



Home in Five Advantage Program

March 2020

STIFEL

Home in Five Advantage Down Payment Assistance Program



Sponsored by:
Maricopa IDA
Phoenix IDA

Presented by:
Lakeview Loan Servicing LLC
Stifel, Nicolaus & Company

Local Government Partnership since 2012

- The Home in Five Advantage Program was designed by the Maricopa and Phoenix IDAs to **support sustainable, long-term homeownership for qualified low and moderate income buyers within Maricopa county.**



- Both IDAs qualify as providers of down payment assistance under FHA, VA, Fannie Mae and Freddie Mac guidelines.
- Both IDAs qualify as a **“Housing Finance Agency”** under HUD guidelines

Program Success since 2012



Program Success since 2012

\$150 million

in down
payment
assistance



**\$2.4
million**

additional assistance provided
to first responders, K-12 teachers,
veterans, U.S. military personnel,
and income-qualified individuals.

Home in Five Advantage 2020 and Partners

- Lakeview Loan Servicing LLC is the **Master Servicer**.
- eHousing is no longer the Program Administrator
- All loans must be locked through and sold to LakeviewCorrespondent.com
- Since March 2019,
 - 59 active lenders
 - 2,200 loans reserved, \$500 million in First Loans (\$225,000 average).
- **Stifel, Nicolaus & Company (Stifel)** will provide certain administrative functions.
- **Unmatched pricing, credit, underwriting concessions from FHA, VA and the GSEs**



Program Parameters (All Loans, All Borrowers)

Eligible Property Types

Owner occupied, 1-unit primary residences including:

- Townhomes
- PUDs
- Condominiums

Location

- Property must be within Maricopa county.
- Borrowers must have fully executed sale contract before a rate lock can be submitted.



Borrowers and spouses must reside in the U.S. and occupy the property as their primary residence within 60 days of closing.

Borrower Investment

No minimum investment from the Borrower's own funds; gifts from any eligible source are permitted.

Program Parameters (All Loans, All Borrowers)

Borrower Eligibility requirements:

- **Income Limits** regardless of family size
- **Targeted Borrowers** eligible for Additional Assistance
 - First responders (professional peace officers, firefighters, emergency personnel or detention officers)
 - Income-qualified borrowers (annual income at or below **50% AMI**)
 - United States military personnel or veterans
 - K-12 teachers (full-time)

Although no pre-close compliance review is required, there must be evidence in the file to support the qualification.

- **Non-Purchasing Spouses are permitted (sign the security instrument only); follow Agency guidelines on NSP debt. Co-Signers are not permitted.**

Lender Compensation. 2.5% SRP, no discount points or origination fee allowed

Program Parameters (All Loans, All Borrowers)

- **Purchases only**, 30-year fixed rate loans, owner occupied, primary residence
- **Homebuyer Education:** All Borrowers on the Note, even non-first time homebuyers, are required to take an 8-hour homebuyer education course through an approved housing counseling agency located in Arizona and get a certificate of completion as a condition for closing a Home In Five loan. The homebuyer education course may be in-person or on-line. If a homebuyer takes an on-line class, they must provide their lender with a co-branded certificate with the local agency's name and/or logo, along with the on-line provider's information. The agencies at the web site listed below have provided us with links to their approved on-line course offerings.

<http://www.homein5advantage.com/homebuyer-education/>

- **Administration of Resources and Choices**
- **Money Management International**
- **Newtown CDC**
- **Take Charge America**
- **Trellis Arizona**

Program Parameters (All Loans, All Borrowers)

Fewer Restrictions & Easier to Use

- No finite source of funding; the Program is continuously funded.
- The Program is not limited to First Time Homebuyers.
- Federal Recapture does not apply.
- No purchase price limits (FHA, VA, GSE loan limits do apply)
- No Lender or Seller Affidavits, no worksheets
- No Underwriter Certificate
- No Program Administration Fee
- No caps or restrictions on loan fees; “reasonable and customary”.

CFPB Overlays

- **High Priced Mortgage Loan Calculations:** Program is exempt. However, Program is not exempt from High Cost Calculations.

Income Limits and Qualifying Income (All Borrowers)

- **Program Income Limit:** Currently at \$105,000 regardless of family size.
- **HFA Preferred Borrowers** are Borrowers earning up to 80% of the area median income (\$58,320).
- **Qualifying Income:** All income listed on the application or disclosed through the loan process must be developed according to investor guidelines
- Calculated in accordance with FHA, VA, Fannie Mae, Freddie Mac guidelines.
 - All Qualifying Income used for underwriting must be applied against the income limit.
 - Develop all disclosed borrower(s) income sources in accordance with FHA, VA, Fannie Mae and Freddie Mac guidelines and standard Lender underwriting practices.
 - File must document why any borrower(s) disclosed income was not used for underwriting or applied against the income limit.
 - Household income does not apply.
- **Tax transcripts** are required when tax returns are used to qualify a Borrower, when a written VOE form is used (standalone) or when employed by a family.

