



Southeast Texas Housing Finance Corporation (SETH) 5 Star Texas Advantage Program Invitation to Participate

Southeast Texas Housing Finance Corporation (SETH) is pleased to extend an invitation to its Lender partners to originate qualified Mortgage Loans under its new **5 Star Texas Advantage Program (the "Program")**.

Program Funding: The Program provides the funding source for FHA, VA, USDA/RHS and Freddie Mac Conventional 30-year fixed mortgage loans, together with down payment and closing cost assistance of up to 5% of the funded Mortgage Loan amount (after accounting for financed insurance, guarantee and funding fees). As an instrumentality of government per HUD guidelines, SETH's Grant may be used to fund up to 100% of the Borrower's cash to close, including the down payment, closing costs, prepaids, and other related mortgage loan fees and expenses. There can be no cash back to the Borrower.

Program Size: No Program limit. Funds will be released in \$30 million "Subseries" to allow for the timely introduction of new loan features.

Master Servicer: All Mortgage Loans must be sold to, and will be serviced by, U.S. Bank. All Lenders must be approved by and in good standing with U.S. Bank. In addition to this Agreement, Lenders will be asked to sign a Participating Lender Agreement with SETH and/or US Bank.

Assistance: SETH assistance provided for Government loan is in the form of a forgivable 2nd lien. Assistance is 100% forgiven in 3 years. With Conventional loans, assistance is provided as a Grant and is not repayable to SETH in any form. SETH will wire the program assistance directly to the applicable Closing Agent or Title Company for each loan closing.

Eligible Area: The Program is available to all qualified Borrowers throughout the State of Texas, (Except in Travis County and the Cities of El Paso & Grand Prairie.)

Borrower Eligibility

- Primary residence, owner occupied.
- Qualifying income determined by the county area median income (see Income Limit Tables Attached) regardless of family size and is based on the income provided on the 1003. Income limits will be revised approximately March 1st of each year as released by HUD.
- Minimum credit score of 640 for all Borrowers on the Mortgage Loan.
- Maximum Debt to Income (DTI) of 45% for all Loans. 50% DTI available for Borrowers with credit scores of 660 and higher with USDA, VA Loans. Freddie Mac Loans have a max DTI 50% regardless of credit score. These DTIs will require AUS approval.
- No minimum investment required from the Borrower's own resources.
- Maximum purchase price of \$275,665- \$362,200 FHA. VA/USDA/Freddie max sales price \$484,350. These Mortgage Loans are **not** subject to typical Bond requirements.
- There is no first-time homebuyer requirement.
- No "federal" recapture.

Program Loan Rates: Lenders will be provided a daily mortgage loan rate sheet from which rates to the Lenders may be locked in for up to 70 days, to the Borrower for up to 30 days. A lower loan rate option with a smaller Grant may also be available. FNMA Loans are not eligible at this time. Rates will be reset daily, are subject to market conditions.

Underwriting: All Loans must be underwritten within 25 days (and logged with the Program Administrator as “Underwriter Certified”) from when the rate was locked in. Standard FHA,VA, USDA/RHS, Freddie Mac underwriting guidelines, 640 minimum credit score, DTI ratios not to exceed 45% for FHA Loans. VA & USDA Loans with credit scores above 660: Max DTI 50%. Freddie Mac Loans with a 640 minimum credit score and AUS approval: 50% DTI. Lenders may introduce their own overlays if more conservative than Program guidelines. **Manual underwriting not permitted for Freddie Mac Loans with LTVs>95%.**

Program Administration: eHousingPlus will provide Administrator’s Guidelines, on-line reservation services for rate locks and will support SETH in training lenders, posting program materials and updates, and reviewing loan files prior to close.

Homebuyer Education: Required for all Borrowers. Borrowers should visit the SETH homepage www.sethfc.com and select “Homebuyer Information” then “Homebuyer Education” to receive instructions on how to achieve the required SETH Homebuyer’s Education Certificate. Only the SETH Homebuyer Education Course will be accepted.

Lender Compensation: Lenders may charge an Origination Fee of up to 1% for all loans, along with “reasonable and customary” fees and expenses. Upon purchase by U.S. Bank, the Lender will receive 1.75% as a Servicing Release Premium (SRP) for FHA, Freddie Mac and USDA/RHS Loans. The Lender will receive a 1.25% SRP for VA Loans.

