

Reminder: Lenders who wish to participate in this Program must be approved as a correspondent of CBC Mortgage Agency.

## CBC Mortgage Agency Product Matrix

|                                 | Chenoa Fund   |  |  |   |   |
|---------------------------------|---|--|--|---|---|
|                                 | Conventional  |  | FHA  |   |   |
|                                 | HomeReady®*   | Conventional Standard 97®*   | Rate Advantage   | DPA Edge: Soft Second   | DPA Edge: Repayable Second  |
| Program Notes                   | <b>*Neither Chenoa Fund, CBCMA nor any of their products are approved by or affiliated with Fannie Mae®. It is the originating lender's responsibility to ensure that the use of CBCMA second mortgages, the CBCMA first mortgage, and combination of the first and second mortgages are compliant with Fannie Mae's® HomeReady® requirements. All other posted program notes or guidelines are overlays of Chenoa Fund, CBCMA.</b> | <b>*Neither Chenoa Fund, CBCMA nor any of their products are approved by or affiliated with Fannie Mae®. It is the originating lender's responsibility to ensure that the use of CBCMA second mortgages, the CBCMA first mortgage, and combination of the first and second mortgages are compliant with Fannie Mae® requirements. All other posted program notes or guidelines are overlays of Chenoa Fund, CBCMA.</b> | <b>UNLESS OTHERWISE SPECIFIED HERE AS AN OVERLAY, CBC MORTGAGE AGENCY ADHERES TO ALL POSTED GUIDELINES FOR FHA ELIGIBILITY AS FOUND IN THE FHA HOUSING HANDBOOK, 4000.1.</b> |   |   |
| Description of DPA Product Type | Down payment assistance in the form of a 10 Year Fixed Rate Mortgage with an interest rate 2% higher than the first mortgage. Please refer to daily rate sheet for interest rates on FNMA First Mortgage. <b>Chenoa Fund program overlays are not affiliated with Fannie Mae.</b>   |  | Down payment assistance in the form of 10 Year Repayable Secondary Financing at an 8% fixed rate only.   | Down payment assistance in the form of Soft/Forgivable Secondary Financing. Second lien is a 30-year term, 0% interest, and no payments due, but will be forgiven after 36 regular on-time payments of the underlying first mortgage. | Down payment assistance in the form of Repayable Secondary Financing. Loan Option 1 is a 10-year term 0% interest rate. Loan Option 2 is a 30-year term, 5% interest rate. Both loans require regular monthly payments. |
| Down Payment Assistance Amt     | 3.5%; (3% down, remaining .5% can be used toward closing costs.)  |  | 3.5% rounded to the nearest dollar.  |   |   |
| Minimum Credit Score            | 640   |  | 640  | 620   |   |

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|---|---|----------------------------|--|--|---|
| <i>Credit Score Comment</i>   | All borrowers must have at least one credit score. Soft pull credit report required within 10 days of Note date.  |                            |  |  |   |
| <i>Max Units</i>  | One   |                            |  | Two  |   |
| <i>Borrower Income Limits</i>   | <ul style="list-style-type: none"> <li>•No income limits in low-income census tracts. • <b>80% (New! Effective 7/20/10)</b> of area median income (AMI) for all other properties.</li> </ul>  | No Income Limits.          | Fully-amortized second mortgages with a term of 10 years for borrowers with qualifying income <b>&lt;=115% of area median income.</b>  | Soft/Forgivable Secondary Financing available to borrower with qualifying income <b>&lt;=115% of area median income per lender contract.</b> | Fully-amortized second mortgages with a term of 10 or 30 years. <b>No income limits for this program!</b> |
| <i>AMI Calculation</i>  | Not required.   |                            | Based on loan QUALIFYING income only (only use income on final loan application). Use HUD AMI chart.<br><a href="https://www.huduser.gov/portal/datasets/il.html">https://www.huduser.gov/portal/datasets/il.html</a>                      |  |   |
| <i>Down Payment Assistance</i>  | Lenders fund the down payment assistance at closing and will be reimbursed by CBCMA upon purchase of the FHA insured first mortgage under the terms of a Funding Obligation Letter.   |                            |  |  |   |
| <i>Loan Purpose</i>   | Purchase Only.  |                            |  |  |   |
| <i>Occupancy and Property Type</i>                                    | All borrowers must occupy the property as their primary residence. SFR, eligible condos, and PUDs. No manufactured homes.   |                            | All borrowers must occupy the property as their primary residence. All other FHA guidelines apply.   | One of the borrowers must occupy the property as their primary residence. All other FHA guidelines apply.                                    |   |
| <i>First Time Home Buyer</i>  | Not required.   | Required.                  | Not required.  |  |   |
| <i>Manufactured Housing</i>   | Not permitted.  |                            | <b>Permitted – see the Manufactured Housing Guidelines at <a href="http://chenoafund.org">chenoafund.org</a>.</b>  |  |   |
| <i>Minimum Borrower Contribution (own funds)</i>                      | \$0   |                            |  |  |   |
| <i>Acceptable Sources of Funds for Down Payment and Closing Costs</i> | <ul style="list-style-type: none"> <li>•Gifts, grants, and CBCMA second mortgages. •Any eligible loan may have more than one CBCMA approved second lien (i.e., third lien) up to the maximum 105% CLTV. Sweat equity is acceptable in accordance with FNMA guidelines.</li> </ul> |                            | <ul style="list-style-type: none"> <li>•Gifts, grants, and CBCMA second mortgages. •Any eligible loan may have more than one subordinate lien (i.e., third lien). Sweat equity is acceptable in accordance with FHA guidelines.</li> </ul> |  |   |
| <i>Product</i>  | 30-year Fixed Rate Mortgage. First mortgage must be purchased by CBCMA.   |                            | 30 Year Fixed Rate term with full amortization only: 1. FHA 203 (b) 2. FHA 234 (c) First Mortgage must be purchased by CBCMA.  |  |   |

