



GEORGIA DREAM PROGRAM

Georgia Dream Homeownership Program Seller Guide

**Georgia Department of Community Affairs
Office of Housing Finance**

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Georgia Dream Homeownership Program

SELLER GUIDE

Georgia Department of Community Affairs

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Para información en Español acerca de nuestro programa *Georgia Dream Home* (El Sueño Compra de Casa Georgia), por favor deje nos nombre y número y nosotros les contactaremos lo antes posible



An Equal Housing Opportunity Lender



An Equal Opportunity Employer

Office of Homeownership
All numbers begin in 404 prefix unless stated otherwise

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Chapter 1

Lender Relationships

Our relationships with DCA Lenders are central to the success of our Georgia Dream Homeownership Program. Throughout the year, a mortgage lender may apply to be a DCA Lender using the funds that we make available during that calendar year. DCA Lenders are responsible for originating, underwriting, closing and funding Georgia Dream Loans and for all communication with borrowers about their Georgia Dream Loans. The Georgia Department of Community Affairs is committed to providing all persons with equal access to its services, programs, activities, education and employment regardless of race, color, national origin, religion, sex, familial status, marital status, disability or age.

101 DCA Lenders

A DCA Lender must:

- a) be a legally organized business entity with a properly licensed business office located in the State of Georgia or in a State contiguous to and licensed in Georgia; different branch offices of the same legal entity will not qualify as individual Lenders; different wholly owned subsidiaries may qualify as individual Lenders if they constitute separate legal entities and otherwise qualify;
- b) have, as a principal purpose, the origination of secured single family residential mortgage loans;
- c) be approved as an FHA Direct Endorsement lender and VA lender, or (i) be a federally regulated financial institution, or (ii) be a state or federal agency;
- d) be an approved Fannie Mae Seller/Servicer, Freddie Mac Seller/Servicer, or Ginnie Mae Issuer, or (i) be a federally regulated financial institution, or (ii) be a state or federal agency;
- e) demonstrate a proven ability to originate mortgage loans for sale in the secondary market;
- f) maintain quality control and management systems to evaluate and monitor the quality of loan production and compliance with DCA procedures; and
- g) have in effect and maintain fidelity bond and errors and omissions coverage in amounts equal to that established for Fannie Mae Seller/Servicers and agree to any modifications needed to meet our requirements.
- h) have a minimum net worth of \$2,500,000.00.
- i) document a HUD Neighborhood Watch compare ratio for Georgia of less than 125%. If there are no Georgia loans then we will consider 125% compare ratio of National production.

**102 Application
Process for
New Lenders**

The Lender Application (Form SF-1) and all required attachments must be completed and returned to DCA for review and approval. The application package must contain:

- a) a completed Lender Application (Form SF-1) and all required attachments;
- b) two (2) original Loan Seller Agreements executed by a duly authorized senior officer;
- c) two (2) original Loan Servicing Release Agreements,
- d) the three (3) most recent year-end financial statements available, certified by an independent certified public accountant;
- e) evidence of fidelity bond and errors and omissions coverage in amounts equal to that established for Fannie Mae Seller/Serviceers;
- f) a copy of your company's Quality Control Plan and your company's 203(k) Quality Control Plan (if applicable).
- g) a Corporate Resolution designating the officers or individuals authorized to execute assignments and other legal documents for your company and
- h) as per the Georgia Security and compliance Act, a complete O.C.G.A. §50-36-1(e) (2) Affidavit executed by the duly authorized officer submitting the application and a copy of one verifiable documentation of citizenship.

**103 Application
Review Process**

Upon receipt of your application package described in Section 102, we will analyze your ability to originate Georgia Dream Loans in compliance with our procedures and requirements. Upon completion of our review of a new Lender Application, we will notify you in writing of the approval or denial of your application. Substantially incomplete application packages will not be reviewed, but will be returned for completion.

Information and/or documentation submitted to DCA as a part of this application process may be subject to public disclosure.

**104 Loan Seller
Agreement**

Our Loan Seller Agreement with you, among other matters:

- a) sets forth the requirements with which you must comply in order to maintain your status as a DCA Lender;
- b) provides the terms and conditions of your sale of Georgia Dream Loans to GHFA; and
- c) incorporates this Seller Guide by reference.

