/Funding Fees				
Loan Product				
Eligible Products/Terms	30 Year Fixed Rate Mortgages Only			
	Product codes with Grant:			
	FHA- 203b & Limited 203k	VA	USDA*	
	FTX 300: FHA 30 Year Fixed Rate	VTX 300: VA 30 Year Fixed Rate	UTX300: USDA 30 Year Fixed Rate	
	FTX 320: FHA 30 Year Fixed Rate w/MCC Fee	VTX 320: VA 30 Year Fixed w/MCC Fee	UTX320: USDA 30 Year Fixed w/MCC Fee	
	Product Codes with Lien:			
	FHA- 203b & Limited 203k	VA	USDA*	
	FTX 302: FHA 30 Year Fixed Rate	VTX 302: VA 30 Year Fixed Rate	UTX302: USDA 30 Year Fixed Rate	
	FTX 322: FHA 30 Year Fixed Rate w/MCC Fee	VTX 322: VA 30 Year Fixed w/MCC Fee	UTX322: USDA 30 Year Fixed w/MCC Fee	
	FTX 700: FHA 30 Year Fixed Rate Bond Loan	VTX 700: VA 30 Year Fixed Rate Bond Loan	UTX700: USDA 30 Year Fixed Rate Bond Loan	
	*Discount points are permitted only per USDA SFH Guaranteed Loan Program Handbook (HB-1-3555) requirements			



Income Limits	Refer to TSAHC guidelines for income limits
Ineligible Product Types	<ul style="list-style-type: none"> • FHA <ul style="list-style-type: none"> ○ <u>Standard 203(k)loans</u> ○ <u>Good Neighbor Next Door</u> ○ <u>HUD \$100 Down with Repair Escrows</u> • USDA <ul style="list-style-type: none"> ○ <u>Rural Energy Plus Loans</u> ○ <u>Section 504 Repair Pilot Program</u> ○ <u>Single Close Construction</u> • VA <ul style="list-style-type: none"> ○ <u>Alteration and Repair Loans</u>
Purchase Price Limits/Maximum Loan Amount	<ul style="list-style-type: none"> • Refer to TSAHC guidelines • VA: The maximum loan amount (excluding the Financed Guaranty Funding Fee) cannot exceed VA loan limits for the county in which the property is located. • USDA: The maximum loan amount cannot exceed USDA loan limits for the county in which the property is located. • <u>High balance loan amounts not permitted</u>
Loan Purpose	Purchase
Occupancy	<ul style="list-style-type: none"> • Primary residence, owner occupied only • Borrowers and spouses must reside in the U.S and occupy the property as their primary residence within 60 days of closing
Temporary Buy Downs	Not permitted



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Eligibility	
Borrower Eligibility	<ul style="list-style-type: none"> Acceptable Residency statuses: <ul style="list-style-type: none"> US Citizen(s) Non-US Citizen(s) who are lawfully present in the United States. This includes both Permanent Qualified Resident Aliens and Non-Permanent Qualified Aliens as defined in the Lakeview Loan Servicing Seller Guide or the Residency and Eligibility Guide <ul style="list-style-type: none"> FHA and VA: DACA Borrowers are eligible- See Residency and Eligibility Guide for full requirements USDA: DACA Borrowers are ineligible Note: <i>If closing in a Trust, the Trust beneficiaries must meet one of the above residency statuses</i> <u>Loans to Limited Liability Corporations are not permitted.</u>
Homebuyer Education Requirements	Refer to TSAHC guidelines
Co-Signers/Non-Occupant co-borrowers/Non-purchasing Spouse	Refer to TSAHC guidelines
Non-Arm's Length Transactions	Per Investor Guidelines
Credit	
AUS	<p>FHA:</p> <ul style="list-style-type: none"> Fannie Mae Desktop Underwriter (DU) with 'Approve / Eligible' or Freddie Mac Loan Prospect Advisor (LPA) with 'Accept' recommendation. <u>Manual Underwriting is permitted subject to the following:</u> <ul style="list-style-type: none"> <u>as long as the overall insurability and/or eligibility of the loan is not effected</u> <u>the loan receives a refer/eligible recommendation</u> <u>the loan receives an approve or accept/eligible recommendation but it requires a downgrade due to additional information not considered in the AUS decision.</u> <u>43% maximum DTI</u> <u>640 FICO for all borrowers with a credit score</u> <u>Manufactured Homes: manual underwriting is not permitted</u>



