

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 DPA					Non-DPA Option
	Conventional		FHA			
			DPA			Non-DPA
	HomeReady®	Conventional Standard 97®	Rate Advantage	DPA Edge: Soft Second	DPA Edge: Repayable Second	FHA Classic
<i>Program Notes</i>	Neither CBCMA nor Chenoa Fund and any of its products are approved by or affiliated with Fannie Mae®. Originating lenders are responsible for ensuring that their use of CBCMA second mortgages and conventional first mortgages is compliant with Fannie Mae's® HomeReady® requirements. All other posted program notes or guidelines are overlays of Chenoa Fund, CBCMA.	Neither CBCMA nor Chenoa Fund and any of its products are approved by or affiliated with Fannie Mae®. Originating lenders are responsible for ensuring that their use of CBCMA second mortgages and conventional first mortgages is compliant with Fannie Mae's® requirements. All other posted program notes or guidelines are overlays of Chenoa Fund, CBCMA.	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.			
<i>Amount of DPA provided</i>	3.5% of the purchase price of the home.					No DPA provided.
<i>Description of DPA Product Type</i>	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 the daily rate sheet for interest rates on FNMA first mortgages. Chenoa Fund program overlays are not affiliated with Fannie Mae.		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, and 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.	No DPA provided.
<i>Borrower Income Limits</i>	Per FNMA guidelines.	No income limits.	Fully amortized second mortgages with a term of 10 years for borrowers with qualifying income <b>less than or equal to 135% of area median income.</b>	Soft/forgivable secondary financing available to borrower with qualifying income <b>less than or equal to 115% of area median income.</b>	Fully amortized second mortgages with a term of 10 or 30 years. <b>No income limits!</b>	No income limits.
<i>AMI Calculation</i>	Not required.		Based on loan <b>qualifying income only</b> (only use income on final loan application). Use HUD AMI chart. <a href="https://www.huduser.gov/portal/datasets/il.html">https://www.huduser.gov/portal/datasets/il.html</a>		Not required.	
<i>Occupancy and Property Type</i>	All borrowers must occupy the property as their primary residence. SFR, eligible condos, and PUDs. No manufactured homes. No Co-Ops.		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.	All borrowers must occupy the property as their primary residence. All other FHA guidelines apply.	
<i>1st Time Home Buyer</i>	Not required.	Required.	Not required.			
<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.			
<i>Undisclosed Debt Monitoring and Credit Score Refreshes</i>	All borrowers must have at least one credit score. CBCMA will require a tri-merge/three bureau, soft-pull credit refresh, dated within ten (10) days of the note date or evidence of enrollment in a credit monitoring service that pulls from all three bureaus through the aforementioned ten day time period.		All borrowers must have at least one credit score. To be sure that there is no new adverse credit activity, new debt, or material inquiries, CBCMA requires a soft pull credit report or UDM (Undisclosed Debt Monitoring) report within ten days prior to close. CBCMA highly recommends correspondents utilize a debt monitoring service that checks for new debt or material inquiries. While soft pull credit reports are acceptable, they may disclose additional information that may require an update to the AUS. If there is a new material inquiry, then CBCMA will require that an LOE explaining the new material inquiry be provided to determine if new debt was incurred. If new debt was incurred prior to closing, then FHA guidelines may require that the file be re-run through AUS and the debt added to the borrower's final application.			