- d) incorporates DCA's Fair Housing Statement which states that it is the policy of DCA to comply fully with all federal, state, and local nondiscrimination laws and to operate in accordance with the rules and regulations governing Fair Housing and Equal Opportunity in housing and employment. Specifically, DCA shall not on account of race, color, sex, religion, national origin, family status, disability or age deny any family or individual the opportunity to apply for or receive assistance under any of DCA's Programs. Therefore, under the Georgia Dream Homeownership Program, Lender must maintain policies prohibiting discrimination based on race, color, sex, religion, national origin, familial status, disability or age. All Sellers must comply with all federal and state fair housing and lending laws, rules, regulations, orders, and provisions, including, without limitation, the following specified below and all related requirements:

The Lender will comply with the nondiscrimination provisions of federal and state law, including, without limitation, the following: Civil Rights Act of 1964; Executive Order 11246, Equal Employment Opportunity, dated September 24, 1965; Executive Order 11063, Equal Opportunity in Housing, dated November 20, 1962; Executive Order 12892, Affirmatively Furthering Fair Housing, dated January 17, 1994; Equal Credit Opportunity Act (15 U.S.C. 1691 et seq.); Fair Credit Reporting Act (15 U.S.C.1681 et seq.); Fair Housing Act (42 U.S.C. 3601-3619, Title VIII of the Civil Rights Act of 1968); and the Americans with Disabilities Act of 1990 (P.L.101-336); Section 504 of the Rehabilitation Act of 1993; and the Age Discrimination Act of 1975.

As a Lender, you will perform origination and selling functions as an independent contractor and principal, not as an agent or representative of GHFA or DCA.

**105 Lender's
Basic Duties
and
Responsibilities**

As a DCA Lender, you are responsible for, among other matters:

- a) Ensuring that you comply with the requirements set forth in this Seller Guide and the Loan Seller Agreement;
- b) Ensuring that Georgia Dream Loans originated and sold under our Georgia Dream Homeownership Program meet our requirements and all applicable mortgage insurer requirements;
- c) Reserving, underwriting and submitting approved Georgia Dream Loans to DCA for our compliance underwriting approval before closing;
- d) Funding, or arranging for funding, and closing our Georgia Dream Loans;

- e) If applicable, submitting required documents to the Mortgage Insurer and obtaining the mortgage insurance, and arranging for the transfer of the insurance to GHFA;
- f) Having adequate staff and facilities to originate and sell quality Georgia Dream Loans on a timely basis;
- g) Ensuring that your staff is knowledgeable in all aspects of loan origination and selling;
- h) Having fully documented written procedures and quality control measures to determine that those procedures are being followed;
- i) Submitting required documents to DCA following our Quality Control Review of a Loan, if applicable;
- j) Protecting GHFA and DCA against fraud, misrepresentation or negligence by any parties involved in the origination process;
- k) Assisting each Applicant with the requirements of the Georgia Dream Homeownership Program and advising each Applicant of the status of his or her Loan application; and
- l) Designating a Georgia Dream Homeownership Program Contact as described in Section 108 of this Guide.

*105.1
Electronic
Media*

If you elect to transfer the paper copy of this Seller Guide into electronic form, you, as Lender, expressly warrant that all such electronic Seller Guide forms and material used in connection with our Georgia Dream Loans shall be exactly identical in content to the paper copy of the Seller Guide and have only minor variations in format.

Acceptable minor format variations include:

- a) change in type font,
- b) change in type size, so long as the document is easily readable, and
- c) absence of the form borders.

Unacceptable format variations include:

- a) absence of Georgia Dream Homeownership Program form number,
- b) absence of Georgia Dream Homeownership Program form version designation, and
- c) any change in content, including substitution, omission or addition of one (1) or more words.

You should contact us with any questions about form or Seller Guide reproduction before distribution of these documents for use in originating Georgia Dream Loans.

*105.2
Authorized
Originators*

You may submit Georgia Dream Loans that have been originated and/or processed by an Authorized Originator, provided that the Georgia Dream Loans comply with all provisions of this Guide. Authorized Originators are those individuals or entities who interview the borrowers in connection with the borrower's application for a residential mortgage loan and signs the loan application on behalf of the DCA Lender. Georgia Dream Loans originated by an Authorized Originator will be governed by the DCA Lender's Loan Seller Agreement with GHFA and this Guide. Authorized Originators do not have a contractual relationship with GHFA or DCA and, therefore, may not receive any acknowledgement or communication from GHFA or DCA.

