



SPRINGBOARD
CDFI

Springboard To Homeownership[®]

Down Payment and Closing Cost Assistance Interest-Only & Shared Appreciation Program Guide

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ABOUT SPRINGBOARD CDFI

Springboard CDFI (“Springboard”), established in 1982, is a national nonprofit lender (NMLS #329152) and Community Development Financial Institution (“CDFI”) whose primary pursuit is to bridge the wealth gap in America by providing scaled solutions and access to capital with a focus on first time homebuyers, and rural communities. CDFI’s are specialized mission driven financial institutions whose goals are to provide essential and unprecedented levels of affordable credit, investment, development services and capital to minority and economically challenged communities underserved by traditional lenders. CDFI’s are certified through the U.S. Department of Treasury’s CDFI Fund, an innovative federal agency which was established in 1994 through the *Riegle Community Development and Regulatory Improvement Act* to promote community development in distressed areas. Springboard is the only national community development mortgage lending organization in the country, and is committed to rebuilding the broken delivery system of mortgage financing for low-to-moderate-income (LMI) and underserved communities across the United States.

SPRINGBOARD DOWN PAYMENT AND CLOSING COST ASSISTANCE PROGRAMS

Springboard is offering two (2) unique industry-setting privately created and administered multi-state down payment assistance and closing cost programs from a charitable organization as defined by Section 501(c)(3) of the Internal Revenue Code of 1986 (the “Programs”). Most importantly, these new Programs do not utilize premium pricing on the first mortgage to fund the down payment and closing cost assistance loan. This non-premium pricing model results in lower borrowing costs for the consumer while still achieving financing for the purchase of their home.

POTENTIAL BENEFITS OF A DOWN PAYMENT ASSISTANCE SECOND MORTGAGE

- Can provide borrowers with financial assistance to pay for the required down payment and closing costs associated with purchasing a home and make it possible for those who do not have sufficient savings to meet standard program requirements to own a home.
- Can increase the affordability of the housing payment and the likelihood that the borrower will qualify for the first mortgage.
- Can help lenders expand their market to help more people, especially those with lower wealth and income, afford to buy a home.
- Can help make the benefits and equity opportunities of owning a home possible for lower income households in high cost markets, and increase the purchase power of a household in any market in order to purchase the housing type that best suits their long term needs.



BORROWER ELIGIBILITY

The Springboard Programs are targeted to homebuyers earning less than or equal to 140% of the Area Median Income (“AMI”) as referenced in Fannie Mae’s AMI limits, and intend to occupy that home as their primary residence. *(See Appendices A & B - Program Guidelines for details.)*

All Springboard Program participants will be required to complete a U.S. Department of Housing and Urban Development (“HUD”) approved home buyer education course. This is a common and customary practice for down payment and closing cost assistance programs. Springboard’s preferred administrator of homebuyer education is credit.org, a national nonprofit provider of online, telephone, and in-person financial counseling in partnership with eHome America™, the premier provider of web-based education programs for prospective first-time homebuyers.

PROGRAM OVERVIEW

Springboard offers two (2) down payment and closing cost assistance options: (1) Interest Only second mortgage that matches the rate of the 1st mortgage and, (2) Shared Appreciation second mortgage.

The Interest Only second mortgage is one in which the Borrower pays only the interest on the second mortgage for a term of thirty (30) years thus making for a smaller monthly payment. When the fixed term is over, the principal amount is due. *(See Appendix A – Program Guidelines for details.)*

The Shared Appreciation second mortgage is one in which the Borrower makes no loan payments during the life of the loan such that the loan is only repaid when the Property is sold or refinanced and the lender receives a portion of the increase in the home’s value. *(See Appendix B – Program Guidelines for details.)*

The Springboard Programs will be used in conjunction with the Lakeview Loan Servicing, LLC’s (“Lakeview”) first mortgage program, otherwise known as “Lakeview No MI With Community Second.” See [Lakeview Correspondent Website](#) for details.

