

This program term sheet (as referenced in the Mortgage Origination and Sale Agreement, “HFA Guideline’s” as expressed in the Servicer’s Participating Lender Agreement) has been adopted by the Ohio Housing Finance Agency (OHFA) for the program and is incorporated by reference in the Lender Guide.

Agency	Ohio Housing Finance Agency (OHFA).
Servicer	All qualified mortgage loans, including all servicing rights, must be sold to and serviced by U.S. Bank. All mortgage loans must be delivered to U.S. Bank in “purchasable form” within the specified time periods. Several states and local municipalities have enacted legislation that defines high-cost loans based on annual percentage rates (APR) and fee thresholds, which may or may not relate to the Home Ownership and Equity Protection Act (HOEPA) thresholds. These types of loans typically have various restrictions. It is the policy of U.S. Bank not to purchase any loan defined as “high cost” under any federal or state law/regulation or local ordinance.
Eligible Properties	<ul style="list-style-type: none"> • One- to four-unit single family properties (Grants for Grads Program limited to one-unit only), condominiums, manufactured homes (must be at least double-wide) and planned unit developments (PUDs). • No FHA 203K or 203K Limited loans. • Two acres or less within municipal corporations. • Five acres or less outside municipal corporations.
Purchase Price Limits	Maximum purchase price limits by county are posted online at http://www.ohiohome.org/partners/lenders.aspx .
Income Limits and Qualifying Income	Income limits are posted online http://www.ohiohome.org/partners/lenders.aspx . All income of the individuals who will both live in the property and will be obligated on the mortgage note will be used in determining borrower income eligibility.
Borrower Investment	No minimum borrower investment is required by OHFA, unless required by FHA, VA or USDA-RD.
Occupancy Requirement	Owner-occupied properties only. Occupant borrowers must agree to occupy the home as their principal residence within 60 days of the loan closing date and must occupy the property as their principal residence for a minimum of one year after the loan closing date, unless the home is sold in the first year.
Who can hold title?	FTHB & MTC – occupant borrowers and their spouses only. Next Home & FTHB Edge programs – there are no restrictions as to whom can hold title. Follow standard investor guidelines.

Borrower Information

<p>First-Time Homebuyer</p>	<p>This program applies to owner-occupied principal residences only. Non-occupant co-signers/co-mortgagors as permitted by 1st mortgage guidelines. A borrower is defined as a “first-time homebuyer,” if all occupying borrowers meet one of the following:</p> <ul style="list-style-type: none"> • An occupant borrower who has not had an ownership interest in a principal residence at any time during the three-year period ending on the date the mortgage loan is executed. • Qualified military veterans who have received an honorable discharge from the U.S. military, even if they have previously owned a home. • Borrowers do not have to qualify as a first-time homebuyer if the home they select for purchase is located in a designated target area census tract. Please refer to http://ohiohome.org/geodata to determine if property qualifies in a target area.
<p>FTHB Edge</p>	<p>This program is for FTHB’s purchasing in a non-target area <i>and</i> whose income exceeds the non-target income limits but does not exceed the target area income limits for the subject property county. Interest rates could be higher in the FTHB Edge program than the standard First-Time Homebuyer program.</p>
<p>Next Home Homebuyer</p>	<p>For borrowers who do not meet the definition of a First Time Homebuyer as listed above but who do meet all other qualifications for our program, they may be eligible for our Next Home program.</p> <p>Next Home lines follow the same guidelines as our First Time Homebuyer loans with the following exceptions:</p> <ul style="list-style-type: none"> • Not eligible for our Grants for Grads program. • Not eligible for the Mortgage Tax Credit program. • Interest rates could be slightly higher for the Next Home program.