106 *Lender
Organizational
Changes*

You must send us written notice of any major organizational changes contemplated, including, but not limited to:

- a) resignation or replacement of any senior management personnel;
- b) mergers, consolidations or reorganizations;
- c) changes in ownership of over 5% by whatever means;
- d) a change in corporate name;
- e) a change in a savings and loan association's charter from federal to state or vice versa or change to a banking association; and/or
- f) a change in your financial position which would render you unable to honor the Loan Seller Agreement.

You must notify our Production Manager in writing of any changes in your primary business office address, email, wiring instructions or fax number within five (5) Business Days of the change. On a periodic basis, we may ask you to verify the correct addresses, telephone numbers, Primary Contacts, email addresses, and fax numbers of any of your offices.

107 *Loan Servicing*

You must release the servicing rights on your Georgia Dream Loans to DCA's servicing division, State Home Mortgage. Servicing rights released must be transferred immediately after closing in accordance with Section 214 of this Guide. All servicing activities and any sale or transfer of servicing rights are subject to the applicable provisions of the Servicing Agreement, the Servicing Guide, the Loan Seller Agreement and the Seller Guide.

**108 Georgia
Dream
Program
Contact**

On your Lender Application (Form SF-1) or Lender Application Renewal (Form SF-2) you must designate one (1) employee to serve as the Program Contact for the purpose of participating in the Georgia Dream Homeownership Program. We will direct all Rate Sheets, changes to this Guide or the Loan Seller Agreement, and other official GHFA or DCA notices to the Program Contact. We expect the Program Contact to disseminate this information to the appropriate persons in your company involved with the origination, underwriting, closing, servicing, and other mortgage activities associated with Georgia Dream Loans.

While we may direct specific questions related to underwriting, reservations, purchase or final documents to other staff at your company as indicated in your most recent Lender Application (Form SF-1), or Lender Application Renewal (Form SF-2), or to other persons as you may direct, we will expect the Program Contact to resolve problems, answer questions or represent your company's position to us on various issues related to your participation in our Georgia Dream Homeownership Program. You should select as your Program Contact an individual who can fulfill these responsibilities on a timely and informed basis.

You must notify our Production Manager in writing, within five (5) Business Days, of your decision to designate a new Program Contact. In the event your Program Contact leaves your company, you must notify the Production Manager of the new Program Contact, in writing, within five (5) Business Days of the previous Program Contact leaving your company.

Failure to provide this notification may result in immediate limited participation, as provided in Section 110.1 of this Guide, and may result in other sanctions as well.

**109 Lender's
Repurchase
Obligation**

The Loan Seller Agreement requires you to repurchase any Loan sold to GHFA by the 15th Business Day following our demand if any of the following occurs:

- a) In addition, without limiting any other remedy available to GHFA, if, as to any Loan sold, any of the warranties contained in the forms and certifications required by the Seller Guide are in fact untrue or misleading in any material respect, then GHFA may, at its option and in its sole discretion, at any time, tender the Loan to the Seller for repurchase

- b) the Loan is found to be in violation of any applicable Georgia Dream Homeownership Program or Mortgage Insurer requirements;
- c) you fail to deliver any required documents and/or certifications;
- d) you take action which impairs GHFA's security and/or causes the Loan to no longer meet the requirements of the Seller Guide, either before or after the sale of the Loan to GHFA and your execution of the Lender Certification (Form SF-60); and/or
- e) you fail to take action that protects GHFA's security and/or causes the Loan to no longer meet the requirements of the Seller Guide, either before or after the sale of the Loan to GHFA.

In the event that we require you to repurchase a Loan, the amount due to DCA on GHFA's behalf will be governed by the terms of the most recent Loan Seller Agreement executed by your company and GHFA.

**110 Remedies for
Non-
Performance**

We retain the right to either (i) limit, (ii) suspend, or (iii) terminate your company's participation in our Georgia Dream Homeownership Program for any failure to abide by the terms of the Loan Seller Agreement or this Guide, or any statement proves in your Lender Application (Form SF-1) or your Lender Application Renewal (Form SF-2) or any attachments to be untrue or misleading in any material respect.