Mortgage Credit Certificates: MCCs may be used concurrently with these Mortgage Loans and the SETH Subsidy, but MCC program restrictions apply. The MCC benefit may be used to qualify for the mortgage loan.

Scheduling. Once this Agreement is signed and submitted to SETH, Lenders will receive an Administrator’s Guidelines from and schedule on-line training with EHousingPlus.

In order to be approved, Lenders must sign our Program Lender Agreement and complete the Lender Contact Information Page. Please return to Ron Williams, Southeast Texas Housing Finance Corporation, 11111 South Sam Houston Parkway East, Houston, Texas 77089. Or email directly to SETH for expedited processing of approval: rwilliams@sethfc.com. There is no Lender up-front sign-up fee associated with this Program.

If there are any questions regarding the Program, please contact Rhonda Mitchell at SETH at (281) 484-4663 (extension 110) or at rmitchell@sethtexas.com.



**Southeast Texas Housing Finance Corporation
5 Star Texas Advantage Program
Program Lender Agreement**

This Program Lender Agreement (this "Agreement") is entered into as of _____, 2019 and among Southeast Texas Housing Finance Corporation ("SETH") and the lending institutions executing this Agreement (the "Lender") in connection with the origination of First Mortgage Loans and funding of the SETH down payment and closing cost assistance under SETH's **5 Star Texas Advantage Program** (the "Program").

WHEREAS, SETH expects to make funds available, but solely from funds available under the Program, to enable SETH to finance certain qualified mortgage loans (the "Mortgage Loans") within the State of Texas through the acquisition and sale of fully modified mortgage backed securities issued on behalf of and guaranteed as to timely payment of principal and interest by the Government National Mortgage Association, and

WHEREAS, the Lender wishes to participate in the Program and has agreed to make Mortgage Loans to qualified Borrowers pursuant to the attached HFA Guidelines and a subsequent Administrator's Guidelines as provided by eHousingPlus upon receipt of a signed Agreement; and

NOW, THEREFORE, in consideration of the promises set forth herein, the parties mutually agree as follows:

Section 1. Covenant to Originate Mortgage Loans. The Lender hereby acknowledges its receipt of the attached HFA Guidelines established in connection with the Program, and the Lender hereby covenants and agrees to originate Mortgage Loans in accordance with the attached HFA Guidelines as may be amended from time to time with notice to the Lender. The attached HFA Guidelines and subsequent Administrator's Guidelines, including but limited to all representations, warranties and covenants made by the Lenders therein, are incorporated by reference into this Program Lender Agreement to the same extent as if set forth herein, and the Lender agrees to be bound thereby for the benefit and protection of SETH, its successors and assigns. Failure by the Lender to perform its obligations under this Program Lender Agreement, the attached HFA Guidelines, and the Administrator's Guidelines may result in a suspension of its participation in the Program even if the Lender remains in good standing with U.S. Bank. All loans originated under the Program must be sold to U.S. Bank as Servicer.

Section 2. Master Servicer. All Lenders must be approved by and in good standing with U.S. Bank, N.A. as the purchaser and servicer of the Mortgage Loans. Lender hereby covenants and agrees to originate mortgage loans in accordance with U.S. Bank's Participating Lender Agreement and all other correspondent lending documents. Lenders will also be asked to execute a Participating Lender Agreement directly with US Bank and/or SETH to confirm origination, deliver and purchase terms and conditions specifically for mortgage loans under this Program. Purchases will be made following receipt and review of closing documents, including evidence of compliance with SETH guidelines, applicable Mortgage Loan underwriting requirements, FHA, VA, RHS and Freddie Mac requirements, federal and state regulations.

Section 3. *Amendments, Revisions.* Program specifics as defined herein, together with those specified in this Program Lender Agreement, the attached HFA Guidelines, the Administrator's Guidelines, and U.S. Bank's Participating Lender Agreement are subject to change with sufficient notice to the Lenders which will not adversely affect those Mortgage Loans for which a commitment has been made.

Section 4. *Governing Law.* This Agreement shall be governed by a construed in accordance with the laws of the State of Texas, without regard to conflict of law principles.

Section 5. *Severability.* If one or more provisions of this Agreement, or the applicability of any such provisions for any set of circumstances shall be determined to be invalid or ineffective of any such provisions for any set of circumstances shall be determined to be invalid or ineffective for any reason, such determination shall not affect the validity and enforceability of the remaining provisions of this Agreement or the applicability of the provisions found to be invalid or ineffective for a specific set of circumstances to other circumstances.