On-Line Resources

- For more information or questions about the **Second Mortgage** options, including lender agreement, contact information, conventional/government product matrices, and program guidelines, refer to the Resources for Lenders page at <http://www.homein5advantage.com>
 - Daily Rate Sheet
 - Program At a Glance
 - First Loan Matrices (Conventional Loans and Government Loans)
 - Program Down Payment Assistance Guidelines
 - Second loan documents in a fillable Acrobat Adobe format (clean and sample)
 - Lakeview material and training videos.
- For more information or questions about the **First Mortgage** please see the applicable product matrices (Conventional and Government Loans at www.lakeviewcorrespondent.com).
 - Various First Loan rate lock and loan delivery job aids
- For those responsible for rate locking with Lakeview, you can go to the Home In Five web site or you can use the link below to view the training video.
 - **Locking and Pricing a Home in Five Loan paired with a Second**
 - <https://rise.articulate.com/share/KZWFMWOMFV9nS4sb0sWG-tNtuSvYLMiS>
 - **Lenders may request and print confirmations for the First and Second Loan.**
 - **Second Loan interest rate is 0%.**

First Mortgage Loans – Conventional

Refer to the posted Lakeview Conventional First Loan Product Matrix**

- Fannie Mae's **HFA Preferred** and Freddie Mac **HFA Advantage** Loans only.
- Standard Freddie Mac and Fannie Mae loan products are not permitted.
- **LTV/CLTV: Up to maximum 97/105%**
- **Credit Score: All Borrowers must have a FICO score of no less than 640.**
- **DTI: Not to exceed 50% subject to a DU or LPA approval**
- **Underwriting: Approve/Eligible** from DU or **Accept/Eligible** from LPA; manual underwriting and/or non-traditional credit are not permitted

**In the case of conflicting guidelines, lender must follow the more restrictive guidelines of Home in Five, Fannie Mae or Freddie Mac (as applicable), Mortgage Insurer, Lender or Lakeview Loan Servicing.

First Mortgage Loans – Conventional (Continued)

Other Key Features of Conventional Loans (Low Income Only)

- No delivery fees, no loan level price adjustments
- Mortgage Insurance coverage required
 - Monthly, split and single MI premiums are permitted. Lenders should note that High Cost triggers and calculations do apply.

95.01%-97%	18%
90.01-95%	16%
85.01-90%	12%
80.01-85%	6%

- For Conventional Loans for Borrowers earning above \$58,320, standard MI coverages now apply (e.g., 35% for a 95.01-97% LTV).
- **Conventional loan rates are lower for Borrowers earning up to 80% AMI (currently \$58,320).** Charter MI is only available for Borrowers earning up to \$58,320.

First Mortgage Loans – Government

Lakeview Government First Loan Product Matrix**

(available on Lakeview portal and Home in Five website)

- FHA, VA loans only. Includes limited 203 K and HUD 184 (follow HUD guidelines)
- Full 203 K Loans are not permitted.
- Borrowers may not own another primary residence at the loan closing
- **LTV/CLTV: 96.5% (FHA), 100% (VA)**. CLTV per FHA and VA guidelines
- **Credit Score: All Borrowers must have a FICO score of no less than 640.**
- **DTI: Not to exceed 50% subject to a DU or LPA approval**
- **Underwriting: Approve/Eligible** from DU or **Accept/Eligible** from LPA;
 - Manual Downgrades are permitted for FHA Loans only if additional information was not considered in the Approve/Eligible or Accept/Eligible decision, subject to **660 minimum FICO** score for all Borrowers and a **43% maximum DTI**.

**In the case of conflicting guidelines, lender must follow the more restrictive guidelines of Home in Five, FHA or VA (as applicable), Lender or Lakeview Loan Servicing.

DPA Provided through Second Loan Options

Home in Five Advantage Down Payment Assistance (DPA) Guidelines

(available on Home in Five website)

Home in Five Advantage DPA with FHA, VA, Conventional First Loans

- 3-year term for Second Loan
- Up to 5% of final First Loan amount (including any financed MI), rounded down to nearest dollar – see Daily Rate Sheet for availability
- Deferred principal, no accrued interest, due upon sale or refinance
- Principal forgiven $1/36^{\text{th}}$ per full month over 3 years if the first lien stays in place.