First Mortgage Loan Terms and Guidelines

<p>Loan Types</p>	<p>FHA (non 203K), VA, USDA-RD.</p>
<p>Maximum LTV/CLTV</p>	<ul style="list-style-type: none"> • First mortgage amount per FHA, VA, USDA-RD guidelines, however, subject to OHFA purchase price limits. • Maximum CLTV: maximum loan amount allowed per FHA, VA and USDA-RD plus up to 3.5% second mortgage. If combined with any other HUD approved down payment assistance programs will allow for higher CLTV on case-by-case basis. OHFA to have second lien position in all instances.
<p>Transaction Type</p>	<p>Purchase transactions only. Refinance loans are not permitted.</p>
<p>Loan Terms</p>	<p>30-year fixed-rate, fully amortizing purchase mortgage loans.</p>

<p>Mortgage Loan Rates and Reservations</p>	<p>Mortgage loan rates and prices will be posted daily by OHFA between 9:45 AM and 8:00 PM Eastern time on Monday through Friday. These rates and prices are subject to change on a daily or intra-day basis. Lenders reserve loans through the Lender Online Reservation system at www.ohiohome.org.</p>
<p>Rate Locks and Extension Fee</p>	<p>Loans reserved through the Lender Online Reservation system at www.ohiohome.org will have a rate lock to the lender of up to 70 calendar days. The mortgage loan must be purchased and funded by U.S. Bank within those 70 calendar days.</p> <p>Any loan cancelled during the rate lock period may not be re-reserved for 60 days from the original reservation expiration date or cancellation date for the same borrower purchasing the same property. Whichever date is later will be used.</p> <p>There is a 0.375% extension fee charged every 30 days beyond the original 70 day lock period. Extension fees may not be charged to the borrower or seller unless there are documented borrower or seller delays. Extension fees charged to the borrower or seller must approved by OHFA prior to closing.</p>
<p>Mortgage Note and Mortgage</p>	<p>The delivery of the original executed mortgage note and the certified copy of the related mortgage to the servicer shall be made in the following manner:</p> <ul style="list-style-type: none"> • The mortgage note shall bear the endorsement set forth on the back thereof “payable without recourse to [the servicer],” and be executed by a duly authorized officer of the participant payee. • The related mortgage shall be a certified copy of the original executed mortgage accepted for recording in the public office in which recordation is necessary to perfect the security interest. • The related assignment of mortgage (which may be a marginal assignment) shall be a certified copy of the original executed assignment of mortgage in recordable form. The participant shall deliver the recorded copy of the mortgage and the title insurance policy together with any documents referred to in the Lender Guide and Term Sheet to the servicer. This includes MIC insurance certificates, as applicable. These must be delivered no later than 60 days after the purchase of the related mortgage loan.

Underwriting

	Loan Type	Minimum Credit Score	Maximum LTV	Maximum CLTV	Maximum DTI
DTI/Credit score	FHA	650	96.5%	105%	45%
		=>680	96.5%	105%	50%
	VA	640	103.3%	108.3%	45%
		=>660	103.3%	108.3%	50%
	USDA	640	103.5%	108.5%	45%
		=>660	103.5%	108.5%	50%
	Manufactured Housing for FHA/VA/USDA	660	Follow	guidelines	45%
	<p>Manual underwriting allowed for FHA, VA or USDA loans only for erroneous, inaccurate, insufficient credit, loans with no FICO, or for loans that receive an AUS Accept/Approve classification but require manual downgrades per FHA requirements. Loans that score a Refer/Caution for any other reason may not be manually underwritten. Requirements for a manual underwrite are as follows:</p> <ul style="list-style-type: none"> • Not allowed on Manufactured Homes • 1-2 unit properties only • Max Ratios: <ul style="list-style-type: none"> FHA: 31%/43% VA: 41% USDA: 29%/41% • 2 months PITIA reserves 				
Reserves	<ul style="list-style-type: none"> • Per FHA, VA & USDA guidelines 				
Discounts Points	Not permitted.				
Assumable	First mortgage is assumable per FHA and VA guidelines. The second mortgage is not assumable.				
Escrow Waivers	Not permitted.				