SELLER CONTRACTUAL OBLIGATIONS

By signing the Springboard Loan Correspondent Purchase and Sale Agreement (“Agreement”), Seller is bound by the requirements of this Springboard CDFI Down Payment and Closing Cost Assistance Program Guide (“Springboard Guide”) as well as the Lakeview Loan Servicing Seller Guide (“Lakeview Guide”), as both the Lakeview Guide and the Springboard Guide may be amended or supplemented from time to time and for which both are incorporated into and made part of the Agreement. The Guides, Agreement and any other Purchase Documents govern the sale of Mortgage Loans by Seller to Springboard.

SUBMITTING, LOCKING AND UPLOADING IMAGES

For instructions on how to submit, price and lock loans in the Lakeview Correspondent system, refer to the Submitting, Pricing, and Locking Springboard job aid, found on the Lakeview Correspondent website, in the Client Site (click on Client Login), under the Reference Library tab. Loans must be closed and distributed by Lock Expiration. *See Appendix C for Process Flow and Appendix D for Springboard Document Delivery Requirements.*


CONTACT INFORMATION

For questions and/or clarification, please contact a Lakeview Business Development Director and/or Client Services Representative.



APPENDIX “A”

PROGRAM GUIDELINES- INTEREST ONLY - www.springboardcdfi.org


Springboard To Homeownership Interest Only		 SPRINGBOARD C D F I
Term Sheet		
Description	<ul style="list-style-type: none"> • A thirty (30) year interest-only second mortgage for down payment and closing cost assistance. The second mortgage interest rate will be equal to the first mortgage rate. • The second mortgage will be up to four percent (4%) of the lesser of the purchase price or the appraised value, with no dollar cap. • It is combined with Lakeview's No MI With Community Second Program. • The Borrower will sign a second promissory note and a second trust/deed which will be recorded as a subordinate lien on the Property. • Second mortgage proceeds may be used to fund up to one hundred percent (100%) of the Borrower's cash to close. The only cash back permissible to the Borrower is a refund of any earnest money, prepaid fees and interest or tax credit. • Other down payment / closing cost programs are permitted to be used in conjunction with the Springboard To Homeownership Program and must also meet the Fannie Mae Community Seconds Loan Eligibility / Fannie Mae Community Seconds Fact Sheet. (See Subordinate Financing section below.) 	
Repayment Terms	<ul style="list-style-type: none"> • Interest only payments will be due monthly. • The second mortgage is due and payable upon the sale, refinance or transfer of the Property, or maturity or early payoff of the first mortgage.. • NOT FORGIVABLE. 	
Eligible Loans	<ul style="list-style-type: none"> • Offered in conjunction with Lakeview No MI With Community Second Program (Fannie Mae only). 	
AUS Underwriting	<ul style="list-style-type: none"> • Approve/eligible only from Desktop Underwriter (DU®). • Manual underwriting is <u>not</u> permitted. 	
First Time Homebuyer Requirements	<ul style="list-style-type: none"> • Fannie Mae HomeReady® – No first-time homebuyer requirement <ul style="list-style-type: none"> ◦ The income used to qualify the Borrower converted to an annual basis must not exceed one hundred percent (100%) of the Area Median Income (AMI). <ul style="list-style-type: none"> ▪ Low-income census tracts: the income used to qualify the Borrower converted to an annual basis must not exceed one hundred forty percent (140%) of AMI. • Fannie Mae Conventional LTV 95.01% - 97% - At least one Borrower must be a first-time homebuyer.* • Fannie Mae Conventional LTV < 95.01% - No first-time homebuyer requirement. • Note: High balance loans are limited to 95% maximum LTV/CLTV. <p><i>*First-time homebuyer definition: At least one buyer must not have owned any residential property in the past three (3) years. In addition, an individual who is a displaced homemaker or single parent will also be considered a first-time homebuyer if he or she had no ownership interest in a principal residence (other than a joint ownership interest with a spouse) during the preceding three (3) year time period. See Fannie Mae Selling Guide for further information.</i></p>	
DTI	<ul style="list-style-type: none"> • Maximum Debt-to-Income (“DTI”) is the lesser of Automated Underwriting System (“AUS”) or fifty percent (50%). • DTI ratios to be calculated using the interest only payment from the second mortgage. 	
Credit Score Requirement	<ul style="list-style-type: none"> • 660 minimum FICO score. 	
Eligible Property Types	<ul style="list-style-type: none"> • 1 unit primary residence, Condominiums, Planned Unit Developments (PUDs), Townhomes. 	
Loan Purpose	<ul style="list-style-type: none"> • Purchases only. 	
Occupancy	<ul style="list-style-type: none"> • Owner occupied only. Borrowers and spouses must reside in the U.S. and occupy the Property as their primary residence within sixty (60) days of closing. 	
Borrower	<ul style="list-style-type: none"> • No minimum Borrower contribution. 	