**110.1
Limited
Participation**

Limited participation means that you will be unable to make a reservation until the specific violations as detailed in this Guide and/or the Loan Seller Agreement which caused the limited participation have been resolved to our satisfaction. The duration of the period of limited participation is solely at the discretion of DCA, and does not relieve you of any of your responsibilities under the Loan Seller Agreement or this Guide. At the conclusion of the period of limited participation, we will notify you of (i) when you can again be issued Reservations or (ii) any further remedies for non-performance, up to and including those contained in the Loan Seller Agreement.

- 110.2
Suspension* Suspension means that your company will no longer be able to make a reservation and your company's name will be removed from all DCA materials intended for the public as soon as practical. The duration of any suspension will be not less than three (3) months and not more than two (2) years. It will be based upon the severity and magnitude of the violation, and will be solely within our discretion. At the conclusion of the period of suspension, you may apply to us for reinstatement by submitting a Lender Application (Form SF-1) along with a written explanation of the steps you have taken to prevent a reoccurrence of the problem that led to the suspension. The Lender Application and written explanation should be directed to the Director of the Office of Housing Finance. We will review the Lender Application and notify you of our decision.
- 110.3
Termination* Termination means that your company will no longer be allowed to participate in our Program and your company's name will be removed from all DCA materials intended for the public as soon as practical. The decision to terminate your participation in our Program will be based upon the severity and magnitude of the violation and will be solely within our discretion. The duration of any termination will be no less than two (2) years. You may reapply by submitting to the Director of the Office of Housing Finance, a Lender Application (Form SF-1) along with a written explanation of the steps you have taken to prevent a reoccurrence of the problem that led to the termination. We will review the Lender Application and notify you of our decision.
- 110.4
Notification and
Appeal* DCA Lenders will be notified of limited participation, suspension or termination by DCA by certified mail, return receipt requested. DCA Lenders will have 15 Business Days from the date of the notice to appeal the action in writing to the Director of the Office of Homeownership. You must demonstrate in the appeal why the action was unwarranted, describe any measures underway to correct the deficiencies, and demonstrate measurable progress toward correcting them. Upon receipt of your appeal, we may, in our sole discretion, schedule an informal conference with you to gather information related to the limited participation, suspension or termination. We will decide on your appeal within 15 Business Days of receipt of your appeal.
- 110.5
Other
Remedies* We also may impose, at our sole discretion, any of the remedies set forth in the Loan Seller Agreement.

- 111 Lender Portal** Lender Portal is DCA's internet based system that allows Lenders to enter Reservations, complete and print DCA required forms, check the status of Reservations, submit electronic documents for review and access various reports via the internet. Lenders are required to utilize the Lender Portal to reserve funds with DCA except when the Lender does not have internet access.
- 112 Georgia Dream Homeowner-ship Program Compliance** You are responsible for ensuring that each Loan submitted to DCA complies with our Program requirements and the requirements of the Mortgage Insurer as set forth in the Loan Seller Agreement and this Guide.
- Even if we grant prior approval based upon our review of the Underwriting Package and purchase the Loan, we reserve the right to require you to repurchase the Loan if we discover that the Loan does not comply with the applicable Program requirements and/or the requirements of the Mortgage Insurer as set forth in the Loan Seller Agreement and/or this Guide.
- 113 Annual Lender Renewal** Each calendar year, a Lender Application Renewal (Form SF-2) and all required attachments must be completed and returned to DCA within the time specified by DCA. The renewal package must contain:
- a) a completed Lender Application Renewal (Form SF-2) and all required attachments;
 - b) if required by DCA, two (2) original Loan Seller Agreements executed by a duly authorized senior officer;
 - c) the most recent year-end financial statements available, certified by an independent certified public accountant; and
 - d) evidence of fidelity bond and errors and omissions coverage in amounts equal to that established for Fannie Mae Seller/Serviceers.
 - e) any requirements of new applicants from Seller Guide Section 102 not previously requested.
 - f) document a HUD Neighborhood Watch compare ratio for Georgia of less than 150%. If compare ratio exceeds 150% we will consider the Lender's Georgia Dream loan performance. If the compare ratio exceeds 150% for two consecutive quarters we reserve the right to remedies for non-performance, see Section 110.

