

GOLDEN STATE FINANCE AUTHORITY (GSFA)
OPENDOORS™ PROGRAM
LENDER TERM SHEET – CONVENTIONAL LOANS

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| PROGRAM SPONSOR | Golden State Finance Authority (GSFA) |
| SERVICER | Gateway Mortgage Group, a division of Gateway First Bank (GMG) |
| 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 OpenDoors Participant Guide at www.gsfahome.org.</i> |
| DESCRIPTION | GSFA OpenDoors™ 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 \$726,200. <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 OpenDoors Term Sheet – FHA, VA, USDA” available for download from the GSFA OpenDoors Participant Guide at www.gsfahome.org.</i></p> |
| DOWN PAYMENT AND CLOSING COST ASSISTANCE (DPA) | <p>DPA is available from GSFA for Purchase transactions as outlined below:</p> <p>DPA Amount:</p> <ul style="list-style-type: none"> • 7.00% of the First Mortgage Loan amount. <p>DPA Form:</p> <ul style="list-style-type: none"> • A deferred 30-year Second Mortgage Loan (no interest); or • A deferred 30-year Second Mortgage Loan (no interest), combined with a Gift. <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. |
| DOWN PAYMENT AND CLOSING COST ASSISTANCE (DPA) CONT. | <p>DPA Second Mortgage Loan Terms:</p> <ul style="list-style-type: none"> • 30-year Term; • Note Rate of Second Mortgage is 0%; • Non-amortizing loan with no 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> |

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| OTHER ASSISTANCE PROGRAMS | <p>Other Assistance Programs:</p> <p>Gateway prior approval required. Subject to Agency and investor requirements, 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> |
| DPA DOCUMENTATION | <p>Program Manager (NHF) shall provide the DPA Funding Commitment Notice and Gift Letter 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 ○ Deed of Trust ○ Program Partial Exemption 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. |
| BORROWER ELIGIBILITY | <p>Occupancy:</p> <ul style="list-style-type: none"> • No first-time homebuyer requirement. • Borrower must occupy the residence as their primary residence within (60) days of closing). • Borrowers may have ownership in other property at time of closing, per agency guidelines. • Co-signers and non-occupant co-borrowers are not permitted <p>Eligible Properties:</p> <ul style="list-style-type: none"> • Single Family Residences (1 unit only). • PUDs. • Townhouses. • Condominiums (Must not be in litigation) <ul style="list-style-type: none"> ○ No condominiums allowed for borrowers above 80% of Area Median Income (AMI). • No manufactured homes. |

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| <p>BORROWER ELIGIBILITY CONTINUED</p> | <p>Income Limits (based on county of property):</p> <ul style="list-style-type: none"> Income at or below 80% of Area Median Income (AMI) have more attractive pricing, down payment assistance options, and reduced MI (Charter level coverage). For Conventional loans, follow GSFA Income Limits published online at http://www.gsfahome.org/programs/opendoors/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"> 620 with LPA approval (DU is not allowed). <ul style="list-style-type: none"> 680 required for income above 80% of Area Median Income (AMI) 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>Freddie Mac HFA Advantage coverage levels for AMI 80% and below:</p> <ul style="list-style-type: none"> Greater than 95% up to and including 97% LTV: 18%. Greater than 90% up to and including 95% LTV: 16%. Greater than 85% up to and including 90% LTV: 12%. Greater than 80% up to and including 85% LTV: 6%. <p>AMIs above 80% are subjective to standard MI coverage levels based on LTV.</p> |
| <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: http://www.freddiemac.com/singlefamily/hfa.html.</i></p> |
| <p>INTEREST RATES AND MORTGAGE LOCKS</p> | <p>Mortgage Loan Interest Rates:</p> <ul style="list-style-type: none"> Mortgage Loan Interest Rates and DPA Assistance options are sent via email from GMG Secondary. <p>Loan Registrations (Reservations):</p> <ul style="list-style-type: none"> Loans are locked for 60 days. DPA Funding Commitment Notice and Gift Letter from GSFA must be submitted with the mortgage loan file. Servicer shall not purchase a Mortgage Loan without these documents First Mortgage Loan Lock: <ul style="list-style-type: none"> Lender must lock the First Mortgage Loan on GMG website using the GEMS portal: www.gatewaycorrespondent.com |

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.

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| <p>INTEREST RATES AND MORTGAGE LOCKS CONTINUED</p> | <ul style="list-style-type: none"> • Second Mortgage Loan Lock: <ul style="list-style-type: none"> ○ Gateway’s Commitment Desk will lock your Second Mortgage Loan after Lender completes the GSFA OpenDoors Registration Form on the GMG website. ○ Save completed Registration Form in pdf format and upload into GEMS as a stored document under the first lien loan number. GMG Commitment Desk will lock uploaded pdf Registration Form. ○ The First and Second Liens each have a separate loan number and lock confirmation that Lender can access in GEMS. ○ GSFA will then provide a GSFA OpenDoors DPA Funding Commitment Notice and Gift Letter via the NHF Reservation Portal at https://nhfresportal.nhfloan.org/login.aspx. ○ These documents from GSFA must be submitted with the mortgage loan file. Servicer shall not purchase a Mortgage Loan without these documents. <p>Lender must contact corrbonds@gatewayloan.com for assistance.</p> |
| <p>FEES AND POINTS</p> | <p>Participating Lender should refer to Servicer Website for guidelines at: http://www.gatewaycorrespondent.com/client-guide/.</p> <p>Fees and Points Lender may charge to Borrower:</p> <ul style="list-style-type: none"> • Origination Fee: up to 2.00% of the First Mortgage. • Discount Points: 0.00% (<i>This Program does not allow Discount Points to be charged to the Borrower</i>). • Fees charged on the DPA Second Loan cannot exceed 1% of the DPA Second Loan amount (recording fees and transfer taxes are not included in the 1% maximum). • 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: \$399. • Tax Service Fee: \$78. • Flood Certification: \$10. <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 and/or Gift. • Servicing Release Premium (based on First Mortgage): <ul style="list-style-type: none"> ○ 0.50%. |
| <p>LOAN DELIVERY AND PURCHASE</p> | <ul style="list-style-type: none"> • Lender should refer to Servicer Website http://www.gatewaycorrespondent.com/client-guide/ for loan delivery and purchase guidelines. • The GSFA DPA Funding Commitment Notice and Gift Letter must be submitted with the mortgage loan file. Servicer shall not purchase a Mortgage Loan without these documents. |

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