Targeted Borrowers are eligible for Additional DPA of 1% on all loans.

Select the correct Second Loan EPXxxx product code (shown on the Rate Sheet) for the corresponding DPA amount, including Additional DPA, if any.

CFPB Overlays

- **2nd Loan Disclosures:** Program qualifies for CFPB's **partial disclosure** exemption.

Second Loan Requirements and Restrictions

- Second Promissory Note and secured by a recorded Second Deed of Trust/Mortgage.
- Second Loans are in the IDAs' names as Second Loan lender and beneficiary.
- Second Loans must be disclosed by the originating Lenders concurrently with the First Loan in accordance with CFPD guidelines.
- Second Loans are not assumable and not eligible for subordination.
- DPA (Second Loan proceeds) may be used to fund up to 100% of the Borrowers' cash to close.
- No cash back from the Second Loan proceeds; surplus must be used to reduce the First Loan principal. This “no cash back” rule does not impact any cash back due to the Borrower from earnest money, prepaid fees, pro-rated interest, etc.
- DPA (Second Loan proceeds) are advanced by the originating Lender, reimbursed when the First and Second Loans are sold to Lakeview.

Lenders must refer to the posted Advantage Down Payment Assistance Guidelines for complete details on how the Second Loans are disclosed, processed and funded.

Second Loan Processing

Second Loan Representation in DU and LPA

- Within DU, second loans are entered as Community Seconds
- Within LPA, Home in Five second loans are entered into the “Total Gift Fund” field in the Assets and Reserve section (Freddie Mac Seller Guide 4204.2 “Affordable Seconds”).

Disclosures

- The Lender must disclose the second loan terms on behalf of the IDAs in accordance with CFPB guidelines. Under CFPB’s partial disclosure exemption, Lenders may use:
 - the Home in Five RESPA 2nd loan disclosure, or
 - Lender’s own TRID 2nd Loan Estimate and 2nd Loan Closing Disclosure (CD)

Each Lender should check with their own Compliance Department to determine when and how the second loan terms should be disclosed to the borrower.

- Recording fee and transfer taxes are the only permitted second loan fees. Both should be reflected on the second loan disclosures and not in the first loan disclosures.

Original Second Loan Documents

- Original second notes and true certified copy of the second loan deed of trust with recordation stamp should be returned to the originating Lender and then delivered to Lakeview for advance reimbursement



HOME IN FIVE ADVANTAGESM Program Guidelines by Loan Type – At-a-Glance

	Government Loans	Fannie Mae (FNM), Freddie Mac (FRE)
Eligible Loans	FHA, VA, 30 year fixed	FNM and FRE HFA Loans, 30 year fixed
LTV/CLTV	Per FHA, VA limits	Up to 97%/105% with Affordable 2nds
Eligible Properties	1-unit SF, Townhomes, PUDs, Condos. Follow FHA, VA guidelines	1-unit SF, Townhomes, PUDs, Condos. Follow FNM and FRE guidelines.
Eligible Borrowers	First time and repeat buyers. May not own any residential property at loan closing.	
Targeted Borrowers	First Responders, Income Qualified Borrowers, Military Personnel, and K-12 Teachers may be eligible for a Second Loan increase or cash assistance.	
Borrower Investment	No minimum required.	
Eligible Area	Throughout Maricopa County including the City of Phoenix.	
Loan Purpose	Purchases only.	
Loan Rates and Locks	Priced daily; 60-day rate locks. No price adjustments, no delivery fees.	
Purchase Price Limits	None. FHA, VA loan limits apply.	None. GSE loan limit applies (\$484,100).
Qualifying Income Limits (regardless of family size)	Program Income Limit: \$105,000.	Program Limit: \$105,000 Low Income Limit: \$58,320



AUS Underwriting	Subject to AUS approval.	Subject to DU or LPA approval only.
Manual Underwriting	FHA only. 660 minimum credit score, 43% DTI maximum.	Not permitted.
Credit Scores (CS)	Minimum 640 CS for FHA/VA loans	Minimum 640 CS for all Borrowers
DTI Ratio Maximum	Lesser of 50% DTI or AUS approval	Lesser of 50% DTI or DU/LPA approval
Homebuyer Ed	Required for all Borrowers, even repeat homebuyers.	
Mortgage Insurance	Per FHA, VA guidelines	Lower "Charter" MI coverage may apply
2nd Loan Sizes	2 nd Loans of up to 5% in size. Targeted Borrowers qualify for a 1% increase.	FNM / FRE: 3%, 4%, 5% Targeted Borrowers qualify for a 1% increase. FNM / FRE: 0% (not eligible for 1% increase)
2nd Loan Repayment Terms	Deferred principal, 0% interest, due upon sale or refinance, principal forgiven over 3 years.	FNM and FRE: Deferred principal, 0% interest, due upon sale or refinance, principal forgiven over 3 years.
2nd Loan Documents	2 nd Loan documents are available in a fillable PDF format at http://www.homein5advantage.com/resources-for-lenders/	
Income Based Grant Assistance	N/A	N/A
Assistance Funding	Advanced by originating Lender at the loan closing on behalf of the IDAs.	
Pre-Close Review	No First Loan or Second Loan pre-close package required.	
Fees/Discounts	Discount points or origination fees are not permitted.	
Lakeview Fees	\$400 Loan Review Fee; \$10 Flood Cert Fee; \$75 Tax Service.	