	<p><u>VA:</u></p> <ul style="list-style-type: none"> • <u>Fannie Mae Desktop Underwriter (DU) with 'Approve / Eligible' or Freddie Mac Loan Prospect Advisor (LPA) with 'Accept' recommendation.</u> • <u>Manual underwriting is not permitted</u> <p><u>USDA:</u></p> <ul style="list-style-type: none"> • GUS with 'Accept/Eligible' findings is required • <u>Manual Underwriting is permitted only if:</u> <ul style="list-style-type: none"> ◦ <u>Loan is part of the Existing Manufactured Home Pilot, or</u> ◦ <u>GUS cannot locate a property and returns an Accept/Unable to determine</u> <p>Other customized automated underwriting systems are not permitted.</p>
Underwriting Authority	<ul style="list-style-type: none"> • Delegated underwriting only • Non-delegated underwriting not permitted
FICO Requirements	<ul style="list-style-type: none"> • Minimum of 620 <u>unless otherwise noted in non-traditional credit, manual downgrade or manufactured housing sections of the product matrix</u> <p>VA & USDA:</p> <ul style="list-style-type: none"> • A borrower with no credit score (0 FICO) may be eligible as long as another occupant borrower(s) has a credit score that meets the minimum representative credit score requirements (620 FICO) and the AUS returns an accept/eligible or approve/eligible <p>FHA Only:</p> <ul style="list-style-type: none"> • Use of non-traditional credit is permitted if any or all borrowers do not meet minimum credit guidelines, subject to additional requirements as outlined in the Non-Traditional Credit section below
Non-Traditional Credit	<ul style="list-style-type: none"> • FHA: Use of non-traditional credit is permitted if any or all borrowers do not meet minimum credit guidelines <ul style="list-style-type: none"> ◦ <u>43% DTI Max</u> ◦ <u>All borrowers who have a credit score must meet minimum 640 FICO</u> • VA & USDA: Use of non-traditional credit is not permitted
Significant Derogatory Credit	<ul style="list-style-type: none"> • Refer to Investor Guidelines with the exception of the below. <p><u>USDA</u></p> <ul style="list-style-type: none"> • <u>For borrowers in Consumer Credit Counseling, Chapter 12 or Chapter 13 Bankruptcies, The applicant must obtain written permission from the credit agency or bankruptcy court/trustee, as applicable, to enter into the mortgage transaction. If permission is not obtained, the loan is ineligible for purchase.</u>
DTI	<p>Evaluated and determined by AUS</p>





Employment/Income	
Employment/Income Verification	<ul style="list-style-type: none"> Follow AUS and first mortgage program guidelines, including all additional investor guidelines and diligence requirements for income and employment verification. All sources of qualifying income must be legal in accordance with all applicable federal, state and local laws, rules and regulation, without conflict. A 4506-C form is required to be signed at closing for all transactions. <u>Transcript Requirements:</u> <ul style="list-style-type: none"> W-2/1099 transcripts will not be required for a borrower when all income for that borrower is derived from W-2 wage earner and/or 1099 fixed income sources. <u>Tax transcripts are required in the following circumstances:</u> <ul style="list-style-type: none"> <u>When tax returns are used to qualify a borrower. The number of years provided must be based on the AUS findings. Income verified via tax returns includes but is not limited to the examples listed below:</u> <ul style="list-style-type: none"> <u>Self-employment income</u> <u>Rental income</u> <u>Other income sources (i.e. Dividend Interest, Capital Gains, Alimony, etc.)</u> <u>When a written VOE form 1005 is used as standalone income verification.</u> <u>Employment by family members</u> <u>When amended tax returns have been filed, transcripts are required and must support the amended income</u> <p><u>USDA</u></p> <ul style="list-style-type: none"> A signed 4506-T is required for all borrowers and adult household members that will reside in the home (with the exception of full time students if they are not the applicant, the spouse of the applicant or the head of household) The previous two years of IRS 1040 transcripts are required for each borrower and all adult household members (with the exception of full time students if they are not the applicant, the spouse of the applicant or the head of household) <p>Note: Typically, tax returns are not available from the IRS until two to three weeks after a Consumer e-files their tax returns and six to eight weeks after filing by mail. If the current tax return has been filed but the corresponding tax transcript is not yet available due to IRS lag times, the prior year's transcripts are required (depending on AUS requirement), in addition to the current tax return and current year transcript request returned as a "No Record Found". The current year tax returns must be reviewed to validate the stability of income/business and determine the reasonableness of any positive trends for the purpose of considering as qualifying income. <i>Additional documents, (i.e. copies of cancelled checks for IRS Payment or IRS refund, or electronic filing receipt from the IRS indicating the SID and AGI that matches the return) may be required on a case-by-case basis.</i></p> <p>In FEMA declared disaster areas, the IRS may grant tax filing extensions to citizens of specific Counties and Parishes. If a tax payer takes advantage of these extensions, a copy of the extension, the "No Record" result and the prior year's transcripts are required (based on AUS finding).</p>
Assets/Reserves	
Asset Documentation	Asset documentation must comply with the requirements of AUS findings and the FHA , USDA and VA Handbooks as applicable