<p>Mortgage Tax Credit Plus (MTC Plus)</p>	<p>Qualified borrowers may combine the OHFA Mortgage Tax Credit (MTC) with Ohio's First Time Homebuyer Programs.</p> <ul style="list-style-type: none"> • Must be a First Time Homebuyer and meet the Mortgage Tax Credit income guidelines. <i>Please note: the income limits for the MTC program could be different than if MTC is not being used. Please check MTC income limits.</i> • FHA allows the tax credit to be used as income for qualifying purposes. VA allows the tax credit to be treated as a reduction in the monthly federal income tax. USDA-RD allows the tax credit to offset the PITI. See OHFA Lender Memo 2017-001 "MTC/MCC credit used for qualifying purposes" available on the Bulletin Board and/or Program Documents on Lender Online. • Borrower's tax credit using MTC Plus is 40%. • MTC Plus is offered without down payment assistance or with 3.5% down payment assistance • Interest rates could be slightly higher utilizing the MTC Plus program. • Possible Recapture Tax: If the borrower sells the residence within nine years of the date of closing, the borrower may owe recapture tax if the household income has increased more than the amount allowed under the Internal Revenue Code and the house is sold at a net profit. However, OHFA will reimburse for the actual amount of recapture paid to the IRS. In order to benefit from the MTC a borrower must have income tax liability, and must file using the "long form" IRS 1040. Borrowers who have low tax liability due to other deductions may not be able to use the entire MTC benefit. <p>Please see IRS Publication 530 available on www.irs.gov for more information.</p>
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OHFA Specialty Products

<p>Ohio Heroes</p>	<p>Veteran Heroes</p> <p>At least one borrower must be qualifying Active Military, Veteran, or Surviving Spouse as defined herein, and the annualized gross income must be at or below OHFA guidelines for the county in which the property is located.</p> <p><u>Active Military and Veterans</u></p> <ul style="list-style-type: none"> • Active Duty Service <ul style="list-style-type: none"> ❖ Current paystub showing active duty status will serve as verification of eligibility. • Qualified Veterans include military members honorably discharged from any branch of the U.S. Armed Forces. <ul style="list-style-type: none"> ❖ Military identification and/or DD214 or current Certificate of Eligibility (COE) are required to validate credentials. • Reserve Forces <ul style="list-style-type: none"> ❖ Reserve Forces must have at least 90 days of Active Duty service excluding boot camp. ❖ Active reservists should provide paystub and attendance chart for service showing active duty outside of boot camp. ❖ Discharged reservists should provide DD Form 256 or NGB Form 22 as proof of eligibility. <p><u>Surviving Spouse</u> – The following items are required to validate credentials:</p> <ul style="list-style-type: none"> • VA form 26-1817 • DD214 (if available) • Marriage License
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<p>Ohio Heroes (continued)</p>	<ul style="list-style-type: none"> • Death Certificate or DD Form 1300 – (Report of Casualty) <p>Everyday Heroes</p> <p>At least one borrower must be actively employed as a qualifying Fireman, Healthcare Worker, Police Officer or Teacher as defined herein, and the annualized gross income must be at or below OHFA guidelines for the county in which the property is located.</p> <p><u>Fire Fighter/Emergency Medical Technician</u> Full time employee of a fire department whose regular duties include: Fire suppression or prevention, emergency medical response.</p> <ul style="list-style-type: none"> ❖ Valid fire Fighter, EMT certification card or paystubs, if paystubs confirm occupation, are required to validate credentials. If valid certification is not available and paystub does not confirm occupation, verification from employer is required. <p><u>Volunteer Fire Fighters</u> May qualify with documentation evidencing volunteer status with the local municipality for minimum of 12 of the most recent/ current 12 months. (i.e. Letter from Municipality)</p> <p><u>Health Care Worker</u> A health professional is an individual who provides health care employer services. They should be licensed in their area of expertise and full-time in their occupation and are limited to: Physicians, Physician Assistant Nurse Practitioners, Nurses – (RN, LPN) State Tested Nurse Aid (STNA) PCA's are also acceptable <u>only</u> if state licensed</p> <ul style="list-style-type: none"> ❖ Validation of most current paystub from health care, evidencing active employment, eligible occupation and copy of current licensure. License should be found on Ohio Dept of Health Registry <p><u>Police Officers</u> A police officer is commissioned as a law enforcement officer by a federal, state, county, municipal, township government, a public/private college or university, and actively employed full time. Required verification for program eligibility:</p> <ul style="list-style-type: none"> ❖ Paystubs from the appropriate above agencies are required to validate current credentials. If paystub does not state position, verification from employer is required. <p><u>Teachers</u> Employed full-time by an accredited or state recognized public school, private school or vocational school as a state-certified classroom teacher, school counselor or administrator/ principal in grades pre K-12 with the appropriate current licensure listed below:</p> <ul style="list-style-type: none"> ❖ Resident Educator License – Four Years ❖ Professional Teaching License – Five Years ❖ Associate License – Five Years ❖ Substitute Teaching License –One and Five Years ❖ Alternative License ❖ Professional Administrator License ❖ Ohio School Counselors are licensed according to ORC 3301-24-05
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<p>Grants for Grads</p>	<p>Graduates must purchase an owner-occupied residence in Ohio and be first-time homebuyers who received an associate's, bachelor's, master's, doctoral or other post-graduate degree from any accredited college or university within 18 months from graduation date to reservation date with OHFA. Limited to 1-unit properties.</p> <p>Note: The income limits used to determine eligibility for borrowers using the Grants for Grads program will be the same income limits used for the FTHB Edge and Next Home programs. Income limits can be found on OHFA's website: https://myohiohome.org/limits/default.aspx</p>
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Down Payment Assistance