Section 6. *Counterparts.* This Agreement may be executed in counterparts by the parties hereto, and each such counterpart shall be considered an original and all such counterparts shall constitute one and the same instrument.

IN WITNESS THEREOF, SETH and the Lender have caused this Agreement to be executed by their respective duly authorized officers, all as of the date and year first above written.

Southeast Texas Housing Finance Corporation

Authorized Contact's Signature

Ron Williams

Authorized Contact's Name (Please Print)

Executive Director

Title

Date

Lender

Company Name (Participant Lender)

Authorized Contact's Signature

Authorized Contact's Name (Please Print)

Title

Southeast Texas Housing Finance Corporation
Lender Contact Information / Authorization

Program Name: Southeast Texas Housing Finance Corporation 5 Star Texas Advantage Program

Lender Name: _____

Mailing Address: _____

Main Phone Number: _____

Main Fax Number: _____

Website (if applicable) _____

MERS ID # (if applicable): _____

Name

Main Contact: _____ Phone_____ Fax__

Main Contact E-mail: _____ Phone_____ Fax__

Bulletin Contact: _____ Phone_____ Fax__

Bulletin Contact E-mail: _____ Phone_____ Fax__

Underwriting Manager: _____ Phone_____ Fax_____

Underwriting E-mail: _____ Phone_____ Fax_____

Shipping Supervisor: _____

Shipping E-mail: _____ Phone_____ Fax_____

Shipping Staff: _____

Processing Manager: _____ Phone_____ Fax_____

Processing E-mail: _____

Exception Contact: _____ Phone_____ Fax_____

Exceptions E-mail: _____

Final Documents: _____

Final Docs E-mail: _____

Scorecard Recipient: _____

Scorecard E-mail: _____

Wire Instructions: Bank Name: _____

ABA Number: _____ Account Number: _____

Account Name: _____

Purchase Advice Attn: _____ Phone: _____

Fax # for Purchase Advice: _____

E-Mail address: _____

Authorized Signature: _____

Fax this completed authorization form to: Ron Williams 281-484-1971 **-OR-**

Scan and email this completed authorization form to: rwilliams@sethfc.com

By providing fax numbers and email addresses to SETH and U.S. Bank, consent is given to receive faxes and emails sent by or on behalf of SETH and U.S. Bank and its subsidiaries or affiliates until such consent are withdrawn in writing.



Southeast Texas Housing Finance Corporation (SETH)
5 Star Texas Advantage Program (US Bank as Servicer)
At-A-Glance Review:

	Government Loans	Freddie Mac HFA Advantage Loans	
Loan Products	FHA, VA, USDA 30 year fixed	HFA Advantage 30 year fixed	
Loan Type	Primary residence; purchase only	Primary residence; purchase only	
Borrower Eligibility	No first-time homebuyer requirement May own other property.	No first-time homebuyer requirement. May own other property at time of closing.	
Property Eligibility	1-4 unit properties, Condos, town-homes, PUD, duplexes. Manufactured homes require 680 FICO.	1 unit single family only. Condos permitted - will need USBHM approval for LTV 95.01-97% per US Bank bulletin 2017-05. No manufactured homes.	
Property Location	State of Texas excluding the city limits of El Paso, Grand Prairie and Travis County		
Loan Rates	Posted daily; 70-day lock to Lender		
Loan Qualifying	FHA Loans: 45% DTI ratio VA/USDA Loans: 640-659 CS: Max 45% DTI; 660 CS: Max 50% DTI.	640 CS required. Maximum 50% DTI with LP approval.	
Loan Underwriting	Loans are underwritten by Lender. Manual UW permitted per US Bank guidelines: 36%DTI/2 mo reserves	Loans UW by Lender. LP use Offer Identifier Code 251 Home Possible Advantage for HFAs. Manual UW permitted below 95LTV	
Borrower Investment	No minimum down required from Borrower's own resources.	No minimum required but subject to LP and Mortgage Insurer minimum.	
Credit Score Minimum	640 minimum.	LTV up to 95%: 640 minimum FICO score.	LTV 95.01-97%: 640 minimum FICO score
MCC Programs	May be combined with any MCC Program. Benefit can be used to reduce DTI per Agency guidelines. Borrowers must meet MCC qualifications and requirements.		
Home Price Limit	FHA:\$294,515-\$362,250 VA/USDA /Conventional: \$484,350		
Income Limits	FHA/VA: Exhibit A USDA: Exhibit B	See Exhibit C	
SETH Assistance	Forgivable 2 nd Lien – 5% Max Subject to Market Conditions	Grant/No 2 nd Lien – 5% Max. Options may not be available due to Market Conditions.	
Homebuyer Ed	SETH Course Required. All Borrowers on Mortgage Loan to Complete Individually.		
Mortgage Insurance	As required by FHA, VA, USDA.	Charter coverage required: 18% coverage for 95.01-97 LTV, 16% for 90.01-95 LTV.	
MI Premiums	As required by FHA, VA, USDA.	Monthly, single and split premium plans permitted.	
Per Loan Fees	None	No delivery or adverse market fees.	
Origination Fee	Up to 1% origination fee. Income to Lender. No Discount Fee.	Up to 1% origination fee. Income to Lender. No Discount Fee.	
US Bank Fees	\$400 Funding Fee. \$80 Tax Service.	\$400 Funding Fee. \$80 Tax Service Fee.	
eHousing Fees	\$250 Compliance/ Admin Fee	\$250 Compliance/ Admin Fee	