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Financing Concessions	Permitted in accordance with FHA , USDA or VA guidelines
Borrower Contribution	Per Investor guidelines
Subordinate Financing	
Subordinate Financing/Down Payment Assistance	Refer to TSAHC guidelines for subordinate financing requirements
Property/Appraisal	
Eligible Property Types	<ul style="list-style-type: none"> • 1- 4 unit primary residences • Townhomes • PUDs in accordance with FHA/VA guidelines • Condominiums in accordance with investor guidelines • Leaseholds (FHA only) <p>Manufactured homes</p> <ul style="list-style-type: none"> ◦ FHA: <ul style="list-style-type: none"> ▪ <u>Minimum 640 FICO</u> ▪ AUS: Approve/Eligible – <u>manual underwrite not permitted</u> ▪ <u>Single wide manufactured homes not eligible</u> ▪ <u>Leaseholds not eligible</u> ◦ USDA: <ul style="list-style-type: none"> ▪ New Manufactured home units: <ul style="list-style-type: none"> • <u>Minimum 640 FICO</u> • <u>Doublewide or greater manufactured homes only</u> • <u>Leaseholds and Community Land Trusts not eligible</u> • Unit must not have had ANY alterations or additions since construction in the factory • Follow USDA 7 CFR 3550.73 for full program guidelines • GUS approve/eligible ▪ Existing Manufactured home pilot: <ul style="list-style-type: none"> • <u>Minimum 640 FICO</u> • <u>Doublewide or greater manufactured homes only</u> • <u>Leaseholds and Community Land Trusts not eligible</u> • Unit must not have had ANY alterations or additions since construction in the factory • Manufactured home must have been constructed on or after January 1,2006 in conformance with the Federal Manufactured Home Construction and Safety Standards



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	<ul style="list-style-type: none"> • <u>Manual underwrite required for this program only. Must utilize the USDA stacking order checklist for Manual Underwrite and follow all USDA Manual Underwriting guidelines.</u> • <u>No credit exceptions permitted</u> • <u>Debt ratio waivers permitted per USDA guidelines</u> • Unit must have additional inspection per pilot guidelines • Refer to USDA Existing Manufactured Homes Pilot program at https://www.rd.usda.gov/files/RDUL-SFHpilots.pdf for more details ○ VA: <ul style="list-style-type: none"> ▪ Manufactured homes <ul style="list-style-type: none"> • <u>Minimum 640 FICO</u> • <u>Doublewide or greater manufactured homes only</u> • <u>Leaseholds and Community Land Trusts not eligible</u>
Ineligible Property Types	<ul style="list-style-type: none"> • <u>Cooperatives</u> • <u>Group Homes</u> • <u>Community Land Trusts</u> • Mobile Homes • Working Farms and Ranches • Unimproved Land • Timeshares • Condotels • Hotel Condominiums • Unimproved land • <u>Geodesic Domes</u>
Appraisal Requirements	<p>Appraisal Condition Rating of C5/C6 or a Quality Rating of Q6 is not permitted.</p> <ul style="list-style-type: none"> • FHA - Refer to HUD Handbook 4000.1 <ul style="list-style-type: none"> ○ Appraisers must be on FHA Connection with State Certification designation of Certified General or Certified Residential ○ Appraiser must comply with the FHA Appraisal Independence Policy • VA - Refer to the VA Lender's Handbook <ul style="list-style-type: none"> ○ All appraisals must be ordered through VA's WebLGY (The Appraisal System), which will assign the order to a VA approved Appraiser -include an interior and exterior inspection of the subject property ○ A notice of value for property appraised as existing or new construction is valid for six months. Rapidly fluctuating real estate market conditions may temporarily dictate the use of a shorter validity period. ○ No new appraisal can be requested on a property which already has a valid VA value determination (No duplicate appraisals) • USDA- Refer to the USDA SFH Guaranteed Loan Program Handbook <ul style="list-style-type: none"> ○ The appraisal must have been completed within six months of the date of the request for a conditional commitment