Contribution	
Eligible Area	<ul style="list-style-type: none"> Eligible Areas: Colorado, Florida, Georgia, Illinois, Massachusetts, North Carolina, Tennessee, and Virginia.
Program Income Limits	<ul style="list-style-type: none"> Income limits: Less than or equal to one hundred forty percent (140%) AMI as described in Fannie Mae's income limits All stable and verifiable income listed on the Uniform Residential Loan Application must be submitted to AUS and applied against the Program income limits. Follow Fannie Mae Selling Guide with respect to allowable income sources and calculation methods.
Subordinate Financing	<ul style="list-style-type: none"> Other down payment /closing cost programs are permitted in conjunction with the Springboard To Homeownership Program. <ul style="list-style-type: none"> These programs must comply with all Fannie Mae Community Seconds Loan Eligibility guidelines. Must be subordinate to first and second lien.
Subordination	<ul style="list-style-type: none"> Not permitted.
Homebuyer Education	<ul style="list-style-type: none"> Required for all Borrowers. Education program must comply with Fannie Mae homebuyer education requirements. Preferred education provider is credit.org in partnership with eHome America™
Disclosure	<ul style="list-style-type: none"> Must comply with TILA-RESPA Integrated Disclosure (TRID) rules: <ul style="list-style-type: none"> A completed Loan Estimate and Closing Disclosure are required. Other federal and state disclosures regarding second liens may apply. Other than a recording fee and interim interest no other fees are permitted or charged to the Borrower.
Second Loan Amount Calculation	<ul style="list-style-type: none"> Second loan amounts are <u>always</u> calculated as a percentage of the lesser of the purchase price or the appraised value.
Program Fees	<ul style="list-style-type: none"> A one hundred fifty dollar (\$150) Lender funding fee will be deducted from the purchase and sale. This fee cannot be passed on to the Borrower. County recording fees and prepaid interest, where applicable, may be charged, no other fees are permitted.
Required Program Documentation for Loan Closing	<ul style="list-style-type: none"> Homebuyer Education Certificate(s) of Completion. Interest-Only Agreement and attestation. Signed and notarized original second note in the Lender's name. Copy of the signed, notarized second trust/deed in the Lender's name and MERS as the nominee for Lender and Lender's successors and assigns.
Funding	<ul style="list-style-type: none"> Loan funds will be advanced by the Lender, to be reimbursed once Springboard purchases the second mortgage.
Post-Closing/ Seasoning	<ul style="list-style-type: none"> <u>Loans must not be aged more than forty-five (45) days from the loan closing date until the time the loan is delivered to Springboard for purchase. This includes the date the credit and closing file is received and the loan is eligible for purchase. All loans must be purchased by Springboard within sixty (60) days of the note date.</u> Within forty-five (45) days of the loan closing, the title/escrow company or originating Lender must send via overnight to Lakeview as servicer for the Springboard Program: <ul style="list-style-type: none"> Original signed second promissory note. Original recorded or certified true copy of the second trust/deed with original recordation stamp. The County Assessor's Office (or the Lender or title/escrow company if the originals are returned to either party) must return the recorded second trust/deed to Lakeview. The originating Lender is ultimately responsible for ensuring that the second trust/deed is submitted to the County Assessor's Office for recording, and that the original signed second note and recorded second trust/deed with the recordation stamp is also returned to Lakeview as servicer for the Springboard Program. All loans must be registered with MERS. The MERS transfer of beneficial rights and transfer of servicing rights must be initiated by the Seller within seven (7) calendar days of purchase date. Springboard CDFI MERS #1013207