Southeast Texas Housing Finance Corporation (SETH)
5 Star Texas Advantage Program
HFA Guidelines (U.S. Bank as Servicer)

Program Sponsor	Southeast Texas Housing Finance Corporation (“SETH”) is an approved provider of down payment assistance per HUD and Freddie Mac guidelines.
Program Administrator	EHousingPlus on-line system will post mortgage loan rates, accept and confirm loan reservations and manage Program funding.
Eligible Lenders	Must be approved by U.S. Bank and sign a Lender Agreement with SETH.
Servicer	First Loans will be purchased and serviced by U.S. Bank (the “Servicer”).
Eligible Loan Area	Program is available throughout the State of Texas except in Travis County and the cities of El Paso and Grand Prairie.
Occupancy	Primary residence only. Borrowers and their spouses must permanently reside in the U.S. and must occupy the property within 60 days.
Eligible Borrowers	There is no SETH first-time homebuyer requirement. Non-occupant Borrowers or co-signers are not permitted. Follow US Bank and Agency guidelines for non-citizens.
Eligible Properties	<p><u>FHA, VA and USDA</u>: 1-4 unit properties. Single family, owner-occupied, detached structures, or condominiums, town homes/PUDs or duplexes, subject to FHA, VA and USDA guidelines. Manufactured homes permitted with 680 FICO score. Exceptions for the FICO score requirement may be available from SETH. See US Bank Product Guides for complete requirements including DTI and acceptable underwriting approval methods.</p> <p><u>Freddie Mac HFA Advantage</u>: 1 unit properties only. Manufactured homes are not permitted. Condos with LTV above 95%, must have USBM approval for the project.</p>
Income Limits	Qualifying Income for <u>FHA/VA</u> and <u>USDA loans</u> as reported on the 1003 Form may not exceed Income Limits as posted at www.sethfc.com . For <u>Freddie Mac Conventional</u> loans the income used must be in accordance with Freddie Mac guidelines. See chart posted on sethfc.com in the Lender Section. <u>Additional Affordable Income Subsidy (AIS) Grant</u> available for Freddie Mac Loans below the established AIS income limits. Limits posted on the sethfc.com website.
Home Price Limits	<ul style="list-style-type: none"> • <u>FHA</u>: Home purchase price may not exceed limits established by SETH. Click here. • <u>USDA, VA</u>: Home purchase price may not exceed \$484,350. • <u>Freddie Mac</u>: Home purchase prices may not exceed \$484,350.
Borrower Investment	<ul style="list-style-type: none"> • <u>FHA, VA, USDA</u>: No minimum Borrower investment required. • <u>Freddie Mac</u>: Per DU, LP and Mortgage Insurer guidelines.
Credit Score Minimum	<ul style="list-style-type: none"> • <u>FHA, VA, USDA</u>: Minimum 640 credit score (all Borrowers on title). • <u>Freddie Mac HFA Advantage</u>: Minimum 640 credit score (all Borrowers on title)
Homebuyer Education: No other course accepted	Required for all Borrowers, even for non-first time homebuyers. Borrowers should visit the SETH homepage www.sethfc.com and select “Homebuyer Information” tab to locate the SETH Homebuyers Education Course instructions and link for completing the class. The Borrower or all Co- Borrowers must complete the course individually. Buyers receiving our AIS Grant, may qualify for HBE at no cost- contact SETH directly.