Home in Five Advantage Rate Locks

- Loan Rates and Second Loan options are posted daily on the Resources for Lenders page at <http://www.homein5advantage.com>
- Borrowers must have fully executed sale contract before a rate lock is submitted.
- **Rate concessions or subsidies are based on the final Qualifying Income.**
- All loans must be locked through LakeviewCorrespondent.com. Credentials are issued through a Lakeview authorized person with each lender. Contact [Lakeview's Client Services](#) by email or by phone at 85-Lakeview, Option 3 if you don't know who that is in your organization.
- All loans must be purchased by the **60-day expiration date** (extensions with a fee).
 - Includes locking, closing, loan delivery, and purchase
- First Loan, Second Loan confirmations and HI5 Commitment Letters (FHA loans only) are available through **Lakeview**.
- Second loans are locked at 0% interest.
- Rate locks may be requested, modified, or cancelled between **9am – 7pm EDT** before the loan closes **without penalty**. For any loan that closes with an incorrect rate lock, any loss incurred by Lakeview will be deducted from the loan purchase price paid to Lender.



**The Industrial Development Authority of the City of Phoenix, Arizona
The Industrial Development Authority of the County of Maricopa
Legally Enforceable Commitment Letter for HUD Mortgagee Letter #2013-14 and
Mortgagee Letter #2019-06 (FHA Loans Only)**


Date: 7/12/2019
To Lender: Demo Correspondent
Subject: HOME IN FIVESM Advantage Down Payment Assistance Program
Borrower(s): test commitment _____
Borrower(s): _____
Property Address: 1 main st _____ **City:** phoenix _____
County: Maricopa **State:** Arizona **Zip Code:** 44444
Second Loan Amount (\$): \$10,000.00 _____

This letter is to document Program compliance with FHA's requirements applicable to Secondary Financing ("Second Loans"), as outlined in HUD Mortgagee Letter #2013-14 dated May 9, 2013 and HUD Mortgagee Letter #2019-06 dated April 18, 2019. The Industrial Development Authority of the City of Phoenix, Arizona, and The Industrial Development Authority of the County of Maricopa (collectively, the "IDAs") have provided to the Lender a legal opinion from the law firm of Riley Carlock & Applewhite that satisfies HUD Mortgagee Letter #2019-06.

As required by both Mortgagee Letters, the IDAs state that they have, at or before closing, incurred a legally enforceable obligation to provide the Second Loan funds towards all or a portion of the Borrower's Minimum Cash Investment and that the provision of such funds is not contingent upon any future transfer of the First Mortgage Loan. Funds provided towards the Borrower's minimum required investment were funds legally belonging to the IDAs and were provided in the IDAs' governmental capacity in the jurisdiction in which the subject property is located. In addition to retaining this Commitment Letter in your loan file, you must also satisfy FHA insurability requirements for the First Mortgage Loan originated in conjunction with the Program referenced above.


As provided in the Program Guidelines, the above referenced Second Loan Amount will be advanced upon closing by the Lender on behalf of the IDAs for the benefit of the Borrower. The IDAs will provide for the reimbursement of the Second Loan Amount to the originating Lender at the time the First Mortgage Loan is purchased and funded by the IDAs designated Servicer, to whom all First Mortgage Loans may be sold. The above referenced Program Assistance will be evidenced by a Second Promissory Note and secured by a Second Deed of Trust and subordinate lien on the Property with the IDAs as the beneficiary.