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|--|---|---|--|---|--|
| Max DTI                                    | Per AUS Approve/Eligible Findings   |   | 50%  | Per AUS Approve/Eligible Findings   |  |
| Homeownership Education                    | Required. Available from any Fannie Mae approved source. <a href="https://homeready.frameworkhomeownership.org">https://homeready.frameworkhomeownership.org</a>  | Not Required.   |  | Required for borrowers with credits scores between 620-639. Must be completed through Hope Loan Port. <a href="https://www.borrowersuccess.org/prepurchase">https://www.borrowersuccess.org/prepurchase</a>                           |  |
| Cash Back to Borrower                      | Borrower may receive a refund of documented earnest money deposit and other documented, paid third-party costs only.  |   |  |   |  |
| Non-Occupant Borrowers                     | Non-occupant borrowers are not permitted by CBCMA with this program.  | Not allowed.  |  | <b>Allowed (Family members or relatives only as defined by FHA). When loan includes a non-occupant co-borrower, qualifying income of only the occupying borrower(s) is used to determine program qualifications under AMI limits.</b> |  |
| <b>Additional Properties Owned –(New)</b>  | <b><u>Additional REO may be allowed, but for borrowers retaining their currently owned residence, contact <a href="mailto:scenariodesk@chenoafund.org">scenariodesk@chenoafund.org</a> for exception requests.</u></b>  | Not Allowed.  |  | <b><u>Additional REO may be allowed, but borrowers retaining their currently owned primary residence - Not Allowed.</u></b>   | <b>Allowed (Letter of explanation required to explain the motivation to keep current residence while purchasing new. If new residence puts the borrower's commute at an additional distance of 30 minutes to place of employment, Chenoa expects this to be referenced in the LOE)</b> |
| Maximum Loan Amount                        | Per FNMA guidelines - varies by county.   |   | Per FHA guidelines - varies by county.   |   |  |
| Maximum LTV/CLTV and Subordinate Financing | <b>DU® Only – LTV to 95% (New)</b><br><b>DU® Only - LTV to 97%</b><br><b>DU® Only CLTV to 105%</b>  | 97% (up to 105% only if the subordinate financing meets the requirements in Fannie Mae's® Selling Guide for loans with higher CLTVs). | To 96.5% LTV. DPA Max Financing = 3.5% of Purchase Price. No max CLTV. (Per FHA guidelines, additional outside financing may be acceptable with unlimited CLTV – conditions may apply.)  |   |  |
| Ineligible Borrowers                       | Any borrower that does not meet Agency definition of a lawful, legal resident of the United States. For borrower residency or VISA classification acceptance, follow Fannie guidelines or email the Chenoa Fund Scenario Desk for assistance. DACA recipients generally not allowed.  |   | Any borrower that does not meet FHA's definition of a lawful, legal resident of the United States. For borrower residency or VISA classification acceptance, follow FHA guidelines or email the Chenoa Fund Scenario Desk for assistance. DACA recipients generally not allowed. |   |  |
| HPML, High Cost & QM Compliance            | HPML transactions are allowed. Lender must comply with CFPB & TRID requirements. High Cost loans are not permitted. All loans must adhere to QM/ATR Compliance – loans exceeding 3% max points/fees test are not permitted unless cures are applied. Bona fide Discount Points must adhere to CFPB and any/all state regulations. |   |  |   |  |