First Loan Terms and Guidelines

First Loan Types	<ul style="list-style-type: none"> • FHA 203(b), 203(b)(2), 203(k) streamlined, VA, USDA. • Freddie Mac HFA Advantage <ul style="list-style-type: none"> ➢ 1unit properties only, principal residences. Manufactured Housing is not permitted. ➢ Condos permitted. Need USBM approval for LTV >95%. ➢ Borrower must sign a Mortgagor’s Acknowledgment, certifying that the Sponsor and Servicer may forward the Borrower’s payment history to an experienced third party counseling organization. ➢ Borrower’s qualifying income must be within the income limits listed on www.sethfc.com ➢ AIS Grants provided for low/lower income buyers
Transaction Type	Purchase transactions; rate/term refinancings are not permitted.
First Loan Terms	30-year fixed rate fully amortizing first mortgage loan only.
Mortgage Loan Rates	Mortgage Loan Rates are available through eHousing and will be posted daily from 9:00 AM to 4:00 PM CST.
Rate and Price Adjustments	Freddie Mac HFA Advantage loans are <u>not</u> subject to any loan level price adjustments and delivery fees. There is no Freddie Mac adverse market delivery fee.
Rate Locks and Extension	<p>Borrowers must have a fully executed sale contract for a specific property before a Rate Lock can be submitted. Within 25 days for each Rate Lock, the Loan must be underwriter certified on the eHousing lender portal.</p> <p>Loans must be purchased and funded by Servicer within 70 days of the rate Lock Date. Any Mortgage Loan not purchased within the 70 days is ineligible for purchase unless the Lender elects a one-time only 30-day extension, subject to a \$375 extension fee which will be netted from the Loan Purchase Price.</p>
Loan Underwriting/Ratios/Reserves	<ul style="list-style-type: none"> • FHA, VA, USDA, Freddie Mac and US Bank guidelines with respect to reserves and underwriting guidelines subject to a DU qualified “Approve/Eligible” or LP qualified “Accept/Eligible” finding. Loans with DU Approval will have a max DTI of 45% unless the credit score is 720 or higher. Manual underwriting is not permitted for Freddie Mac HFA Advantage 95.01-97% LTV. Follow US Bank Manual UW guidelines and AUS requirements. • <u>FHA</u>: Max DTI 45%. Loans Manually Underwritten or with Credit Scores below 660 will be limited to specified options with reductions in the amount of assistance provided. • <u>USDA/VA</u>: For Borrowers with credit scores 659 and below, 45% DTI; for Borrowers with 660+ credit scores, DTI up to 50%. • <u>Freddie Mac HFA Advantage</u>: 640 minimum credit score and maximum 50% DTI with LP decision. Be sure to use Offer Identifier Code #251 Home Possible Advantage for HFAs. DU not permitted for loans locked after 12/3/18. • Per CFPB guidelines: “Extensions of credit made by creditors pursuant to a program administered by a Housing Finance Agency (HFA) are exempt from the ATR requirements regardless of the funding source (e.g. Federal, State, or other sources).” However, such loans are <u>not</u> exempt from TILA requirements for Higher-Priced Mortgage Loans (HPMLs) or High Cost Mortgage Loans.
First Loan Limits	FHA, VA, USDA and Freddie Mac first loan limits apply, subject to SETH’s maximum purchase price limits.