The Industrial Development Authority of the
City of Phoenix, Arizona

By 

Juan Salgado
Chief Executive Officer

The Industrial Development Authority of the
County of Maricopa

By 

Shelby L. Scharbach
Executive Director

Home in Five (Maricopa County, AZ)

Conventional Products

30 Year w/ 3-Yr Forgivable DPA

<= \$58,320 Income

Prod Code	Rate	DPA 2nd
CPX400	3.250%	-
CPX403	3.625%	3%
CPX404	4.000%	4%
CPX405	4.750%	5%

> \$58,320 Income

Prod Code	Rate	DPA 2nd
CPX500	3.375%	-
CPX503	4.625%	3%
CPX504	5.000%	4%
CPX505	#N/A	5%

Second Lien Options

EPX300	3% or 4% assistance (no additional assistance)
EPX301	Additional 1% assistance for First Responders*
EPX302	Additional 1% assistance for qualified borrowers earning <= \$36,450*
EPX303	Additional 1% assistance for Qualified US military personnel/veterans*
EPX304	Additional 1% assistance for K-12 Teachers*

Government Products

30 Year w/ 3-Yr Forgivable DPA

FHA

Prod Code	Rate	DPA 2nd
FPX303	3.000%	3%
FPX304	3.250%	4%
FPX305	4.750%	5%

VA

Prod Code	Rate	DPA 2nd
VPX303	3.000%	3%
VPX304	3.250%	4%
VPX305	4.750%	5%

Second Lien Options

EPX300	3%, 4% or 5% assistance (no additional assistance)
EPX301	Additional 1% assistance for First Responders*
EPX302	Additional 1% assistance for qualified borrowers earning <= \$36,450*
EPX303	Additional 1% assistance for Qualified US military personnel/veterans*
EPX304	Additional 1% assistance for K-12 Teachers*

* See Down Payment Assistance Guidelines for details

Note: rates shown as "#N/A" are temporarily unavailable due to market conditions.

Rates subject to change at Lakeview's discretion

Additional Contacts

STIFEL

Contact	Phone	Email
Marc Paskulin, Banking	530.492.3264	paskulinm@stifel.com
Scott Riffle, Banking	303.391.5453	riffles@stifel.com
DeDe Cross, Banking	303.391.5425	crossde@stifel.com



Contact	Phone	Email
Katie Jakubowicz, Administrator	602.440.4845	kjakubowicz@rcalaw.com
Murray Boess, Investments Director	602.534.0180	mboess@phoenixida.com

Who to Contact

Home in Five Questions

General Program Rollout

Contact your Business Development Director

Disclosures, Forms, or Conditions on Closed Loans

Contact your Client Manager

Pricing

Contact the Commitment Desk
85-Lakeview, Option 1

Program Guidelines or Specific Scenarios

Contact the UW Scenario Desk
85-Lakeview, Option 2 or
UnderwritingQuestions@Bayview.com

Locking or Delivering Loans

Contact Client Services
85-Lakeview, Option 3 or
ClientServices@Bayview.com

HOME IN FIVE ADVANTAGE PROGRAM/Lakeview Loan Servicing
2nd Loan Data Entry Form/Correspondent Lenders

2nd Loan Data: Choose 3 or 10 Year Term
Key in data, hit ENTER then TAB

Select 2nd Loan Term: Years ^[1]

2nd Loan Number:

Borrower(s)

1	
2	
3	
4	
5	

Street Address:

City: Zip Code:

County:

2nd Loan Date:

2nd Loan Maturity Date:

Forgiveness Period: From ^[1]
 To

2nd Loan Amount (\$):

2nd Loan Recording Fee (\$):

2nd Loan Transfer Taxes (\$):

Additional 2nd Loan Information (Closing)

Correspondent Lender Name:

2nd Loan Closing Documents

Disclosure of 2nd Loan Terms
2nd Promissory Note
2nd Deed of Trust
2nd Loan Closing Instructions

Printing Instructions

Select FILE PRINT then ALL or select PAGES then key in the page numbers for any of the following:

Disclosure of 2nd Loan Terms	pages 2-3
2nd Promissory Note	pages 4-10
2nd Deed of Trust	pages 11-21

Comments

Select the 2nd Loan Term from the Drop Down Box.
 Separate # assigned by Lakeview, will appear on all documents

Borrower(s) vested as:

Borrower full names and vesting must match the First Loan documents. Borrower 5 is reserved for Non-Purchasing Spouses and will only appear on the 2nd Deed of Trust.

Enter Full Street Address, City and Zip Code separately

Select the Month and Day of the Loan Closing Date from the Drop Down Boxes. Do not use the first payment date.

Auto-Calculation Field: 2nd Loan Date plus 2nd Loan Term

^[1] *Auto-Calculation Field:* 2nd Loan Term will determine Forgiveness Period. For a 3-year term, 1/36th per full month. For a 10-year term, 1/60th per full month in Years 6-10

As a % of final first loan amount, rounded down to nearest \$.

These are the only 2nd Loan fees permitted.

