



FHA MAXONE LOANSTREAM FHA DPA 2ND MATRIX

Transaction Type	Number of Units	Maximum LTV/CLTV/HCLTV	Minimum Credit Score
FHA 30-Yr Fixed Purchase	1-2 Units	96.50% LTV + 3.5% DPA = 100% CLTV	580

LSM MaxONE is designed to increase homeownership opportunities for low-to-moderate income individuals and families nationwide (excluding New York and Washington State). Unless otherwise specified here as an overlay, LSM adheres to all posted guidelines for FHA eligibility, as found in the [FHA Single Family Housing Handbook 4000.1](#). Down Payment Assistance is available to achieve 100% CLTV.

TOPIC	BORROWER ELIGIBILITY
AUS	<ul style="list-style-type: none"> • Approve/Eligible or Accept findings required • Manual Underwriting is not allowed
Credit Score	<ul style="list-style-type: none"> • 580 Minimum Credit Score • Must meet all FHA credit standards per FHA Single Family Housing Handbook 4000.1
Debt-to-Income Ratio (DTI)	<ul style="list-style-type: none"> • Follow AUS findings (Approve/Eligible or Accept findings required)
Eligible Properties	<ul style="list-style-type: none"> • Condominium (must not be in litigation) • Double-wide manufactured housing allowed (single-wide not allowed) • Planned Unit Development (PUD) • SFR (1-2 Units only) • Townhouse
Income	<ul style="list-style-type: none"> • Follow FHA Single Family Housing Handbook 4000.1 guidelines • Income Limits: <ul style="list-style-type: none"> ○ No restrictions ○ Underwriter to notate Income Limit on 92900LT (per https://www.huduser.gov/portal/datasets/il.html) <ul style="list-style-type: none"> ▪ Use Individual Median Family Income ▪ Search by State and County in which property is located
Ineligible Borrowers	<ul style="list-style-type: none"> • Any borrower who does not meet FHA’s definition of a lawful, legal resident of the United States of America (For borrower residency or VISA classification acceptance, follow FHA Guidelines)



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TOPIC	BORROWER ELIGIBILITY
Occupancy	<ul style="list-style-type: none"> Primary Residence only Non-occupant co-borrowers allowed per FHA Single Family Housing Handbook 4000.1 No First-time Homebuyer requirement
TOPIC	FHA 1st TD with 2nd DPA Lien
1003 – Initial and Final	<ul style="list-style-type: none"> Initial and Final 1003 are both required, per FHA guidelines At least one of the 1003s must be signed by the Mortgage Loan Originator (MLO), and at least one must have the ‘Present Housing Expense’ section completed (no exceptions)
Borrower Contribution	<ul style="list-style-type: none"> Borrower’s minimum contribution is \$0.00
Cash Back to Borrower	<ul style="list-style-type: none"> Borrower may not receive any cash back from DPA proceeds
Credit Report – Tradelines	<ul style="list-style-type: none"> Borrower whose only credit history is built from ‘Authorized User’ account is not eligible
Down Payment Assistance (DPA) and Closing Costs Assistance	<ul style="list-style-type: none"> LSM allows Down Payment Assistance (DPA) as outlined below: <ul style="list-style-type: none"> Up to 3.5% of the Sales Price or Appraised Value (lesser of the two) DPA proceeds may be used for down payment and/or closing costs DPA proceeds may not be used for cash back to the borrower(s) 2nd Trust Deed is a zero percent (0.00%) Note rate, fully amortized over 30 years
Fees and Compensation	<ul style="list-style-type: none"> N/A
First Mortgage Loan Types and Terms	<ul style="list-style-type: none"> Loan Types (FHA; in accordance with FHA Guidelines) <ul style="list-style-type: none"> 203(b) 203(b)(2) 234(c) Loan Term <ul style="list-style-type: none"> 30-Year Fixed with Full Amortization Maximum Loan Amount <ul style="list-style-type: none"> Conforming Balance Only (HUD FHA Mortgage Limits Lookup Tool) Maximum LTV/CLTV



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TOPIC	FHA 1st TD with 2nd DPA Lien
First Mortgage Loan Types and Terms (<i>Continued</i>)	<ul style="list-style-type: none"> ○ Max LTV of 96.50% for First Mortgage ○ Down Payment Assistance (DPA) of 3.5% Allowed ○ Max CLTV of 100%
High-Cost, HPML, and QM Compliance	<ul style="list-style-type: none"> ● HPML transactions are permitted; Lender must comply with CFPB and TRID requirements ● High-cost loans are <u>not</u> permitted ● All loans must comply with QM/ATR compliance ● Loans exceeding 3% maximum points/fees test are not permitted unless a cure is applied ● Bona Fide Discount Points must adhere to CFPB and all (if any) state regulations
Homebuyer Education	<ul style="list-style-type: none"> ● At least one borrower must receive housing counseling from a HUD-approved non-profit housing counseling agency (https://www.hud.gov/program_offices/housing/sfh/hcc/hcc_home)
Ineligible Features	<ul style="list-style-type: none"> ● Building on own land ● Construction-to-Perm ● Easements and Deed Restrictions that affect value, marketability, or property accessibility as determined by the appraiser and for which no protective title endorsement is available ● Loans with resale Deed Restrictions ● Proposed, or Under Construction (New Construction is eligible, provided it is complete at the time of purchase)
IRS Transcripts	<ul style="list-style-type: none"> ● Required for self-employed borrowers, or any borrower who needs tax returns for qualifying
Loan Amount	<ul style="list-style-type: none"> ● Maximum loan amount follows standard conforming FHA Guidelines and varies by subject property county (High-balance Loan Amount not allowed) (HUD FHA Mortgage Limits Lookup Tool) ● Minimum Loan Amount - \$75,000.00
Loan Purpose	<ul style="list-style-type: none"> ● Purchase only
Mortgage Insurance (MI)	<ul style="list-style-type: none"> ● Standard FHA Coverage
Product Description	<ul style="list-style-type: none"> ● 1st TD, 30-Year Fixed Rate Term, Full Amortization ● 2nd TD, 30-Year Fixed Rate Term (at 0.00% Note Rate)



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TOPIC	FHA 1st TD with 2nd DPA Lien
State-specific Overlays	<ul style="list-style-type: none">• AZ – Minimum 2nd TD Loan Amount of \$5,000.00• NY – Not eligible• SC – Minimum 2nd TD Loan Amount of \$5,000.00• WA – Not eligible