<i>Minimum Credit Score</i>	640		620			640
<i>Base DTI Requirements</i>	<ul style="list-style-type: none"> <li>Fico 660+: DTI per AUS Approval.</li> <li>FICO 640-659: <b>50% DTI or less. (See alternative qualification requirements for more details)</b></li> </ul>		<ul style="list-style-type: none"> <li>FICO 640+: <b>Maximum 50% DTI.</b></li> </ul>	<ul style="list-style-type: none"> <li>FICO 660+: DTI per AUS Approval.</li> <li>FICO 640-659: <b>50% DTI or less. (See Alternative Qualification Requirements for more details)</b></li> <li>FICO 620-639: <b>45% DTI or less. (See Alternative Qualification Requirements for more details)</b></li> </ul>		<ul style="list-style-type: none"> <li>FICO 640+: <b>Maximum 50% DTI.</b></li> </ul>

	Conventional		FHA			
	HomeReady**	Conventional Standard 97**	Rate Advantage	DPA Edge: Soft Second	DPA Edge: Repayable Second	FHA Classic
<b>Alternative Qualification Requirements</b>	<b>640–659</b> <ul style="list-style-type: none"> <li>• 50% DTI or less</li> <li>• If a borrower exceeds this DTI, refer to alternative qualification requirements</li> </ul> <b>660+</b> <ul style="list-style-type: none"> <li>• DTI ratio per AUS approval</li> </ul> <b>Alternative Qualification Requirements</b> For borrowers who exceed payment shock or DTI requirements, or both: <ul style="list-style-type: none"> <li>• Have two (2) years employed with the current employer OR two (2) months PITI reserves; AND</li> <li>• Have maximum DTI 31% front-end OR meet VA Residual Income Tests</li> </ul>		<b>Alternative qualification requirements not applicable to this product.</b>	<b>620–639</b> (for borrowers with present housing payment) <ul style="list-style-type: none"> <li>• Verification of 12 months of current housing expense required</li> <li>• HBE required</li> <li>• Payment shock of 125%</li> <li>• 45% DTI or less</li> <li>• If a borrower with present housing payment exceeds these payment shock and/or DTI requirements, refer to alternative qualification requirements. Never to exceed 50% DTI</li> </ul> <b>620–639</b> (for borrowers without present housing payment) <ul style="list-style-type: none"> <li>• See section 5.17 for more information regarding VOR requirements.</li> <li>• HBE required</li> <li>• Maximum DTI 31% front-end and 45% backend; never to exceed 45% backend DTI</li> <li>• Three (3) months PITI reserves</li> <li>• Minimum two (2) years with present employer</li> <li>• Meet VA Residual Income requirements</li> </ul> <b>640–659</b> (for all borrowers) <ul style="list-style-type: none"> <li>• Verification of amount of current housing expense required; a payment history is not required</li> <li>• DTI of 50% or less</li> <li>• If a borrower exceeds this DTI, refer to alternative qualification requirements</li> </ul> <b>660+</b> <ul style="list-style-type: none"> <li>• DTI ratio per AUS approval</li> </ul> <b>Alternative Qualification Requirements</b> For borrowers who exceed payment shock or DTI requirements, or both: <ul style="list-style-type: none"> <li>• Have two (2) years employed with the current employer OR two (2) months PITI reserves; AND</li> <li>• Have maximum DTI 31% front-end OR meet VA Residual Income Tests</li> </ul>		<b>Alternative qualification requirements not applicable to this product.</b>
<b>Payment Shock Requirements</b>	N/A		Borrowers with scores between 620–639 are restricted to a payment shock of 125% or less, unless they meet the relevant alternative qualification requirements (see above).		N/A	
<b>Present Housing Expense &amp; Verification of Rent</b>	-All applications should contain a "present housing payment" unless the borrower is not currently making a housing payment. -Borrowers in the 620–639 FICO range making a present housing payment in the form of rent must provide a verification of housing payment. Borrowers renting from family or an individual may provide twelve months of cancelled checks or bank statements. -Borrowers in the 640–659 FICO range making a present housing payment in the form of rent must provide verification of current housing expense; a payment history is not required. Acceptable forms of documentation include a copy of the rent/lease agreement, bank statements tracking payments for the amount of reported rent, a letter from the landlord, or a filled out VOR (if a VOR is provided, the rental history will be used in credit qualification). -For any borrowers not making a present housing payment, regardless of FICO range, a verification of housing payment will also be required to be completed by the landlord or homeowner, documenting that no rent is required to be paid. An explanation of the reason for the rent-free arrangement should be noted in the comments section of the verification of housing payment. -This guideline is intended to ensure that CBCMA can analyze payment shock.					
<b>First Mortgage Must Be Sold to CBCMA</b>	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.				CBCMA will purchase the FHA insured first mortgage, via mandatory delivery. If the loan is not sold to CBCMA, then the correspondent lender will owe CBCMA a pair-off fee.	
<b>Loan Purpose</b>	Purchase Only.				Purchase, rate and term refinance, <b>streamline refinance.</b>	
<b>Homeownership Education</b>	Required. Available from any Fannie Mae approved source.	On 10/2/19, Fannie Mae updated its homebuyer education requirements making homebuyer education mandatory on most loans with an LTV of 95% or greater. Even though CBCMA may not require it, if your AUS approval requires it, you will need to include the completion certificate demonstrating that at least one of your buyers completed an acceptable course.	Not Required.	<ul style="list-style-type: none"> <li>• Required for borrowers with credit scores between 620–639. This course must be taken prior to closing.</li> <li>• CBCMA no longer requires that this course be completed through Hope Loan Port. Any HUD-approved counseling course is approved by CBCMA. However, CBCMA will continue to pay the course fee for those borrowers who choose to take the Hope Loan Port course.</li> <li>• Please note: only the borrowers with scores less than 640 are required to take the course. Any borrower on your transaction with scores equal to or greater than 640 is not required to take the course.</li> </ul> <a href="https://www.borrowersuccess.org/prepurchase">https://www.borrowersuccess.org/prepurchase</a>	Not Required.	