APPENDIX “B”
PROGRAM GUIDELINES- SHARED APPRECIATION - www.springboardcdfi.org

<p>Springboard To Homeownership Shared Appreciation</p>	 <p>SPRINGBOARD C D F I</p>
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Term Sheet

<p align="center">Description</p>	<ul style="list-style-type: none"> • A thirty (30) year term with a zero percent (0%) interest second mortgage for down payment and closing cost assistance. • The second mortgage will be up to four percent (4%) of the lesser of the purchase price or the appraised value, with no dollar cap. • It is combined with Lakeview’s No MI With Community Second Program. • The Borrower will sign a second promissory note and a second trust/deed which will be recorded as a subordinate lien on the Property. • Second mortgage lien proceeds may be used to fund up to one hundred percent (100%) of the Borrower’s cash to close. The only cash back permissible to the Borrower is a refund of any earnest money, prepaid fees, and interest or tax credit • The loan has a shared appreciation component of thirty percent (30%). • Other down payment /closing cost programs are permitted to be used in conjunction with the Springboard To Homeownership Program and must also meet the Fannie Mae Community Seconds Loan Eligibility / Fannie Mae Community Seconds Fact Sheet. (See Subordinate Financing section below.)
<p align="center">Repayment Terms</p>	<ul style="list-style-type: none"> • The second mortgage payment is deferred and not due and payable until the sale, refinance or transfer of the Property, or maturity or early payoff of the first mortgage.. • Shared appreciation is calculated on the fair market value of the Property at the time of sale, refinance, transfer, maturity or early payoff of the first mortgage. <ul style="list-style-type: none"> ○ Percentage of sales price or value determination should be calculated as follows (if the Property is sold it will be based on sales price as indicated in the ratified sales contract or if it is transferred, refinanced or paid off early, it will be based on the appraised value, plus any and all condemnation or casualty adjustments): <ul style="list-style-type: none"> ▪ Payoff the first mortgage ▪ Payoff the second mortgage ▪ Pay to the Borrower any portion of the down payment that came from Borrower’s own funds ▪ Pay to the Borrower the principal portion of all payments the Borrower made on the first mortgage ▪ Pay to the Borrower the costs of any improvements made to the Property defined as: One hundred percent (100%) of the cumulative sum expended by the Borrower on completed capital improvement projects that significantly changed and enhanced the value of the Property (not inclusive of sweat equity) as of the date herein until the occurrence of a sale, refinance, early payoff of the first mortgage, maturity, or transfer of the Property, in which the cumulative amount expended for each type of improvement project is in excess of two thousand five hundred dollars (\$2,500) and provided such amounts expended are supported by contractor invoices and /or receipts, is constructed in strict compliance with all applicable state, county, city, local governmental, subdivision, and homeowners association ordinances, statutes, regulations, requirements and restrictions that affect the Property; and includes the following work or items: <ul style="list-style-type: none"> • new additions to the dwelling on the Property that increase the livable square footage of the dwelling, such as bedrooms, bathrooms, and family rooms; • interior improvements to the dwelling on the Property that increase the livable square footage of the dwelling, such as finishing an unfinished basement; • substantial kitchen and bath modernizations; and • new decks, garages, porches, and patios where none previously existed, and paving an unpaved driveway.