Compliance Review Summary

<p>Assistance Funds available from SETH</p> <p>Market Conditions will determine options available each day.</p>	<ul style="list-style-type: none"> • <u>FHA, VA, USDA</u>: SETH Assistance in the form of a 2nd lien of up to <u>5%</u> of the final Mortgage Loan amount as shown on the Mortgage Note. Assistance funds are automatically reserved once the Mortgage Loan is locked in the eHousingPlus reservation system. For FHA loans only: Loans with a representative FICO score below 660 and loans that are manually underwritten will limited to specific options on the rate sheet. • <u>Freddie Mac</u>: SETH Grant of <u>5%</u> of the final Mortgage Loan amount as shown on the Mortgage Note. Grant funds are automatically reserved once the Mortgage Loan is reserved and locked on the eHousing reservation system. <ul style="list-style-type: none"> • Additional Grant funding may be available, with terms to be announced under separate Bulletin. Borrowers meeting special lower income limits may qualify for an additional AIS Grant of up to \$2,500. See Affordable Income Subsidy- AIS Limits posted on sethfc.com. • Low Income Tier Borrowers will receive an additional Grant of \$1,500 and Lower Income Tier Borrowers will receive an additional Grant of \$2,500. • AIS Grant must be applied only toward borrower’s closing costs. • The AIS Grant must be reflected on Page 3, Section L of CD as Affordable Income Subsidy • SETH Assistance may be applied towards the Borrower’s down payment or closing costs. • The 2nd lien provided with Government Options is forgivable equally each month over a 3 year term. There are no payments. Conventional Loans will receive a Grant with no 2nd lien. • Other than earnest money reimbursement, or items paid by the Borrower outside of closing, there can be no cash back to the Borrower. • Lenders are required to report to HUD the Employer Identification Number (EIN) of all down payment assistance sponsors on HUD’s FHA Loan Underwriting and Transmittal Summary. SETH’s EIN is 76-0061310. • Borrower will be asked to acknowledge and sign a SETH Notice of DPA and Forgivable Loan Disclosure for Government Loans or Mortgagor Acknowledgment for Conventional Loans. • Lender will be responsible for returning Assistance funds to SETH received for loans not purchased by US Bank through Program. Borrowers will not be expected to return funds except for instances of fraud.
<p>Assistance Funding</p>	<p>With a 2 day notice, upon receipt of a Wire Transfer Request Form, SETH through its custodial agent will arrange for the wire transfer of the SETH Assistance funds directly to the Closing Agent or Title Company for the benefit of the Borrower. The AIS Grant is paid by the Lender reimbursed by US Bank at loan purchase.</p>

Mortgage Insurance

<p>Required Mortgage Insurance (MI) Coverage</p>	<ul style="list-style-type: none"> • FHA, VA, and USDA-RD MI coverage per HUD, VA, USDA-RD requirements. • For Freddie Mac Loans: <ul style="list-style-type: none"> ➢ 18% charter coverage for 95.01-97% LTV Loans ➢ 16% charter coverage for 90.01-95% LTV Loans ➢ 12% charter coverage for 85.01-90% LTV Loans ➢ 6% charter coverage for 80.01-85% LTV Loans
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Compliance Review Summary

Mortgage Insurance Rates	<ul style="list-style-type: none"> • Insurers must be approved by Freddie Mac. • Borrower paid MI monthly, split or single premiums are acceptable per MI company guidelines. • Lender is responsible for activating any MI policy and remitting any MI payments due to the Mortgage Insurer prior to the sale of the loan to the Servicer. Lender is also responsible for transferring the MI policy to the Servicer after the loan sale. • PMI rates, pricing, and guidelines may differ among the participating Mortgage Insurers and are subject to change. Lenders should consult the current MI guidelines to determine the terms and conditions by which such loans will be insured. • This Term Sheet does not supersede, nor are they a substitute for, the guidelines in place with each Mortgage Insurer at the time the loan is underwritten.
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Closing Docs For Assistance Signed At Closing	<table border="0"> <tr> <td style="vertical-align: top;"> <p>Government Loans</p> <ul style="list-style-type: none"> • Notice of DPA signed by SETH • Forgivable Loan Disclosure • 2nd Lien Note • 2nd Lien DOT </td> <td style="vertical-align: top;"> <p>Conventional Loans</p> <ul style="list-style-type: none"> • Mortgagor's Acknowledgment </td> </tr> </table>	<p>Government Loans</p> <ul style="list-style-type: none"> • Notice of DPA signed by SETH • Forgivable Loan Disclosure • 2nd Lien Note • 2nd Lien DOT 	<p>Conventional Loans</p> <ul style="list-style-type: none"> • Mortgagor's Acknowledgment
<p>Government Loans</p> <ul style="list-style-type: none"> • Notice of DPA signed by SETH • Forgivable Loan Disclosure • 2nd Lien Note • 2nd Lien DOT 	<p>Conventional Loans</p> <ul style="list-style-type: none"> • Mortgagor's Acknowledgment 		
Lender Certification	Within 25 days of the loan reservation date, Underwriter's Certification must be completed in the on-line Lender Portal at eHousingplus.com.		
Assistance Funding Request	2 business days prior to the scheduled loan closing date, Lenders must submit a Wire Transfer Request Form to SETH's custodian, Bank of Texas.		
Post-Close Compliance	<p>Within 10 days of the loan closing date, Lender must prepare the following for delivery to eHousingPlus:</p> <ul style="list-style-type: none"> ▪ \$250 check payable to eHousingPlus ▪ Real Estate Purchase Contract ▪ Executed Closing Disclosure ▪ Final Loan Application (1003) ▪ FHA Loan Transmittal Summary ▪ SETH Homebuyer Education Certificate ▪ Signed Notice of DPA and Forgivable Loan Disclosure (FHA, VA, USDA Loans only) ▪ Signed Mortgagor's Acknowledgment (Freddie Mac loans only) 		