<p>First Time Homebuyer, FTHB Edge, Next Home and Ohio Heroes</p>	<ul style="list-style-type: none"> • Second loan with a seven-year term, no accrued interest, due upon sale or refinance if either occur within the first 7 years after closing date. • The second loan is subject to repayment in its entirety if the property is sold or refinanced within the first seven years from when the mortgage loan closed. • Subordination will not be granted if first mortgage is refinanced. • The obligation to repay shall be forgiven on the seventh anniversary of the note date, at which time the lien is released.
<p>Grants for Grads</p>	<ul style="list-style-type: none"> • Second loan with a five-year term, no accrued interest, forgiven at 20%/year over 5 years. • If the borrower sells the home prior to year 5 and provides documentation they will continue to reside in Ohio after the sale, the remaining balance will be forgiven. • If the borrower refinances the first mortgage prior to the end of the 5th year, we will subordinate the second. Subordination policies can be found on our website, http://www.ohiohome.org/partners/lenders.aspx.
<p>Form, Size, Use of Proceeds and Repayment Requirements</p>	<ul style="list-style-type: none"> • Sized at exactly 3.5% of the home purchase price, rounded down to the nearest dollar. Funds are automatically reserved once the mortgage loan is reserved and confirmed on the OHFA reservation system. • May be applied against the borrower's down payment, closing costs, prepaid items and other related program and mortgage loan fees and expenses. • The obligation to repay the second loan is secured by a note and subordinate mortgage recorded in OHFA's name as beneficiary.
<p>Lender Advance</p>	<p>Lenders will advance the 3.5% second loan at the loan closing for the benefit of the borrower, which will be reimbursed based upon binding legal commitment from OHFA upon the purchase of the mortgage loan by U.S. Bank.</p>
<p>Compliance Issues</p>	<p>The second loan is evidenced by a second note and secured by a subordinate mortgage. See TRID/Regulatory Compliance section below for disclosure procedures and documentation.</p>

<p>Limitations on Down Payment Assistance</p>	<p>At closing, an Eligible Borrower may not receive cash back except for the following reasons:</p> <ul style="list-style-type: none"> • Overpayment of fees and/or expenses paid outside of closing, including earnest money deposit, appraisal fees, home inspection fees, credit report charges, etc. <p>The eligible borrower may be reimbursed up to the amount of overpayment with documented expenditures. In the event of remaining funds after the eligible borrower has been reimbursed for appropriate requested amounts, the borrower shall not receive the additional funds. However, surplus funds may be applied as a principal curtailment up to \$1000 on the first mortgage and be documented on the closing disclosure.</p>
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TRID/Regulatory Compliance