	<ul style="list-style-type: none"> ▪ Cost of improvements excludes work or items not within the construction or modernization described in subsection immediately above, including, but not limited to, the following: <ul style="list-style-type: none"> • ordinary maintenance, updating, and repair, including the repair, replacement or updating of building components such as roofs, ceilings, walls, floors, foundations, and heating, air conditioning, electrical, or plumbing systems; • decorations, wallpaper, paint, and the replacement of appliances, windows, doors, and floor coverings (unless included in the work or items described above); and • land improvements, such as landscaping, plants, fences, pools, and sheds. ▪ Reimburse to the Borrower common <i>and customary costs of selling the Property (such as a sales commission)</i> ▪ The remainder after these payoffs/reimbursements is the equity to be shared ▪ The shared appreciation payout is the lesser of: <ul style="list-style-type: none"> • Thirty percent (30%) of the appreciation for the duration of the Shared Appreciation Second Mortgage Down Payment and Closing Cost Assistance Product; OR • Five (5) times the original amount financed of the Shared Appreciation Second Mortgage Down Payment and Closing Cost Assistance Product
Eligible Loans	<ul style="list-style-type: none"> • Offered in conjunction with Lakeview No MI With Community Second Program (Fannie Mae only).
AUS Underwriting	<ul style="list-style-type: none"> • Approve/Eligible only from Desktop Underwriter (DU®). • Manual underwriting is <u>not</u> permitted.
First Time Homebuyer Requirements	<ul style="list-style-type: none"> • Fannie Mae HomeReady® – No first-time homebuyer requirement. <ul style="list-style-type: none"> ◦ The income used to qualify the Borrower converted to an annual basis must not exceed one hundred percent (100%) of Area Median Income (AMI). <ul style="list-style-type: none"> ▪ Low-income census tracts: the income used to qualify the Borrower converted to an annual basis must not exceed one hundred forty percent (140%) of AMI. • Fannie Mae Conventional LTV 95.01% - 97% - At least one Borrower must be a first-time homebuyer* • Fannie Mae Conventional LTV < 95.01% - No first-time homebuyer requirement. • Note: High balance loans are limited to 95% maximum LTV/CLTV. • <i>*First-time homebuyer definition: At least one buyer must not have owned any residential property in the past three (3) years. In addition, an individual who is a displaced homemaker or single parent will also be considered a first-time homebuyer if he or she had no ownership interest in a principal residence (other than a joint ownership interest with a spouse) during the preceding three (3) year time period. See Fannie Mae Selling Guide for further information.</i>
DTI	<ul style="list-style-type: none"> • Maximum Debt-to-Income (“DTI”) is the lesser of Automated Underwriting System (“AUS”) or fifty percent (50%).
Credit Score Requirement	<ul style="list-style-type: none"> • 660 minimum FICO score.
Eligible Property Types	<ul style="list-style-type: none"> • 1 unit primary residence, Condominiums, Planned Unit Developments (PUDs), Townhomes.
Loan Purpose	<ul style="list-style-type: none"> • Purchases only.
Occupancy	<ul style="list-style-type: none"> • Owner occupied only. Borrowers and spouses must reside in the U.S. and occupy the Property as their primary residence within sixty (60) days of closing.
Borrower Contribution	<ul style="list-style-type: none"> • No minimum Borrower contribution.
Eligible Area	<ul style="list-style-type: none"> • Eligible Areas: Colorado, Florida, Georgia, Illinois, Massachusetts, Tennessee and Virginia.
Program Income Limits	<ul style="list-style-type: none"> • Income limits: Less than or equal to one hundred forty percent (140%) AMI as described in Fannie Mae's income limits • All stable and verifiable income listed on the Uniform Residential Loan Application must be submitted to AUS and applied against the Program income limits. • Follow Fannie Mae Selling Guide with respect to allowable income sources and calculation methods.

