

**GOLDEN STATE FINANCE AUTHORITY (GSFA)**  
**GOLDEN OPPORTUNITIES PROGRAM**  
**LENDER TERM SHEET – FHA, VA, USDA LOANS**

<b>PROGRAM SPONSOR</b>	Golden State Finance Authority (GSFA)
<b>SERVICER</b>	The Money Source, Inc (TMS)
<b>PARTICIPATING LENDERS</b>	Lenders interested in participating in this Program must complete a GSFA Lender Profile, execute a GSFA Program Lender Agreement, and be an Approved Correspondent Lender with the Servicer.  <i>The GSFA Lender Profile and GSFA Program Lender Agreement are available for download from the GSFA GO Program Participant Guide at <a href="http://www.gsfahome.org">www.gsfahome.org</a>.</i>
<b>DESCRIPTION</b>	GSFA Golden Opportunities Program (GO Program) is designed to increase homeownership opportunities for low-to-moderate income individuals and families in California. Down Payment Assistance (DPA) is available in the form(s) stated below.
<b>FIRST MORTGAGE LOAN TYPES AND TERMS</b>	<p><b>Loan Types:</b></p> <ul style="list-style-type: none"> <li>• <b>FHA:</b> 203(b), and 234(c); in accordance with FHA guidelines. <ul style="list-style-type: none"> <li>○ Cooperative housing (co-op) is not eligible.</li> </ul> </li> <li>• <b>VA:</b> In accordance with VA guidelines under 1810 and 181A.</li> <li>• <b>USDA RD:</b> In accordance with USDA guidelines.</li> </ul> <p><b>Loan Term:</b></p> <ul style="list-style-type: none"> <li>• 30-year fixed term with full amortization.</li> </ul> <p><b>Maximum Loan Amount:</b></p> <ul style="list-style-type: none"> <li>• <b>\$766,550.</b></li> </ul> <p><b>Max LTV/CLTV:</b></p> <ul style="list-style-type: none"> <li>• Follow loan agency guidelines.</li> </ul>
<b>MORTGAGE LOAN INTEREST RATES:</b>	<p>Program Manager (NHF) shall publish the Mortgage Rate on its Reservation Portal at <a href="https://nhfresportal.nhfloan.org/login.aspx">https://nhfresportal.nhfloan.org/login.aspx</a> on behalf of GSFA.</p> <ul style="list-style-type: none"> <li>• The Reservation Portal may be accessed Monday through Friday between 9:00 AM and 4:00 PM PST/PDT, National Holidays excluded.</li> <li>• The published Mortgage Rates are subject to change at any time.</li> </ul>
<b>DOWN PAYMENT AND CLOSING COST ASSISTANCE (DPA)</b>	<p>DPA is available from GSFA for Purchase transactions as outlined below:</p> <p><b>DPA Amount:</b></p> <ul style="list-style-type: none"> <li>• Up to 5.00% of the Final First Mortgage Loan amount.</li> </ul> <p><b>DPA Form:</b></p> <ul style="list-style-type: none"> <li>• An amortizing 15-year Second Mortgage Loan, sized at 3.50% of the First Mortgage Loan Amount, with optional Gift funds, up to 1.50%.</li> </ul> <p><b>DPA General Terms:</b></p> <ul style="list-style-type: none"> <li>• Proceeds may be used for down payment and/or closing costs.</li> </ul> <p>There must be no cash back to the borrower from the DPA proceeds; Lender upfronts the DPA amount at closing to be reimbursed by the Servicer, on behalf of GSFA, upon purchase of the First Mortgage Loan.</p>