114 *Changes to the Georgia Dream Homeowner-ship Program*

The provisions of the Loan Seller Agreement and this Guide may be amended from time to time. Each DCA Lender must abide by any such changes or withdraw from participation by written notice that we must receive within ten (10) Business Days following our written notification to you of any such changes.

Federal and State laws governing the Georgia Dream Homeownership Program are subject to change. When you sign the Loan Seller Agreement, you are acknowledging and agreeing that Federal or State legislation or both could be enacted in the future that would require amendment of the provisions of this Guide and/or the Loan Seller Agreement. You are also acknowledging and agreeing that future DCA Program changes might require an amendment of the provisions of this Guide and/or the Loan Seller Agreement.

You also acknowledge and agree that the requirements and procedures of Mortgage Insurers applicable to our Georgia Dream Homeownership Program may change. When you sign the Loan Seller Agreement you are agreeing to comply with any such future changes in the Mortgage Insurers' requirements or procedures.

Chapter 2

DCA Loan Process

Our Loan Process is designed to allow us to manage the Georgia Dream Homeownership Program pipeline and provide DCA Lenders with information about the Loans in their pipeline. It is critical that correct information be maintained and that timely action is taken to ensure that Loans meet our deadlines.

201 *General*

As a DCA Lender, it is your responsibility to ensure each Loan submitted to DCA complies with our Program requirements and the requirements of the Mortgage Insurer and to assist eligible borrowers throughout the loan process.

- a) Eligible borrowers may apply for Georgia Dream Homeownership Program Loans through DCA Lenders by completing a standard mortgage application to obtain a fixed rate FHA, USDA, VA, or Conventional mortgage loan.
- b) Lenders underwrite the application for credit approval based on the requirements of the Mortgage Insurer. The Lender also determines if the loan is in compliance with DCA's guidelines. Per HUD Mortgagee Letter 2013-14 the Georgia Dream Second Mortgage Loan directly provides the borrower's required cash investment through secondary financing as an instrumentality of the State of Georgia. DCA incurs a legally enforceable liability as a result of its agreement to provide funds towards the borrower's minimum cash investment. (Sec 409,410 Purchasing)
- c) Once the Lender completes the compliance review and credit underwriting process, approved loans are submitted to DCA for compliance underwriting approval. The DCA compliance underwriting review is performed after the Lender's credit underwriting process is complete and the Lender's underwriter has approved the loan, subject to DCA's compliance review.
- d) If the application meets the applicable compliance underwriting guidelines, DCA will issue a compliance underwriting approval and commitment to purchase the loan from the Lender.

DCA purchases closed Loans pursuant to the purchase requirements and schedule set forth in this Guide.

Lenders should submit Underwriting Packages and Purchase Packages as early as possible to allow sufficient time for DCA to review each package and for the Lender to address any issues. DCA will review Underwriting Packages, clear underwriting conditions, and review Purchase Packages on a first-come, first-served basis.

**202 Funds
Availability**

Generally, DCA expects to make funds for the Georgia Dream Homeownership Program available to Lenders on an ongoing basis. DCA must, however, comply with certain State and Federal laws relating to the geographic allocation of its funds. Therefore, we reserve the right to select Reservations that meet those requirements and hold other Reservations for a later date if sufficient funds are not available to allow us to issue Reservations for all Reservation requests presented to us.

In the unlikely event that funds are not available for all expected Reservations, DCA will immediately notify the Program Contact of such fact by fax, or email and thereafter on the Rate Sheet and on the Lender Portal. We may then create a waiting list for Reservation Requests on a first-come, first-served basis.

**203 Loan
Origination**

DCA recognizes that there are procedural variations among Lenders. Consequently, the procedures outlined in this section only suggest the sequence of events for loan origination:

- a) The Lender is encouraged to provide Applicants who inquire about the Georgia Dream Homeownership Program with a Georgia Dream Homeownership Program brochure and answer any questions the Applicant may have regarding the Georgia Dream Homeownership Program, eligibility requirements and the loan process.
- b) The Lender must advise the Applicant to attend homebuyer education and provide evidence of completion in the Underwriting Package. Counseling requirements vary by credit score see Section 307 for guidelines.
- c) The Lender takes a formal application and determines if the Applicant is eligible for the Georgia Dream Homeownership Program based on information received for Household Annual Income, Acquisition Cost, and prior homeownership and other relevant information. The Lender is required to obtain completed and signed copies of the Georgia Dream Homeownership Program documents required at application.
- d) The Lender reserves funds pursuant to the Reservation procedures in Chapter 2, Section 204 of this Guide.
- e) The Lender completes credit and compliance underwriting, obtains an appraisal and submits the Underwriting Package to DCA for compliance underwriting review and approval.