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|---|---|----------------------------|--|-----------------------|----------------------------|
| <i>Mortgage Insurance (MI) Coverage Financed MI</i>                         | 25% MI coverage.  | 35% MI coverage.           | Standard FHA Coverage.                   |                       |                            |
| <i>AUS</i>  | <p><b><i>DU/DO Only (New - see Seller's Guide for more information on Fannie Mae updates to DU Risk Assessment effective 7/20/19)</i></b></p> <ul style="list-style-type: none"> <li>•Based on the census tract and borrower income, DU® will notify users when a loan casefile appears to be eligible for HomeReady® but the lender has not underwritten the loan casefile as HomeReady®. Resubmit the loan casefile as HomeReady® loan to obtain the appropriate HomeReady® messaging. The Additional Data screen field will allow the lender to enter census tract information if DU® is unable to geocode the property address. •DU® recommendation of Approve/Eligible required. DU® will determine qualifying ratios and reserves.</li> </ul> | DU/DO Only.                | DU, Loan Prospector, or TOTAL Scorecard. |                       |                            |
| <i>Manual Underwriting, Exceptions to Minimum Credit Score Requirements</i> | Not Allowed per CBC Mortgage Agency guidelines.   |                            |  | Allowed.              |                            |

|   |   |                                   |  |  |                                   |
|---|---|-----------------------------------|--|--|-----------------------------------|
| Fees to CBCMA                               | <p><b>\$399 Admin Fee*.</b><br/> <b>No lender fees allowed on secondary financing.</b><br/> <i>*The Admin fee is charged to the Correspondent and reflected on the Purchase Advise as a deduction from the total loan sale proceeds. <b>Any addition to the lender fees to offset this charge to be paid by the borrower must NEVER reflect as a charge payable to CBCMA. This fee MUST always be listed in Section A, either included in the Origination Charges or a separate line item Admin charge – but NEVER reflected as payable to CBCMA. Correspondents who choose to pass this cost along to the borrowers must be prepared to have this included in the TRID points &amp; fees test.</b></i></p> |                                   |  |  |                                   |
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| Fees to Originator                          | Origination fee must conform to QM guidelines. Discounted points must conform to QM guidelines. Rebuttable Presumption loans are acceptable.  |                                   | Maximum 1.5% Origination fee (Lender may charge underwriting/processing fees not to exceed QM limits). Discounted points must conform to QM guidelines. Rebuttable Presumption loans are acceptable. | Origination fee must conform to QM guidelines. Discounted points must conform to QM guidelines. Rebuttable Presumption loans are acceptable. |                                   |
| <b>Required Documents</b>                   | <p>Secondary Financing requires the delivery of a complete second lien file to include an application, LE, CD and all other state and federal required disclosures.</p> <p>Secondary Financing requires an initial and final 1003, TRID compliant disclosures, and any state required disclosures.<br/> <b>Please note: initial and final 1003 must be complete – present housing expenses must be completed. No exceptions.</b></p> <p>The first mortgage file must contain a copy of the Note and Deed of Trust/Mortgage and a Funding Obligation letter dated prior to the loan closing date.</p>  |                                   |  |  |                                   |
| IRS Transcripts Requirements                | <p><b>New!- Required ONLY for SELF-EMPLOYED borrowers, or any borrower that needs tax returns for qualifying. W2-only income is no longer required to be validated with transcripts unless the loan is an identity-of-interest transaction or other QC concerns exist. For W2-borrowers, follow AUS requirements for income documentation, or manual UW requirements if the loan is manually downgraded. (New as of 5/15/19)</b><br/> For questions or exceptions, please email <a href="mailto:scenariodesk@chenoafund.org">scenariodesk@chenoafund.org</a></p>  |                                   |  |  |                                   |
| CBC Mortgage Agency - Rate Sheet Compliance | <p>CBC Mortgage Agency does not charge discount points on any of our loan products. The terminology of 'discount points' has been clarified as to discussions surrounding the price paid to correspondents for rates charged on our rate sheets due to FICO score price adjustments. Please see the Seller's Guide - pg.46 - for a complete explanation and correct compliance interpretation.</p>  |                                   |  |  |                                   |