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	HomeReady**	Conventional Standard 97**	Rate Advantage	DPA Edge: Soft Second	DPA Edge: Repayable Second	FHA Classic
<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.</li> <li>•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.</li> <li>•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>			<ul style="list-style-type: none"> <li>•Gifts and grants.</li> <li>•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>Minimum Borrower Contribution</i>	\$0					Per FHA guidelines.
<i>Manufactured Homes</i>	Not permitted.		Permitted – see the <b>Manufactured Housing Guidelines</b> ( <a href="https://chenoafund.org/lender/manufactured-housing-guidelines/">https://chenoafund.org/lender/manufactured-housing-guidelines/</a> ).			
<i>Cash Back to Borrower</i>	Borrower may receive a refund of documented earnest money deposit and other documented, paid third-party costs only.					
<i>Non-Occupant Borrowers</i>	Non-occupant borrowers are not permitted by CBCMA with this program.	Not allowed.		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.	Not allowed.	
<i>Maximum Loan Amount</i>	Per FNMA guidelines—varies by county.		Per FHA guidelines—varies by county.			
<i>Maximum LTV/CLTV and Subordinate Financing</i>	DU® Only – LTV to 95% DU® Only – LTV to 97% DU® Only – CLTV to 105% Up to 105% only if the subordinate financing meets the requirements in Fannie Mae's® Selling Guide for loans with higher CLTVs. The maximum DPA financing is 3.5% of the purchase price. Borrowers may increase their minimum required investment (down payment) by putting down additional funds above and beyond the assistance received from Chenoa Fund as long as the loan-to-value ratio does not go below 90%.		Up 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. The maximum DPA financing is 3.5% of the purchase price. Borrowers may increase their minimum required investment (down payment) by putting down additional funds above and beyond the assistance received from Chenoa Fund as long as the loan-to-value ratio does not go below 90%.			Up to 96.5% LTV. LTV can go below 90%. Max CLTV Per FHA guidelines.
<i>Ineligible Borrowers</i>	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. See Correspondent Lending Guide for more details.		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 not allowed. See Correspondent Lending Guide for more details.			
<i>HPML, High Cost &amp; QM Compliance</i>	HPML transactions are allowed. Lender must comply with CFPB & TRID requirements. High Cost loans are not permitted. All loans must adhere to QM/TRID Compliance – loans exceeding QM 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.					
<i>Mortgage Insurance (MI) Coverage Financed MI</i>	25% MI coverage.	35% MI coverage.	Standard FHA Coverage.			
<i>Fees to CBCMA</i>	\$399 Admin Fee. No lender fees allowed on secondary financing. The only fees chargeable to the borrower in conjunction with the secondary financing are prepaid interest, recording fees for the Deed of Trust, reasonable settlement fees, and a courier fee to return the signed documents to the Lender. The Admin fee is charged to the Correspondent and reflected on the Purchase Advise as a deduction from the total loan sale proceeds. 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 & fees test. See correspondent lending guide for more details.				\$399 Admin Fee. The Admin fee is charged to the Correspondent and reflected on the Purchase Advise as a deduction from the total loan sale proceeds. Any addition to the lender fees to offset this charge to be paid by the borrower must <b>never reflect as a charge payable to CBCMA</b> . This fee MUST always be listed in Section A, either included in the Origination Charges or a separate line item Admin charge – <b>but NEVER reflected as payable to CBCMA</b> . Correspondents who choose to pass this cost along to the borrowers must be prepared to have this included in the TRID points & fees test. See correspondent lending guide for more details.	

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	HomeReady**	Conventional Standard 97**	Rate Advantage	DPA Edge: Soft Second	DPA Edge: Repayable Second	FHA Classic
<i>Fees to Originator</i>	<p>CBCMA will allow a maximum origination fee of 1.5%. Additionally, the lender may charge for any CBCMA loan level pricing adjustments (LLPAs). On loans locked May 18th or later, lenders will be required to refund borrowers for any origination fees (including non-bona-fide discount points) exceeding 1.5% plus CBCMA LLPAs. Reasonable lender underwriting, administrative, or program fees are not considered in this calculation; however, they are considered in the QM 3% points and fees test. On brokered transactions, non-bona fide discount points may be charged in excess of the 1.5% origination fee maximum. These loans still must adhere to the QM 3% points and fees rule. At no time will CBC Mortgage Agency purchase a loan that exceeds the QM 3% points and fees test.</p>					
<i>AUS</i>	<p><b>DU/DO Only</b> (See Correspondent Lending Guide for more information on Fannie Mae updates to DU Risk Assessment effective 7/20/19)</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.</li> <li>DU® recommendation of Approve/Eligible required. DU® will determine qualifying ratios and reserves.</li> </ul>	DU/DO Only.	DU, Loan Prospector, or TOTAL Scorecard.		DU/LP only on non-streamline. Manual Underwriting only on SL.	