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<p><b>DOWN PAYMENT AND CLOSING COST ASSISTANCE (DPA) CONTINUED</b></p>	<p><b>DPA Second Mortgage Loan Terms:</b></p> <ul style="list-style-type: none"> <li>• 15-year Term.</li> <li>• Sized at 3.50% of First Mortgage Loan amount.</li> <li>• Note Rate of Second Mortgage is same as the 1<sup>st</sup> Note Rate.</li> <li>• Amortizing with monthly payments</li> <li>• Second Mortgage is due and payable upon sale, refinance, or payoff of the First Mortgage.</li> <li>• No subordination allowed.</li> </ul> <p>Lender must conform to federal RESPA and Truth-in-lending laws in disclosing the terms of the Second Mortgage.</p>
<p><b>OTHER ASSISTANCE PROGRAMS</b></p>	<p>TMS prior approval required. Subject to Agency and investor requirements, program may be combined with other down payment sources, including Mortgage Credit Certificates. In all cases, the most conservative guidelines for each program will apply. Third Liens not allowed.</p>
<p><b>DPA DOCUMENTATION</b></p>	<p>Program Manager (NHF) shall provide the DPA Funding Commitment Notice along with Second Mortgage Loan documents on its Reservation Portal at <a href="https://nhfresportal.nhfloan.org/login.aspx">https://nhfresportal.nhfloan.org/login.aspx</a> on behalf of GSFA and Servicer.</p> <p><b>DPA Second Mortgage Loan Documents (Required):</b></p> <ul style="list-style-type: none"> <li>○ Promissory Note</li> <li>○ Deed of Trust</li> <li>○ Funding Commitment Notice and Gift Letter</li> <li>○ Second Loan Estimate and Closing Disclosure</li> <li>• GSFA must serve as the Lender and beneficiary for the Second Note and Security Instrument.</li> <li>• Lender is responsible for recording the Second Mortgage Loan Security Instrument.</li> <li>• Lender is required to reflect GSFA's EIN on HUD's FHA Loan Underwriting and Transmittal Summary in conjunction with secondary financing assistance to the borrower when the borrower is receiving an FHA First Mortgage. GSFA's EIN is 68-0322272.</li> </ul>

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<p><b>BORROWER ELIGIBILITY</b></p>	<p><b>Occupancy:</b></p> <ul style="list-style-type: none"> <li>• No first-time homebuyer requirement.</li> <li>• Borrowers must occupy the residence within 60 days of closing.</li> <li>• Borrowers may have ownership in other property at the time of closing, per agency guidelines.</li> <li>• For non-occupant co-borrowers, refer to loan agency guidelines.</li> </ul> <p><b>Eligible Properties:</b></p> <ul style="list-style-type: none"> <li>• Single Family Residences (1 Unit)</li> <li>• PUDs</li> <li>• Manufactured housing allowed (Subject to 50 bps LLPA)</li> <li>• Approved Condos and Townhomes</li> </ul> <p><b>Income Limits (based on county of property):</b></p> <ul style="list-style-type: none"> <li>• Follow agency guidelines.</li> </ul> <p><b>Qualifying Income:</b></p> <ul style="list-style-type: none"> <li>• Follow agency guidelines with respect to allowable income sources and calculation method to be used.</li> <li>• Use 1003 qualifying income only.</li> <li>• May be less than the total actual household income.</li> </ul>
<p><b>BORROWER ELIGIBILITY CONTINUED</b></p>	<p><b>Minimum Credit Score*:</b></p> <ul style="list-style-type: none"> <li>• FHA and VA: <ul style="list-style-type: none"> <li>○ 620</li> </ul> </li> <li>• USDA RD: 640</li> <li>• Each borrower must have a minimum of one credit score.</li> </ul> <p><b>Maximum DTI*:</b></p> <ul style="list-style-type: none"> <li>• Max DTI with AUS approval: 55%</li> <li>• For manual underwrite: <ul style="list-style-type: none"> <li>○ FHA – Manual UW is not allowed.</li> <li>○ VA – Max 41% DTI with compensating factors laid out by VA.</li> <li>○ USDA – Max 41% DTI with compensation factors laid out by USDA.</li> </ul> </li> </ul> <p><b>Homebuyer Education:</b></p> <ul style="list-style-type: none"> <li>• Please refer to the loan agency for specific requirements.</li> </ul> <p>*FICO 620-659 and/or DTI&gt;45% (Subject to 50 bps LLPA)</p>
<p><b>MORTGAGE INSURANCE</b></p>	<p>Follow agency guidelines.</p>