Lender's 2nd Loan Documents Shipping Address:

2nd Loan Closing Documents

Signed by all Borrowers
Signed by all Borrowers
Signed by all Borrowers
For use by Title, Settlement/Escrow Company or Attorney

HOME IN FIVE ADVANTAGE PROGRAM/Lakeview Loan Servicing
2nd Loan Data Entry Form/Correspondent Lenders

2nd Loan Data: Choose 3 or 10 Year Term
Key in data, hit ENTER then TAB

Select 2nd Loan Term: Years ^[1]

2nd Loan Number:

Borrower(s)

1	Nelson Rockefeller
2	Lillian Rockefeller
3	
4	
5	Grandpa Rockefeller

Street Address:

City: Zip Code:

County:

2nd Loan Date:

2nd Loan Maturity Date:

Forgiveness Period: From ^[1]
 To

2nd Loan Amount (\$):

2nd Loan Recording Fee (\$):

2nd Loan Transfer Taxes (\$):

Additional 2nd Loan Information (Closing)

Correspondent Lender Name:

2nd Loan Closing Documents

Disclosure of 2nd Loan Terms
2nd Promissory Note
2nd Deed of Trust
2nd Loan Closing Instructions

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Comments

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 Separate # assigned by Lakeview, will appear on all documents

Borrower(s) vested as:

Borrower full names and vesting must match the First Loan documents. Borrower 5 is reserved for Non-Purchasing Spouses and will only appear on the 2nd Deed of Trust.

Enter Full Street Address, City and Zip Code separately

Select the Month and Day of the Loan Closing Date from the Drop Down Boxes. Do not use the first payment date.

Auto-Calculation Field: 2nd Loan Date plus 2nd Loan Term

^[1] *Auto-Calculation Field:* 2nd Loan Term will determine Forgiveness Period. For a 3-year term, 1/36th per full month. For a 10-year term, 1/60th per full month in Years 6-10

As a % of final first loan amount, rounded down to nearest \$.

These are the only 2nd Loan fees permitted.

Lender's 2nd Loan Documents Shipping Address:

2nd Loan Closing Documents

Signed by all Borrowers
Signed by all Borrowers
Signed by all Borrowers
For use by Title, Settlement/Escrow Company or Attorney



**HOME IN FIVESM Advantage Down Payment Assistance Program
Disclosure of Second Loan Terms**

Second Loan Date:	05 0 2019
Second Loan Amount (\$):	0
Second Loan Maturity Date:	05 0 2022
Borrower(s):	Nelson Rockefeller Lillian Rockefeller
Property Address:	County: <u>Maricopa</u> State: <u>Arizona</u> Zip Code: <u>45454-7878</u>
Second Loan Lender:	The Industrial Development Authority of the City of Phoenix, Arizona The Industrial Development Authority of the County of Maricopa
Forgiveness Period:	From: 05 0 2019 to: 05 0 2022

I/we as applicant(s) may be eligible for a first mortgage loan (the "First Loan") to be secured by a Deed of Trust on certain property more fully described in that Deed of Trust ("Property") and, if chosen, a second mortgage loan (the "Second Loan") to be provided by The Industrial Development Authority of the City of Phoenix, Arizona and The Industrial Development Authority of the County of Maricopa (collectively, the "Second Loan Lender") through their HOME IN FIVESM Advantage Down Payment Assistance Program (the "Program").

- I/We have been advised by the First Loan Lender of all other eligible sources of down payment and closing costs that are available to me/us, of any other mortgage loan alternatives that may be available to me/us at a lower loan rate, and of the benefits of this First Loan and if applicable, Second Loan relative to these other mortgage loan alternatives, that I/we have reviewed and understand these benefits of the Program.
- I/we understand that the Second Loan will be evidenced by a Second Note and secured by subordinate lien ("Second Deed of Trust") on the Property, subordinate only to the senior deed of trust.
- I/we understand that the Second Loan is a fixed zero interest (0%) loan, with the Second Loan amount stated above due in full should the Second Loan become repayable as described in Paragraph 6 below. No scheduled payments are required until an action listed in Paragraph 5 below occurs. I/we understand that I/we am/are not entitled to any forgiveness if an action listed in Paragraph 5 occurs prior to the Forgiveness Period. During the Forgiveness Period as stated above, the Second Loan amount shall be eligible for forgiveness 1/36 th per full month, should the Second Loan become repayable as described in Paragraph 6 below. There is no forgiveness for partial months.
- If no action listed in Paragraph 5 occurs by the conclusion of the Forgiveness Period, the Second Loan will be forgiven in its entirety. I/we should refer to the Second Note and Second Deed of Trust evidencing and securing, respectively, the Second Loan for more information about non-payment, default, acceleration, prepayment rights and prepayment penalties and other important terms and conditions. No prepayment penalty will be imposed.