<p><b>CBC Mortgage Agency - Additional UW and Documentation Overlays</b> (Additional Overlays Highlighted in Light Red Throughout Previous Pages)</p>						
<i>Manual Underwriting</i>	Not Allowed per CBC Mortgage Agency guidelines.		Allowed.		Not Allowed per CBC Mortgage Agency guidelines.	
<i>IRS Transcripts Requirements</i>	Only required 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.					
<i>Flood Certificate</i>	Any life-of-loan flood certification from a valid vendor is acceptable as long as the flood certification in the file matches the appraiser's flood information. If this is not the case, CBCMA will pull the certificate from CoreLogic and charge \$15 on the PA.					
<i>CBC Mortgage Agency - Rate Sheet Compliance</i>	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 Correspondent Lending Guide for a complete explanation and correct compliance interpretation.					
<i>Initial &amp; Final 1003</i>	We do require both an Initial and a Final 1003 per agency guidelines. We require either the Initial 1003 or the Final 1003 to contain the signature of the originating MLO. This is not a requirement of just the final. One should be signed, but both are not required. Either the Initial 1003, or the Final 1003, must also be completed with the present housing expense section filled out. No exceptions.					
<i>Required Documents</i>	<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.</p> <p>The first mortgage file must contain a copy of the note, the deed of trust/mortgage, and a funding obligation letter dated prior to the loan closing date.</p>					The first mortgage file must contain a copy of the note and the deed of trust/mortgage.
<i>Seller's CD</i>	A copy of the seller's CD with the Seller's signature is required on all transactions.					

	Conventional		FHA			
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<i>Ineligible Features</i>	<ul style="list-style-type: none"> <li>• Building on own land</li> <li>• Construction to Perm</li> <li>• Easements and Deed Restrictions that affect value, marketability, or property accessibility as determined by the appraiser and for which no protective title endorsement is available</li> <li>• Loans with resale deed restrictions</li> <li>• Proposed or under construction (new construction OK provided that the property is complete at the time of purchase)</li> </ul>					
<i>Escrow Holdbacks</i>	Escrow holdbacks must be weather related. Please see the Correspondent Lending Guide for more information.					
<i>Intent to Proceed</i>	Documented Intent to Proceed from all borrowers is required on all transactions.					
<i>Mortgage Credit Certificates (MCC)</i>	Allowed. Follow FHA guidelines for approval.					
<i>Gaps in Employment</i>	Employment gaps greater than 30 days require a borrower Letter of Explanation (LOE).					
<i>Mortgage Insurance Certificates (MIC)</i>	All Mortgage Insurance Certificates for all loans will be required to be delivered to CBC Mortgage Agency within 60 days of the note date. On manufactured homes, all MICs will be required prior to purchase. This will help us better align with industry standards for mitigating risk and preventing secondary delivery delays. Fees will be applied if delivery dates are not met.					
<i>Current Housing Payment</i>	All applications must contain a "present" housing payment unless the borrower is currently not making a housing payment. This field may not be left blank. If the borrower is not making a housing payment then \$0.00 should be entered into the "present" housing payment field on the loan application and the file must contain the following A structured Letter of Explanation from the borrower to specifically address their housing situation.					
<i>Additional Properties Owned</i>	<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>	Not allowed.	Not allowed.	Allowed, but a Letter of Explanation (LOE) is required to explain the motivation to keep current residence while purchasing new. An acceptable reason must be documented for the move, along with the intent behind retaining the current property. Occupancy reasonability must be documented and a QC review may be applied to the transaction. 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.		
<i>South Carolina</i>	The minimum second mortgage loan amount is \$5000. Therefore, for purchase prices below \$143,800, the DPA amount will be \$5000.					SC minimum second mortgage loan amount guidelines not applicable to this product.
<i>Max Units</i>	One. 2-4 Units ineligible.			Two. 3-4 Units ineligible.		One. 2-4 Units ineligible.