	<ul style="list-style-type: none"> Appraisal transfers must be executed in accordance with USDA SFH Guaranteed Loan Program Handbook (3555) Purchase Transactions for existing dwellings must meet the current requirements of HUD Handbooks 4150.2 and 4905.1, typically verified through an RHS Adequacy Certification (Existing Dwelling Inspection Report), or by the appraiser certifying in the comments section of the appraisal that the property meets HUD Handbooks 4150.2 and 4905.1. Reuse of an appraisal from a prior transaction is not permitted
Appraisal Transfers	<ul style="list-style-type: none"> FHA <ul style="list-style-type: none"> Appraisal transfers must be executed in accordance with HUD Handbook 4000.1 VA <ul style="list-style-type: none"> Appraisal transfers must be executed in accordance with the VA Lender's Handbook USDA <ul style="list-style-type: none"> Appraisal transfers must be executed in accordance with USDA SFH Guaranteed Loan Program Handbook (3555)
Appraisal Re-Use	<ul style="list-style-type: none"> FHA <ul style="list-style-type: none"> The re-use of an appraisal under another case number is not permitted VA <ul style="list-style-type: none"> The re-use of an appraisal under another loan identification number is not permitted USDA <ul style="list-style-type: none"> The re-use of an appraisal from a prior transaction is not permitted
Limited 203(k)	<ul style="list-style-type: none"> Not permitted on manufactured housing May only be used for minor remodeling and non-structural repairs. Does not require the use of a 203(k) Consultant, but a Consultant may be used. The total rehabilitation cost must not exceed \$35,000. There is no minimum rehabilitation cost. All improvements to existing Structures must comply with HUD's Minimum Property Requirements and meet or exceed local building codes. Time frame for completion of repairs not to exceed six months. Work completed must be on the 203K Limited Eligible Improvement/Repairs list Follow FHA Handbook 4000.1 203k Limited guidelines regarding reason, type of improvements, time to complete, quality, disbursements, and post-closing documentation Lenders must handle all disbursements and are responsible for release of escrow and closing out the loans in FHA Connection