<p>TRID/RESPA Compliance</p>	<p>All assisted loans will require either a Good Faith Estimate (GFE) or Loan Estimate (LE) disclosing only the fee to record the second mortgage. If a GFE is disclosed to the borrower, a HUD-1 Settlement Statement (HUD-1) must be disclosed to the borrower at closing. If an LE is disclosed to the borrower, a Closing Disclosure (CD) must be disclosed to the borrower at closing. OHFA will condition the loan for the specific disclosure at closing based on the disclosure submitted to us pre-closing.</p> <p>The only fee on the 2nd mortgage that can be charged to the borrower at closing is the fee to record the 2nd mortgage. No other fees can be charged to the borrower for the 2nd mortgage regardless if the lender disclosed additional fees on the LE or GFE.</p> <p>If disclosing with the LE, the date issued must be within three business days of the lender's application date if it was known at the time of application the borrower would be using OHFA's DPA program. The LE is to be submitted to OHFA with the pre-closing package.</p> <p>If it was not known at the time of application that the borrower would use OHFA's DPA program, the lender will provide a Change of Circumstance (COC) letter noting the date the borrower decided to use OHFA's DPA program. The change letter must identify the OHFA DPA program is now being used. It is not sufficient for the COC to simply state the loan is locked. The LE for the 2nd mortgage recording fee must be disclosed to the borrower within three business days of the COC letter. Both the COC letter and the 2nd mortgage LE are to be submitted to OHFA with the pre-closing package. The change date on the COC letter cannot be later than the date the loan was reserved with OHFA.</p> <p>OHFA will condition for the Initial and Final CD's for the 2nd mortgage to be submitted with the post-closing package. The Initial CD must follow TRID requirements and be disclosed to the borrower at least three business days prior to the closing date. The fee charged to the borrower cannot exceed 10% of the fee disclosed to the borrower on the LE, however, the tolerance for the increase is set by OHFA. Currently, the maximum fee that can be charged to the borrower is based on a \$63 tolerance amount regardless if the LE disclosed a higher recording fee.</p> <p>If the GFE provided in OHFA's lender portal is used to disclose the 2nd mortgage to the borrower, the GFE must be dated within three business days of OHFA's reservation date. The GFE must be DATED. It is not sufficient to print the GFE without dating it.</p>
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	<p>If the GFE is provided to the borrower as the initial disclosure, OHFA will condition for a HUD-1 to be provided to the borrower at closing. Lenders can find HUD-1 forms on OHFA's lender portal in PDF Docs. Lenders have a choice of using a HUD-1 that nets the recording fee from the DPA or that has the borrower bring the fee to closing. The HUD-1 comes with step-by-step instructions to complete the form, that, if followed, will provide a correctly prepared HUD-1. The HUD-1 follows RESPA requirements and must be disclosed to the borrower no later than the closing date.</p> <p>Any fees in addition to the recording fee listed on the second mortgage HUD-1 or CD will be required to be refunded to the borrower prior to purchase approval. Any excessive recording fees charged will require a detailed explanation. Any fees not proven to be for recording will require a refund to the borrower prior to compliance approval.</p>
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Homebuyer Education

<p>Homebuyer Education</p>	<p>A certificate from HUD-approved counseling agency issued within the previous 12 months that is a minimum of 4 hours in length and included direct interaction, either by phone or in-person, with a HUD counseling agent or participation in OHFA- streamlined homebuyer education (online and telephone counseling) is required for at least one owner occupant borrower, even non-first time homebuyers utilizing our Next Home program. HBE must be completed prior to commitment approval.</p>
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Lender Process

<p>Application and Reservation</p>	<p>Lender determines borrower eligibility per first-time homebuyer, FTHB Edge or Next Home status, credit score minimum, debt-to-income, income limits and purchase price limits. Lender reserves the loan through OHFA's website at www.ohiohome.org using the Lender Online Reservation System. When loan is reserved the rate is locked. Lender processes the loan, gathers documentation and obtains the appraisal.</p>
<p>Documentation Requirements</p>	<p>OHFA requires, at a minimum, the following documentation be provided for commitment approval:</p> <ul style="list-style-type: none"> • Borrower(s) 1003 Mortgage Loan Application • Transmittal • Three years most recent years signed tax returns for borrower(s) and spouse releasing dower, if applicable. IRS transcripts are acceptable in lieu of signed returns. • Two most recent paystubs within the last 60 days or one recent paystub and a written VOE. • Copy of executed purchase contract. • If Ohio Heroes, see Heroes section for required documentation. • If Grants for Grads, provide evidence of graduation date and type of degree. • Other documentation as needed per transaction. Reviewed on a case-by-case basis.