- I/We understand that the Second Loan must be repaid upon:
 - The sale, disposition or transfer of the Property
 - The refinancing or payment in full of the First Loan
 - Upon acceleration of the First Loan or Second Loan for any reason
- I/we understand(s) upon the occurrence of any of the actions described in Paragraph 5 herein (each a "Payment Action"), the Second Loan becomes immediately due and payable and I/we shall repay to the Second Loan Lender the entire remaining Second Loan Amount, net of any forgiveness.
- I/we also understand that the Second Loan Lender will not subordinate its second lien position on the Property under any circumstances, even to allow for the First Loan to be refinanced at a lower rate.
- I/we understand that this Second Loan is not assumable – i.e., a subsequent purchaser of the Property cannot assume the remainder of the Second Loan.
- I/we understand that, other than a Second Loan recording fee, there are no other permitted Second Loan related fees and that the recording fee, if any, stated below are not considered finance charges.
- I/we understand and agree that if the Second Loan Lender deems it necessary or appropriate under applicable federal or state law, it may send you an IRS Form 1099-C on or before March 1 of each year to evidence the amount of the Second Loan forgiven for the prior calendar year. Borrower may be required to treat the forgiven Second Loan Amount as ordinary income when completing my/our federal and state tax returns for each calendar year in which the debt is partially forgiven.
- I/we understand that Lender does not provide any advice or guidance as to the tax consequences for any forgiveness of the Second Note and I/we have been urged to consult with a tax advisor as to any tax consequences.

AMOUNT FINANCED: The amount of credit provided to you	FINANCE CHARGE: The dollar amount the credit will cost you	TOTAL NUMBER OF PAYMENTS: The amount you will pay upon the occurrence of a Payment Action	INTEREST RATE: The cost of your credit	ANNUAL PERCENTAGE RATE: The cost of your credit as a yearly rate, including any Finance Charges
\$ 0	\$0.00	Remaining unforgiven portion of the Second Loan	0%	0%

Second Loan Recording Fee: \$ _____ Second Loan Transfer Taxes: \$ _____

Your payment schedule will be:

NUMBER OF PAYMENTS	AMOUNT OF PAYMENTS	WHEN PAYMENT IS DUE
One (1) payment, upon the occurrence of a Payment Action	The remaining unforgiven portion of the Second Loan	Upon meeting any condition in Paragraph 5

I/we hereby acknowledge receipt of this disclosure:

_____ Borrower's Signature	_____ Date	_____ Borrower's Signature	_____ Date
_____ Borrower's Signature	_____ Date	_____ Borrower's Signature	_____ Date



The Industrial Development Authority of the City of Phoenix, Arizona
The Industrial Development Authority of the County of Maricopa
HOME IN FIVE Advantage Down Payment Assistance Program
Second Promissory Note

Second Note Date:	05 / 0 / 2019
Second Loan Amount (\$):	0
Second Loan Number:	
Second Note Maturity Date:	05 / 05 / 2022
Borrower(s):	Nelson Rockefeller Lillian Rockefeller
Property Address:	County: <u>Maricopa</u> State: <u>Arizona</u> City: _____ Zip Code: <u>45454-7878</u>
Second Loan Lender:	The Industrial Development Authority of the City of Phoenix, Arizona The Industrial Development Authority of the County of Maricopa
Second Loan Servicer:	Lakeview Loan Servicing, LLC
Interest:	0%
Forgiveness Period:	From: 05 / 0 / 2019 to: 05 / 05 / 2022
Forgiveness Calculation:	1/36 th of the original Second Loan Amount for each full month during the Forgiveness Period

1. **AMOUNT.** THE INDIVIDUAL(S) LISTED ABOVE AND UNDERSIGNED BORROWER promises to pay to the order of The Industrial Development Authority of the City of Phoenix, Arizona and The Industrial Development Authority of the County of Maricopa, each a political subdivision existing under the laws of the State of Arizona, or their assignee (the "Lender"), that portion of the Second Loan Amount that is due and payable at the times set forth in this Second Promissory Note (the "Second Note"). This Second Note is originated on this date by the Lender under the **Home In Five Advantage Down Payment Assistance Program** (the "Program") to provide a second mortgage loan (the "Second Loan") to finance all or a portion of the down payment and closing costs associated with the first mortgage loan (the "First Loan") towards the purchase of the residence located at the Property

In construing this Second Note, it is understood that the references to the Borrower include singular or plural, as the case may be, each of whom is jointly and severally responsible hereunder.