Disaster Area Requirements	<ul style="list-style-type: none"> Refer to the Disaster Guidelines in the Lakeview Loan Servicing Seller Guide for requirements pertaining to properties impacted by a disaster in: <ul style="list-style-type: none"> FEMA Major Disaster Declarations with designated counties eligible for individual assistance (IA); Areas where FEMA has not made a disaster declaration, but Lakeview Loan Servicing or an Investor (Fannie Mae, Freddie Mac, FHA, USDA or the Veterans Administration) has determined that there may be an increased risk of loss due to a disaster; Areas where the Seller has reason to believe that a property might have been damaged in a disaster <p>Correspondent lenders are responsible for monitoring the Disaster Declaration File and the FEMA Website including the FEMA Declarations Summary on an ongoing basis to ensure that the property is not located in an area impacted by a disaster.</p>
Escrow Holdbacks	<ul style="list-style-type: none"> Escrow holdbacks in accordance with all TSAHC guidelines are permitted for outstanding minor repairs for incomplete construction or for alterations and repairs that cannot be completed prior to loan closing provided the subject property is habitable and safe for occupancy at the time of closing <ul style="list-style-type: none"> <u>VA Loans: Escrow holdbacks are not permitted for Minimum Property Requirements (MPR) and/or any repair that delays the guarantee of the loan file</u> Follow investor guidelines regarding reason, type of improvements, time to complete, quality, disbursements, and post-closing documentation It is the Seller's responsibility to forward final completion documents to Lakeview Loan Servicing per investor guidelines Loans with outstanding escrow repairs must not impact Lakeview Loan Servicing's ability to deliver/sell the loan to Ginnie Mae The correspondent lender or designated escrow company will be responsible for managing and disbursing the escrows The correspondent lender shall deliver loans that were originated in accordance with the first mortgage investor guidelines. Correspondent lender or designated escrow company is to retain the escrow funds until all improvements have been completed. Lender to provide Lakeview Loan Servicing confirmation of all work completed and that escrow funds have been released.
Geographic Restrictions	State of Texas
Special Restrictions	
High Cost Loans	<u>Lakeview will not purchase High Cost Loans.</u>
Higher Priced Mortgage Loans (HPML)	Lakeview will purchase HPML in accordance with FHA, VA, or USDA guidelines



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Assumptions	Permitted in accordance with investor guidelines
Insurance	
Mortgage Insurance	Per Investor guidelines
Other Considerations	
Age of Documents	<ul style="list-style-type: none"> All credit documents must be dated within 120 days of the note date Preliminary title policies must be no more than 180 days old on the date the note is signed
Assignment of Mortgage	All loans must be registered with MERS at the time of delivery to Lakeview. The MERS transfer of beneficial rights and transfer of servicing rights must be initialed by the Seller within 7 calendar days of purchase date. Refer to selling guide for transfer requirements.
Seasoning	See Lakeview Loan Servicing Seller Guide
Escrow Waivers	<u>Escrow accounts for property taxes, homeowner's insurance and flood insurance (if applicable) are required on all loans.</u>
Forbearance	Lakeview Loan Servicing will not purchase any loan where the borrower is actively seeking a forbearance or any loan that is in an "active" forbearance status prior to purchase by Lakeview Loan Servicing.
<p>Seller shall deliver loans that were originated in accordance with FHA, USDA, or VA guidelines as applicable, unless otherwise stated with this product matrix. **In the case of conflicting guidelines, lender must follow the more restrictive to meet the credit, income limits, total debt-to-income ratio and loan and property requirements of TSAHC, FHA, USDA, or VA,(as applicable), Lender or Lakeview Loan Servicing.</p>	



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Version Control			
Author	Section	Date	Update
SG	Property Eligibility	3.8.23	Removed FHA SUA overlay
SG	Eligible Terms/Product Codes	4.6.23	Moved product codes FTX 700, UTX 700 and VTX 700 to liens
SG	Employment/ Income Verification	4.19.23	Added clarifying language: regarding transcripts • Additional documents, (i.e. copies of cancelled checks for IRS Payment/IRS refund, or electronic filing receipt from the IRS indicating the Submission Identification Number (SID) and AGI that matches the return) may be required on a case-by-case basis.
SG	Income/Employment Verification	5.10.23	<p>Added:</p> <ul style="list-style-type: none"> Note: Typically, tax returns are not available from the IRS until two to three weeks after a Consumer e-files their tax returns and six to eight weeks after filing by mail. If the current tax return has been filed but the corresponding tax transcript is not yet available due to IRS lag times, the prior year's transcripts are required (depending on AUS requirement), in addition to the current tax return and current year transcript request returned as a "No Record Found". The current year tax returns must be reviewed to validate the stability of income/business and determine the reasonableness of any positive trends for the purpose of considering as qualifying income. <i>Additional documents, (i.e. copies of cancelled checks for IRS Payment or IRS refund, or electronic filing receipt from the IRS indicating the SID and AGI that matches the return) may be required on a case-by-case basis.</i> In FEMA declared disaster areas, the IRS may grant tax filing extensions to citizens of specific Counties and Parishes. If a tax payer takes advantage of these extensions, a copy of the extension, the "No Record" result and the prior year's transcripts are required (based on AUS finding).
SG	Version Control	8.16.23	Removed version control prior to 2022



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