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<b>RESERVATIONS</b>	<p>Lender shall register Qualifying Mortgage Loans (“QML”) using the Reservation Portal at <a href="https://nhfresportal.nhfloan.org/login.aspx">https://nhfresportal.nhfloan.org/login.aspx</a>.</p> <ul style="list-style-type: none"><li>• The Reservation Portal may be accessed Monday through Friday between 9:00 AM and 4:00 PM PST/PDT, National Holidays excluded.</li><li>• In order to access the Reservation Portal, user shall obtain a “User ID” from the Lender’s “Password Management Contact”.</li></ul> <p><b>Reservations:</b></p> <ul style="list-style-type: none"><li>• The Reservation Portal will identify whether a loan registration initially qualifies as a QML based on Income and Credit Score Limits provided by the Lender.</li><li>• Lender reserves DPA at the time of First Mortgage Loan registration via the Reservation Portal.</li><li>• Upon completion of the reservation, the Reservation Portal will provide Lender with an electronic “Reservation Confirmation” and “DPA Funding Commitment Notice”.</li><li>• The Reservation Confirmation is valid for 60 days.</li><li>• The Reservation Confirmation and DPA Funding Commitment Notice must be submitted with the Mortgage Loan File to Servicer for purchase.</li><li>• Both the First Mortgage Loan and the DPA Second Mortgage Loan (if applicable) must be purchased by Servicer within 60 days of reservation.</li><li>• Modifications to a reservation will require approval from the Program Manager.</li><li>• Lenders may cancel the reservation via the Reservation Portal, which will provide electronic confirmation of cancellation to Lenders. A cancellation fee of \$400 will apply to each cancelled reservation.</li><li>• If a Lender cancels a reservation, lenders may re-register, only after 30 calendar days from cancellation date, via the Reservation Portal.</li><li>• Extensions:<ul style="list-style-type: none"><li>○ For loans not yet delivered to the Master Servicer, an extension to a reservation will require approval from the Program Manager. For loans delivered to the Master Servicer, an expired loan will be extended automatically to allow for review and purchase, until the maximum extensions have been reached. Two extensions are available for (15) days each. Extension fee(s) will be netted at loan purchase by the Master Servicer. The cost of an extension is 0.25% of the total First Loan amount.</li></ul></li></ul>
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<b>FEES AND POINTS</b>	<p>Participating Lender should refer to Servicer <a href="mailto:hfaprograms@themoneysource.com">hfaprograms@themoneysource.com</a>.</p> <p><b>Fees and Points Lender may charge to Borrower:</b></p> <ul style="list-style-type: none"><li>• Origination Fee:<ul style="list-style-type: none"><li>○ Up to 2.50% of the First Mortgage.</li></ul></li><li>• Discount Points are not allowed unless used for LLPAs.</li><li>• Fees charged on the DPA Second Loan cannot exceed 1% of the DPA Second Loan amount (recording fees and transfer taxes are not included in the 1% maximum).</li><li>• Participating Lender may charge customary and reasonable closing costs and fees with full disclosure in accordance with Freddie Mac and federal, state and local laws and regulations.</li></ul> <p><b>Fees to Servicer from Lender (Servicer nets at purchase):</b></p> <ul style="list-style-type: none"><li>• Funding Fee: \$319.</li><li>• Tax Service Fee: \$80.</li><li>• Flood Certification: \$20.</li><li>• Servicing Fee: \$300.</li><li>• FICO 620-659 and/or DTI&gt;45% (Subject to 50 bps LLPA)</li><li>• Manufactured housing allowed (Subject to 50 bps LLPA)</li></ul> <p><b>Funds to Lender from Servicer at Loan Purchase:</b></p> <ul style="list-style-type: none"><li>• 100% of the outstanding principal amount of the First Mortgage Loan and the DPA Second Mortgage Loan.</li><li>• Servicing Release Premium (based on First Mortgage):<ul style="list-style-type: none"><li>○ 0.50%.</li></ul></li></ul>
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<b>LOAN DELIVERY AND PURCHASE</b>	<ul style="list-style-type: none"><li>• Lenders should refer to Servicer <a href="mailto:hfaprograms@themoneysource.com">hfaprograms@themoneysource.com</a> for loan delivery and purchase guidelines.</li><li>• The GSFA DPA Funding Commitment Notice must be submitted with the mortgage loan file. Servicer shall not purchase a Mortgage Loan without these documents.</li><li>• All payments on the DPA 2<sup>nd</sup> lien should be remitted to Servbank starting with the first payment. Payments due for the DPA 2<sup>nd</sup> Lien that are received by Seller from the borrower must be sent immediately to the below address. Loans may be identified by the Borrowers full name, property address and as a 2<sup>nd</sup> lien. <p style="text-align: center;">ServBank Attn: Payment Processing 3138 E. Elwood Street Phoenix, AZ 85034.</p></li><li>• A fee of up to 6% of the loan amount will be charged to lenders for closed First Mortgage Loans with DPA Second Mortgage Loans or Gifts that are not delivered to the Servicer for purchase or are not eligible for purchase by the Servicer. GSFA will reimburse the lender for the full DPA amount with an invoice for this non-delivery fee. Lenders with excessive non-deliveries will be prohibited from participating in the GSFA Golden Opportunities Program.</li></ul>
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