204 *Issuance of
Reservations*

In order to request a Reservation for the Georgia Dream Homeownership Program, you must enter the required information via the Lender Portal.

The Georgia Dream Program has two categories for first mortgage loans. Please be sure to select the correct category for the loan you are reserving. The categories are as follows:

- a) Georgia Dream First Mortgage With No DPA.
- b) Georgia Dream First Mortgage with GA Dream DPA Loan

If the Reservation request you submit through the Lender Portal meets our Georgia Dream Homeownership Program requirements and funds are available, you will receive a Reservation Number via the “Application Accepted” response from the Lender Portal. The “Application Accepted” screen must be printed and uploaded in the Underwriting Package in eDocs.

You must make note of the DCA Reservation Number and make it accessible to all your personnel involved with the Loan. You must include the Reservation Number in all verbal and written communication with us regarding the Loan to facilitate our accessing information about the Loan.

After a Reservation Number has been issued, if any information needs to be changed (property address, income, purchase price, loan amount, etc.), you must complete the Reservation Change Form (SF-7) and include it in the Underwriting Package you submit to DCA. DCA will also make the changes upon receipt by fax or email (dcareservations@dca.ga.gov) of the Reservation Change Form.

If the Reservation Period expires the loan will be cancelled unless you request a thirty day extension per Section 205.1. If this extension period expires and a Purchase Package has not been uploaded in the Purchase Package on eDocs a new reservation may be requested at the current interest rate or the original interest rate whichever is higher.

DCA does not allow substitution of a borrower on any Reservation.

*204.1
First
Mortgage
Loan Interest
Rates*

The interest rate for Georgia Dream First Mortgage Loans is the rate that is effective at the time the Reservation is received by DCA and is attached to the property.

DCA will notify Lenders of the interest rate and the effective period for the rate each Thursday or as changes are required. If Thursday is not a Business Day, then DCA will send the Rate Sheet on the previous

Business Day. DCA will deliver a Rate Sheet by email to the Program Contact every Thursday afternoon before 5:00 p.m.

Interest rates are also available 24 hours a day on the Lender Portal and by dialing the Lender Information Line at (404) 679-0581.

**205 Reservation -
Commitment
Period**

The Reservation/Commitment Period is 75 calendar days. The Reservation Period is the period of time the Lender has to submit the Underwriting Package to DCA for approval, close the Loan, and submit the Purchase Package to DCA for funding. You must periodically review the status reports available on the Lender Portal to monitor your Loans in our pipeline and notify DCA of any cancellations or extensions needed.

*205.1
Reservation -
Commitment
Period
Extension*

Extensions are not automatic and must be requested by the lender. You may request an extension of the Reservation Period by submitting Form (SF-5) to the email address at the top of the form.

- a) For a fee, you may request one 30 day extension of any Georgia Dream loan reservation if we have received the underwriting package prior to the expiration of the original reservation.
- b) You may request up to (2) two 30 day extensions for Short Sales, REO'S and New Construction with no fee.
- c) You may request up to (3) three 30 day extensions for FHA 203K loans with no fee.

Within three (3) Business Days of our receipt of your Extension Form, we will notify you by email of its approval or denial. If approved, the approval will show the new Expiration Date and the total Extension Fees due.

We reserve the right to deny any request for extension of the Reservation Period.

*205.2
Extension
Fees*

A \$75 Extension Fee paid by the lender extends the Reservation Period for 30 calendar days. Extension Fees are not refundable and may not be charged to the borrower. Extension Fees will be deducted from the net purchase amount when we purchase the Loan. Extension Fees cannot be pro-rated for less than a 30-day period.

**206 Cancellation
of
Reservation**

Immediately upon learning that a Loan for which you have an active Reservation will not be presented for purchase under our Georgia Dream Homeownership Program, you must notify us by completing the Reservation Cancellation (Form SF-6) requesting that we cancel the Reservation.

Loans may not be cancelled and re-reserved to obtain a lower interest rate. A reservation made within six (6) months of a previous reservation for the same borrower and the same property will result in the higher of the current or previous interest rate.

