

	3-year and 5- Year Forgivable Options	10-Year Repayable Option
Program Overview	This program combines an FHA-insured 30-year first mortgage with down payment assistance in the form of a 3- year forgivable, 5- year forgivable, or 10-year repayable second lien.	
DPA 2nd Lien Term and Structure	<p>The second lien is fully forgiven after 3 or 5 years if the borrower meets criteria.</p> <p>30-year fixed rate mortgage forgivable after 3 or 5 years*; 0% interest rate, no monthly payments</p> <p><i>*The second lien is forgiven if there is no 90 day or greater delinquency on the first 36 payments (3-year) or 60 payments (5-year) of the underlying first lien and property remains a primary residence</i></p> <p><i>No resubordinating or additional liens permitted.</i></p>	<p>The second is not forgivable and can be originated with multiple amortization terms. Three options for fixed rate amortization and term:</p> <ul style="list-style-type: none"> ○ 10-year fully amortizing over 10 years ○ 20-year amortization with 10-year balloon ○ 30-year amortization with 10-year balloon <p><i>*Requires distinct loan number on 2nd lien separate from the 1st lien</i></p> <p><i>No resubordinating or additional liens permitted.</i></p>
DPA Amount/ Use of Funds	<ul style="list-style-type: none"> • 3.50% and 5% (repayable only) home purchase price or appraised value, whichever is less • Down payment, closing costs and prepaid items including any items paid outside closing 	
First Lien Loan Products Transaction Type Occupancy	<ul style="list-style-type: none"> • FHA 30-year term • Purchase Transactions • Owner-occupied only 	<ul style="list-style-type: none"> • FHA 30-year term • 30-year ARM; 5/1 with 3.5% DPA • Purchase Transactions • Owner-occupied only
Borrower Eligibility	<ul style="list-style-type: none"> • Based on FHA guidelines • No revocable trusts • No First Time Homebuyer restriction • No Income restrictions • Non-Occupant Co-Borrower permitted by exception only 	
5/1 ARM	N/A	<ul style="list-style-type: none"> • Available with 3.5% repayable assistance • Borrower qualifies at note rate • Caps: 1/1/5 • Margin: 1.5% • <i>Cannot</i> be used in conjunction with temporary buydown
Eligible States	No State Restrictions (available in all states NOVA is licensed in)	
Credit Score	Minimum FICO 640 All borrowers must have at least one score	Minimum FICO 660 All Borrowers must have at least one score

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Credit Score for Manufactured Homes	<ul style="list-style-type: none"> • Minimum FICO 660 	<ul style="list-style-type: none"> • Minimum FICO 660
Blended Score	<ul style="list-style-type: none"> • Minimum Blended Score of 660 	<ul style="list-style-type: none"> • Minimum Blended Score of 670
Blended Score (cont.)	<ul style="list-style-type: none"> • Allows qualification by averaging representative credit score of occupying borrowers • Primary wage earner must have >=60% of household income (including non-qualifying) AND have the higher creditscore • No minimum credit score for lower wage earner • Must maintain AUS approval • Blended score for qualification purposes only 	
Underwriting	AUS Approval (DU, LPA) *Manual underwriting exception allowed subject to FHA requirements	AUS Approval (DU, LPA) *Manual underwriting not allowed
DTI	Maximum DTI per AUS approval Maximum DTI per agency manual underwriting requirements	Maximum DTI per AUS approval Manual underwriting not allowed
Loan-to-value (LTV)	<ul style="list-style-type: none"> • Minimum LTV 90.000% • Maximum LTV/CLTV- Based on FHA guidelines 	
Property Type	<ul style="list-style-type: none"> • Single-Family detached/attached, condos and PUDs • Manufactured housing eligible subject to minimum credit score of 660; Single-wide not allowed • No unique property types • 1-2 unit only 	
Temporary Buydown	<ul style="list-style-type: none"> • 2/1 or 1/0 buydown allowed; Seller Paid only 	
High Balance Loans	Restricted to repayable options only	Available for both 3.5% and 5.0% Repayable DPA options
Escrow Holdbacks	Escrow holdbacks are not permitted	
TBD Locks	Allowed. 0.125% LLPA applies	
Mortgage Credit Certificates	Allowed. Subject to FHA guidelines for eligibility and qualifying purposes	