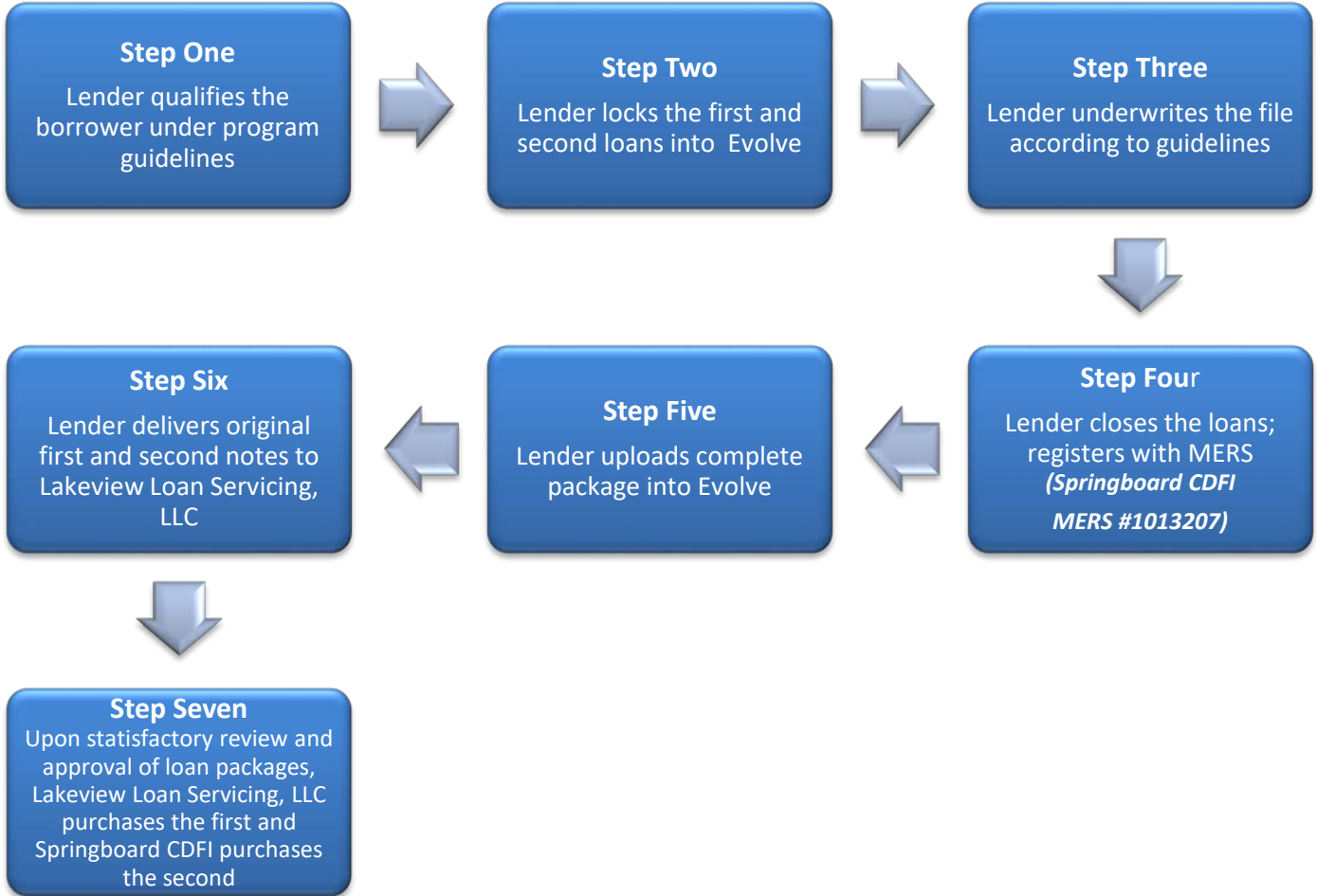


<p>Subordinate Financing</p>	<ul style="list-style-type: none"> Other down payment /closing cost programs are permitted in conjunction with the Springboard To Homeownership Program <ul style="list-style-type: none"> These programs must comply with all Fannie Mae Community Seconds Loan Eligibility guidelines. Must be subordinate to first and second lien.
<p>Subordination</p>	<ul style="list-style-type: none"> Not permitted.
<p>Homebuyer Education</p>	<ul style="list-style-type: none"> Required for all Borrowers. Education program must comply with Fannie Mae homebuyer education requirements. Preferred education provider is credit.org in partnership with eHome America™
<p>Disclosure</p>	<ul style="list-style-type: none"> Must comply with TILA-RESPA Integrated Disclosure (TRID) rules: <ul style="list-style-type: none"> A completed Loan Estimate and Closing Disclosure are required. Other federal and state disclosures regarding second liens may apply. Other than a recording fee and interim interest no other fees are permitted or charged to the Borrower.
<p>Second Loan Amount Calculation</p>	<ul style="list-style-type: none"> Second loan amounts are <u>always</u> calculated as a percentage of the lesser of the purchase price or the appraised value.
<p>Program Fees</p>	<ul style="list-style-type: none"> A one hundred fifty dollar (\$150) Lender funding fee will be deducted from the purchase and sale. This fee cannot be passed on to the Borrower. County recording fees and interim interest, where applicable, may be charged, no other fees are permitted.
<p>Required Program Documentation for Loan Closing</p>	<ul style="list-style-type: none"> Homebuyer Education Certificate(s) of Completion. Shared Appreciation Agreement and attestation. Signed and notarized original second note in the Lender's name. Copy of the signed, notarized second trust/deed in the Lender's name and MERS as the nominee for Lender and Lender's successors and assigns.
<p>Funding</p>	<ul style="list-style-type: none"> Loan funds will be advanced by the Lender, to be reimbursed once Springboard purchases the second mortgage.