BORROWER: _____ DATE: _____
Nelson Rockefeller

BORROWER: _____ DATE: _____
Lillian Rockefeller

BORROWER: _____ DATE: _____

BORROWER: _____ DATE: _____

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:

(For Recorder's Use Only)

Executed as of the day and year first written above.

THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF PHOENIX, ARIZONA
THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF MARICOPA
HOME IN FIVE SM ADVANTAGE DOWN PAYMENT ASSISTANCE PROGRAM
Second Deed of Trust, Security Agreement, Assignment of Rents and Leases and Fixture Filings

Trustor/Borrower Nelson Rockefeller Date

Trustor/Borrower Lillian Rockefeller Date

Trustor/Borrower Grandpa Rockefeller Date

Trustor/Borrower Grandpa Rockefeller Date

STATE OF ARIZONA)
COUNTY OF) ss.

The foregoing instrument was acknowledged before me this ___ day of ___, 201___, by ___ who acknowledged and executed the foregoing for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My commission expires:

Table with 2 columns: Field Name and Value. Fields include Second Loan Date, Amount, Maturity Date, Forgiveness Period, Calculation, Truor(s)/Borrower(s) Vesting as, Property Address, Trustee and Trustee Address, Second Loan Lenders/Beneficiaries and Addresses, and Second Loan Servicer.

For good and valuable consideration, the receipt and sufficiency of which are acknowledged, Trustor agrees and covenants as follows:

1. Grant in Trust. Trustor irrevocably grants, conveys, and transfers to Trustee, its successors and assigns, in trust, pursuant to this Second Deed of Trust, Security Agreement, Assignment of Rents and Leases, and Fixture Filing ("Second Deed of Trust") and Arizona law, WITH POWER OF SALE AND RIGHT OF ENTRY AND POSSESSION, all of Trustor's right, title, and interest in and to that real property ("Premises") situated in the County listed above, State of Arizona, more particularly described on Exhibit "A" attached and, by this reference, incorporated in this Second Deed of Trust. The Premises are conveyed by Trustor in trust



EXHIBIT "A"
TO
SECOND DEED OF TRUST AND ASSIGNMENT OF RENTS
AND SECURITY AGREEMENT AND FIXTURE FILING

(legal description)

Property Address : _____, Arizona 45454-7878

Insert Legal Description:

Parcel Identification Number: _____



HOME IN FIVE Advantage Down Payment Assistance Program
Second Loan Program Documents Checklist

Nelson Rockefeller

 BORROWER NAME

Lillian Rockefeller

 BORROWER NAME

 BORROWER NAME

 BORROWER NAME

Below is a list of program documents and helpful suggestions for making sure they are executed accurately. You are welcome to forward this page to your Title Company/Escrow Officer:

- **Disclosure of Second Loan Terms:**
 - o Signed by all Borrower(s).
 - o Names and Property Address must match all First Lien Documents.
 - o 2nd Loan Date, 2nd Loan Amount must match what is disclosed on the First Loan CD.
- **Original Second Loan Promissory Note:**
 - o Signed by all Borrower(s).
 - o Names and Property Address must match all First Lien Documents.
 - o Second Loan Note does NOT need an Endorsement or Allonge.
 - o Original signed Second Note need not be notarized (please make and retain a copy for the loan file).
 - o Original signed Second Note must be returned to the original Lender (see delivery instructions below).
- **Second Loan Deed of Trust:**
 - o Signed by Borrower(s) and any Non-Purchasing Spouses.
 - o Names and Property Address must match all First Lien Documents.
 - o Please make and retain a certified copy of signed document for the loan file.
 - o Original signed, notarized Second Loan Deed of Trust must be recorded (or e-recorded) by the County and returned via priority mail to the original Lender (see delivery instructions below).
 - o Lender must provide the Exhibit A for the Property Address and Legal Description
- **For FHA Loans, Lenders must include the EINs for both the IDAs :**
 - o 52-2038405 – The Industrial Development Authority of the City of Phoenix, Arizona
 - o 86-0445263 – The Industrial Development Authority of the County of Maricopa

Original and signed Second Note and recorded Second Deed of Trust must be mailed via priority mail to:

Original 2nd Promissory Notes must be mailed to:
 Lakeview Loan Servicing LLC
 507 Prudential Road, Mail Stop S142
 Horsham, PA 19044
 ATTN: Lakeview Correspondent

Recorded 2nd Deeds of Trust must be mailed to:
 Indecomm Global Services
 FD-BV-9902
 1260 Energy Lane, St. Paul, MN 55108
 Bayview.Viewpoint@indecomm.net
 p: 651-766-2364