

**GOLDEN STATE FINANCE AUTHORITY (GSFA)
GOLDEN OPPORTUNITIES PROGRAM
LENDER TERM SHEET – CONVENTIONAL LOANS**

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| PROGRAM SPONSOR | Golden State Finance Authority (GSFA) |
| SERVICER | The Money Source, Inc (TMS) |
| PARTICIPATING LENDERS | 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 Participant Guide at www.gsfahome.org.</i> |
| DESCRIPTION | 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. |
| FIRST MORTGAGE LOAN TYPES AND TERMS | <p>Loan Types:</p> <ul style="list-style-type: none"> • Freddie Mac HFA Advantage. <p>Loan Term:</p> <ul style="list-style-type: none"> • 30-year fixed term with full amortization. <p>Maximum Loan Amount:</p> <ul style="list-style-type: none"> • Conforming limit of \$832,750. <p>Max LTV/CLTV:</p> <ul style="list-style-type: none"> • 97%/105% <p><i>For FHA, VA, USDA Loan options, please see the “GSFA GO Program Term Sheet – FHA, VA, USDA” available for download from the GSFA GO Program Participant Guide at www.gsfahome.org.</i></p> |
| MORTGAGE LOAN INTEREST RATES: | <p>Program Manager (NHF) shall publish the Mortgage Rate on its Reservation Portal at https://nhfresportal.nhfloan.org/login.aspx on behalf of GSFA.</p> <ul style="list-style-type: none"> • The Reservation Portal may be accessed Monday through Friday between 9:00 AM and 4:00 PM PST/PDT, National Holidays excluded. • The published Mortgage Rates are subject to change at any time. |
| DOWN PAYMENT AND CLOSING COST ASSISTANCE (DPA) | <p>DPA is available from GSFA for Purchase transactions as outlined below:</p> <p>DPA Amount (based on AMI):</p> <ul style="list-style-type: none"> • Up to 4.50% of the First Mortgage Loan amount. <p>DPA Form:</p> <ul style="list-style-type: none"> • An amortizing 15-year Second Mortgage Loan, sized at 3.00% of the First Mortgage Loan Amount, with optional Gift funds, up to 1.50%. <p>DPA General Terms:</p> <ul style="list-style-type: none"> • Proceeds may be used for down payment and/or closing costs. • 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. |

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| <p>DOWN PAYMENT AND CLOSING COST ASSISTANCE (DPA) CONTINUED</p> | <p>DPA Second Mortgage Loan Terms:</p> <ul style="list-style-type: none"> • 15-year Term. • Sized at 3.00% of First Mortgage Loan amount. • Note Rate of Second Mortgage is same as the 1st Note Rate. • Amortizing with monthly payments. • Second Mortgage is due and payable upon sale, refinance or payoff of the First Mortgage. • No subordination allowed. <p>Lender must conform to federal RESPA and Truth-in-lending laws in disclosing the terms of the Second Mortgage.</p> |
| <p>OTHER ASSISTANCE PROGRAMS</p> | <p>TMS prior approval required. Subject to Agency and investor requirements, the 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>DPA DOCUMENTATION</p> | <p>Program Manager (NHF) shall provide the DPA Funding Commitment Notice along with Second Mortgage Loan documents on its Reservation Portal at https://nhfresportal.nhfloan.org/login.aspx on behalf of GSFA and Servicer.</p> <p>DPA Second Mortgage Loan Documents (Required):</p> <ul style="list-style-type: none"> • Promissory Note <ul style="list-style-type: none"> ○ Place of Payment address: <ul style="list-style-type: none"> ▪ 3138 East Elwood Street, Phoenix, AZ 85034 ○ Deed of Trust ○ Funding Commitment Notice and Gift Letter ○ Second Loan Estimate and Closing Disclosure • GSFA must serve as the Lender and beneficiary for the Second Note and Security Instrument. • Lender is responsible for recording the Second Mortgage Loan Security Instrument. |
| <p>BORROWER ELIGIBILITY</p> | <p>Occupancy:</p> <ul style="list-style-type: none"> • No first-time homebuyer requirement. • Borrowers must occupy the residence as their primary residence within (60) days of closing). • Borrowers may have ownership in other property at the time of closing, per agency guidelines. <p>Eligible Properties:</p> <ul style="list-style-type: none"> • Single Family Residences (1 unit only). • PUDs. • Condominiums and Townhouses (Project must not be in litigation) • Manufactured homes are allowed (Subject to 50 bps LLPA). |