<p>Post-Closing/ Seasoning</p>	<ul style="list-style-type: none"> <u>Loans must not be aged more than forty-five (45) days from the loan closing date until the time the loan is delivered to Springboard for purchase. This includes the date the credit and closing file is received and the loan is eligible for purchase. All loans must be purchased by Springboard within sixty (60) days of the note date.</u> Within forty-five (45) days of the loan closing, the title/escrow company or originating Lender must send via overnight to Lakeview as servicer for the Springboard Program: <ul style="list-style-type: none"> Original signed second promissory note. Original recorded or certified true copy of the second trust/deed with original recordation stamp. The County Assessor's Office (or the Lender or title/escrow company if the originals are returned to either party) must return the recorded second trust/deed to Lakeview. The originating Lender is ultimately responsible for ensuring that the second trust/deed is submitted to the County Assessor's Office for recording, and that the original signed second note and recorded second trust/deed with the recordation stamp is also returned to Lakeview as servicer for the Springboard Program. All loans must be registered with MERS. The MERS transfer of beneficial rights and transfer of servicing rights must be initiated by the Seller within seven (7) calendar days of purchase date. Springboard CDFI MERS # 1013207



APPENDIX “C”

PROCESS FLOW





APPENDIX “D”

DOCUMENT DELIVERY REQUIREMENTS

The documents listed below are required to be delivered to Springboard via Lakeview’s loan submission procedures prior to purchase of the second mortgage loan from the Seller. From time to time additional documents may be required.

- Initial and Final 1003
- 1008
- Credit Report
- Borrower Authorization Form
- All Documents supporting Income
- 3 Year Tax Returns (First-time Homebuyer)
- Income Calculation Worksheet
- AUS Approval
- Homebuyer Education Certificate
- Initial disclosures including Loan Estimate and Closing Disclosure and re-disclosures
- Interest Only Agreement and Attestation
- Signed Purchase Contract with all addendums
- Appraisal
- Gift Letter if Applicable
- 1st Mortgage Title Commitment
- 1st & 2nd Mortgage Lock Confirmation
- Second Mortgage Promissory Note
- Second Mortgage Deed of Trust with all Riders if applicable

COLLATERAL DELIVERY REQUIREMENTS

Refer to Lakeview Loan Servicing Seller Guide for Delivery Instructions.