Compensation, Seller Contributions and Fees

Lender Compensation	<ul style="list-style-type: none"> • <u>FHA, VA, USDA</u>: Lenders will receive a 1.75% SRP for FHA and USDA loans upon the purchase of the loan by the Servicer. For VA loans, the SRP is 1.25%. Lenders may charge an origination fee of up to 1% to the Borrower. • <u>Freddie Mac</u>: Lenders will receive a 1.75% SRP upon the purchase of the loan by the Servicer. Lenders may charge an origination fee of up to 1% to the Borrower. • Reasonable and customary fees and closing costs, as long as such fees and expenses are comparable to other FHA, VA, USDA and Freddie Mac of similar size and are fully disclosed to the Borrower in accordance with federal, state and local laws and regulations.
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Compliance Review Summary

Seller Contribution	Permitted subject to FHA, VA, USDA and Freddie Mac guidelines.
Loan Purchase Price and Program Fees	Servicer will purchase all FHA, USDA and Freddie Mac loans at a 101.75% purchase price or 101.25% for all VA loans less Servicer's \$400 Funding Fee, \$80 Tax Service Fee and any extension fees.
2 nd Lien Recording Fee	Lenders are able to make their own determination of how to list the 2 nd lien recording fee. Options may include listing the fee on the SETH required Forgivable Loan Disclosure. Please consult with your internal compliance department.
2 nd Mtg Clause	You do not need to include SETH as a 2 nd lien holder in the Mortgagee Clause for Homeowner's Insurance.

Servicer and SETH Contact Information

Loan Delivery Information	Final document delivery information and checklist are posted on www.mrbp.usbank.com , or contact the US Bank Help Desk. A \$50 late fee will be assessed on final documents not delivered within 60 days of purchase.
2 nd Lien DOT	Delivered to US Bank at address provided on document
US Bank Lender Help Desk	For underwriting questions, contact the US bank Help Desk at 800-562-5165 or hfa.programs@usbank.com
US Bank Underwriting Services	Lenders that require US Bank Home Mortgage underwriting services may have additional underwriting requirements and should contact US Bank directly.
SETH Contact Information	Rhonda Mitchell, SETH Single Family Program Manager rmitchell@sethtexas.com 11111 S Sam Houston Parkway East Houston, TX 77089 281.484.4663 x110



SETH 5 Star Texas Advantage Program

FHA Maximum Purchase Price Limits: Effective 1/2/19

County Location:

Bastrop	\$389,850	(Austin-Round Rock-San Marcos MSA)
Caldwell	\$389,850	
Hays	\$389,850	
Williamson	\$389,850	
Collin	\$395,600	(Dallas-Fort Worth-Arlington MSA)
Dallas	\$395,600	
Denton	\$395,600	
Ellis	\$395,600	
Hunt	\$395,600	
Kaufman	\$395,600	
Rockwall	\$395,600	
Johnson	\$395,600	
Parker	\$395,600	
Somervell	\$395,600	
Tarrant	\$395,600	
Wise	\$395,600	
Austin	\$331,200	(Houston-Sugar Land- Baytown MSA)
Brazoria	\$331,200	
Chambers	\$331,200	
Fort Bend	\$331,200	
Galveston	\$331,200	
Harris	\$331,200	
Liberty	\$331,200	
Montgomery	\$331,200	
Waller	\$331,200	
Atascosa	\$359,950	(San Antonio-New Braunfels MSA)
Kendall	\$359,950	
Medina	\$359,950	
Bandera	\$359,950	
Bexar	\$359,950	
Comal	\$359,950	
Guadalupe	\$359,950	
Wilson	\$359,950	

All Other Counties: \$314,827