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| <p>BORROWER ELIGIBILITY CONTINUED</p> | <p>Income Limits (based on county of property):</p> <ul style="list-style-type: none"> For Conventional loans, follow GSFA Income Limits published online at: http://www.gsfahome.org/programs/dpa/limits.aspx. <p>Qualifying Income:</p> <ul style="list-style-type: none"> Follow agency guidelines with respect to allowable income sources and calculation method to be used. Use 1003 qualifying income only. May be less than the total actual household income. <p>Minimum Credit Score:</p> <ul style="list-style-type: none"> At least one borrower must have a mid fico of 620 or greater. Each borrower must have a minimum of one credit score. <p>Maximum DTI:</p> <ul style="list-style-type: none"> Per LPA Accept – DU is not allowed. <p>Homebuyer Education:</p> <ul style="list-style-type: none"> Approved homebuyer education/counseling required if all borrowers are first time homebuyers. (Please refer to loan agency for specific requirements.) |
| <p>MORTGAGE INSURANCE</p> | <p>AMIs above 80% are subjective to standard MI coverage levels based on LTV.</p> |
| <p>RESERVATIONS</p> | <p>Lender shall register Qualifying Mortgage Loans (“QML”) using the Reservation Portal at https://nhfresportal.nhfloan.org/login.aspx.</p> <ul style="list-style-type: none"> The Reservation Portal may be accessed Monday through Friday between 9:00 AM and 4:00 PM PST/PDT, National Holidays excluded. In order to access the Reservation Portal, user shall obtain a “User ID” from the Lender’s “Password Management Contact”. <p>Reservations:</p> <ul style="list-style-type: none"> 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. Lender reserves DPA at the time of First Mortgage Loan registration via the Reservation Portal. Upon completion of the reservation, the Reservation Portal will provide Lender with an electronic “Reservation Confirmation” and “DPA Funding Commitment Notice”. The Reservation Confirmation is valid for 60 days. Both the First Mortgage Loan and the DPA Second Mortgage Loan (if applicable) must be purchased by Servicer prior to expiration. The Reservation will automatically be cancelled upon expiration unless the lender requests an extension. The Reservation Confirmation and DPA Funding Commitment Notice must be submitted with the Mortgage Loan File to Servicer for purchase. |

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| <p>RESERVATIONS CONTINUED</p> | <ul style="list-style-type: none"> • Both the First Mortgage Loan and the DPA Second Mortgage Loan (if applicable) must be purchased by Servicer within 60 days of reservation. • Modifications to a reservation will require approval from the Program Manager. • 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. • If a Lender cancels a reservation, lenders may re-register, only after 30 calendar days from cancellation date, via the Reservation Portal. • Extensions: <ul style="list-style-type: none"> ○ 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. |
| <p>UNDERWRITING</p> | <ul style="list-style-type: none"> • Freddie Mac “HFA Advantage” available through LPA “Accept” finding. • Manual Underwrite is not allowed <p><i>For more information, please visit Freddie Mac’s HFA Advantage website: https://sf.freddiemac.com/working-with-us/origination-underwriting/mortgage-products/hfa-advantage?gad_source=1&qclid=Cj0KCQjw6PGxBhCVARIsAlumnWbsxCBlyD10I7faVaoPaBXw6bx31g62b-wTNMiXBvzqAFtHuB0aw0aAqbkEALw_wcB&qclsrc=aw.ds</i></p> |
| <p>FEES AND POINTS</p> | <p>Participating Lender should refer to Servicer hfaprograms@themoneysource.com.</p> <p>Fees and Points Lender may charge to Borrower:</p> <ul style="list-style-type: none"> • Origination Fee: up to 2.50% of the First Mortgage. • Discount Points are not allowed unless used for LLPAs. • No fees allowed on the Second (recording fees and transfer taxes excepted). • 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. <p>Fees to Servicer from Lender (Servicer nets at purchase):</p> <ul style="list-style-type: none"> • Funding Fee: \$319. • Tax Service Fee: \$80. • Flood Certification: \$20. • Servicing Fee applicable to amortizing second loans: \$300. • Manufactured housing allowed (Subject to 50 bps LLPA) <p>Funds to Lender from Servicer at Loan Purchase:</p> <ul style="list-style-type: none"> • 100% of the outstanding principal amount of the First Mortgage Loan and the DPA Second Mortgage Loan. • Servicing Release Premium (based on First Mortgage): <ul style="list-style-type: none"> ○ 0.50%. |

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| LOAN DELIVERY AND PURCHASE | <ul style="list-style-type: none">• Lenders should refer to Servicer hfaprograms@themoneysource.com for loan delivery and purchase guidelines.• The GSFA DPA Funding Commitment Notice must be submitted with the mortgage loan file. Servicer shall not purchase a Mortgage Loan without these documents.• All payments on the DPA 2nd lien should be remitted to Servbank starting with the first payment. Payments due for the DPA 2nd 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 2nd lien. <p style="text-align: center;">ServBank Attn: Payment Processing 3138 E. Elwood Street Phoenix, AZ 85034.</p>• A fee of up to 6% of the loan amount may 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. |
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This Program Term Sheet is not a substitute for first mortgage guidelines. It is the responsibility of the Participating Lender to adhere to Servicer guidelines, federal RESPA laws and FHA, VA, USDA-RHS, Freddie Mac and Primary Mortgage Insurance Company guidelines.