<p>Commitment Compliance Package</p>	<p>Within 25 calendar days from the loan reservation date, the lender must forward a compliance package to OHFA. A commitment compliance documentation checklist can be found on OHFA's Lender Online Reservation System.</p> <p>Once the commitment package is approved, OHFA will make the commitment package documents available on the Lender Online Reservation System for signature by the buyer and seller. The lender is authorized to proceed with the loan closing once compliance approval has been issued. The lender is responsible to have the commitment package documents signed by the buyer and seller.</p>
<p>Purchase Compliance Package</p>	<p>Lenders must submit a purchase compliance package to OHFA after closing and prior to the loan being eligible for purchase by U.S. Bank. A purchase compliance documentation checklist is available on the Lender Online Reservation System along with the second mortgage note, subordinate mortgage and tax exempt rider. Only documents provided by OHFA on the Lender Online Reservation System will be accepted. Once the purchase compliance package is approved by OHFA, U.S. Bank is authorized to purchase the mortgage loan.</p>
<p>Delivery to U.S. Bank for Purchase</p>	<p>Lenders should submit a complete mortgage loan file to U.S. Bank with sufficient time for U.S. Bank to review, address deficiencies, request additional documentation, purchase and fund the mortgage loan by the 70th calendar day. Lender is required to send the mortgage loan file to U.S. Bank via U.S. Bank's DocVelocity imaging system.</p>

Compensation, Fees and Loan Purchase Price

<p>Lender Compensation</p>	<ul style="list-style-type: none"> • Lenders may charge the Borrower up to a 1% Origination Fee. • Lender shall receive a Service Release Premium (SRP) equal to 2.50% of the first mortgage balance paid by the Servicer at the time of purchase. • A minimum \$1,500 in compensation will be paid on all Mortgage Loans. Loans at or less than \$60,000 will qualify for the minimum compensation.
<p>Allowable Fees</p>	<p>Reasonable and customary fees and closing costs may be charged as long as such compensation payments are fully disclosed to the borrower in accordance with federal, state and local laws and regulations.</p>
<p>Program Fees</p>	<p>Program fees are as follows:</p> <p>\$475 Funding Fee payable to Lender *</p> <p>\$84 Tax Service Fee payable to CoreLogic Tax Services or vendor of lender's choice *</p> <p>\$100 Administration Fee payable to OHFA</p> <p>\$250 Loan Fee (MTC/MCC Plus <u>only</u>) to OHFA</p> <p>*US Bank will net this fee when the loan is purchased but it should not be made payable to US Bank on the CD. It is only payable to US Bank by the Lender (not the borrower) if US Bank purchases the loan (however, the fee may be passed on to the borrower).</p>

Servicer Information

Loan Purchases	Mortgage Loans must be purchased and funded within 70 calendar days of the loan reservation date. Failure to comply with the 70 day purchase deadline will be subject to a 0.375% extension fee for every 30 days beyond the original 70 days.
Loan Delivery Information	Final document delivery information and checklist are posted on www.hfa.usbank.com , or contact the U.S. Bank Help Desk. A \$50 late fee will be assessed on final documents not delivered within 90 days of purchase.
Delivery Address	<p><u>Original Endorsed Notes, Allonges and Bailee Letters:</u> US Bank Home Mortgage ATTN: Note Vault 3rd Floor 9380 Excelsior Blvd Hopkins, MN 55343</p> <p><u>Final Docs:</u> US Bank Home Mortgage Attn: CICR CN-KY-WHCI 800 Moreland Street Owensboro, KY 43201-2046</p>
U.S. Bank Lender Help Desk	Contact the U.S. Bank Help Desk at 800-562-5165, option #1 or hfacustomercare@usbank.com , for loan status, deficiency questions, help locating documents on US Bank’s website, etc. US Bank Program Administration can be reached at 800-562-5165, option #2, for new lender agreements or re-certifications.