207 *Underwriting*

DCA has delegated the credit decision on each Loan to our Lenders, as described further in Section 207.2 of this Guide. Each Loan submitted to DCA for underwriting must also meet the requirements set forth in this Guide, as well as the applicable Mortgage Insurer's requirements, as determined by the Lender's underwriter.

DCA will underwrite Loans for compliance with the Georgia Dream Homeownership Program guidelines prior to issuing an underwriting decision to the Lender. DCA will conduct a Quality Control Review following purchase on a sampling of Loans to evaluate the credit decisions made by the Lender. Our Quality Control Review process is described further in Section 213 of this Guide.

207.1 *Compliance Underwriting*

DCA's compliance underwriting decision will be based on, but not limited to, a review of the documentation in the Underwriting Package that documents satisfactory compliance with the following criteria:

- a) Applicant meets the first time homebuyer requirements;
- b) Applicant's total Household Annual Income meets Georgia Dream Homeownership Program requirements;
- c) Acquisition Cost of the subject property is within the published Acquisition Cost limits for the county in which the property is located;
- d) DCA required forms are complete and accurate
- e) Loan proceeds are utilized for purchase only transactions;
- f) Complete and accurate information provided on the loan application, support documents and verifications prior to loan closing, data integrity with the information contained in the DU or LP findings and all underwriting approval conditions set forth by the Lender's Underwriter are satisfied and adequately documented; and
- g) Collateral assessment of the subject property meets DCA's Georgia Dream Homeownership Program requirements and the requirements set forth by the Mortgage Insurer.

Lenders are required to review the file for compliance with the Georgia Dream Homeownership Program requirements prior to submitting the Underwriting Package to DCA for compliance underwriting.

We reserve the right to require further information to insure compliance with Georgia Dream Homeownership Program requirements and/or Mortgage Insurer requirements.

*207.2
Credit
Underwriting*

DCA Lenders must follow the underwriting guidelines set forth by DCA and/or the Mortgage Insurer of the first mortgage when underwriting a Loan. You must evaluate the creditworthiness of each Applicant and submit approved Loans to DCA for compliance underwriting.

All Underwriting Packages submitted to DCA must include the appropriate Mortgage Insurer approval documents. A copy of the approved Mortgage Insurance certificate, FHA Loan Underwriting and Transmittal Summary (92900LT) and Conditional Commitment completed and signed by the Direct Endorsement Underwriter, signed Conditional Commitment form (USDA-RD Form 3550.7), or proof of the VA automatic or Lender Appraisal Processing Program approval must be in the Underwriting Package.

*207.3
Credit Report*

You must submit to DCA a complete copy of the Residential Mortgage Credit Report (RMCR) or a tri-merged credit report. We will also accept the credit report utilized by an Approved Automated Underwriting System. The credit report may not be older than one hundred and twenty (120) days at the time of your final underwriting approval.

*207.4
Automated
Underwriting*

DCA will accept an Underwriting Package that has received a credit recommendation of “Accept” from Loan Prospector (LP), or “Approve” from Desktop Underwriter (DU). Conventional Loans requiring a manual review must meet all investor requirements. The information provided on the loan application, source documents and verifications prior to loan closing must conform to the information contained in the DU or LP recommendation and all approval conditions must be satisfied and adequately documented.

DCA will also accept automated credit recommendations from FHA Total Scorecard which meet the minimum credit score requirement in Section 207.6.

For all loans underwritten by an Automated Underwriting System, AUS approval will be accepted for borrowers with a low middle credit score of 700 or more. If the low middle credit score is at least 660 but no more than 699 the maximum Housing Expense ratio may not exceed 35% and the maximum Debt to Income ratio may not exceed 43%. If the low middle score is at least 640 but not more than 659 the maximum Housing Expense ratio may not exceed 28% and the maximum Debt to

Income ratio may not exceed 36%. (See Section 207.6 for additional requirements).

Exceptions to DCA's ratio requirements may be made if there are compensating factors such as:

- a) The borrower has successfully demonstrated the ability to pay housing expenses greater or equal to the proposed monthly housing expenses for the new mortgage over the past 12-24 months.
- b) The borrower makes a large down payment of 10% or higher toward the purchase of the property.
- c) The borrower has substantial documented cash reserves (at least 3 months) after closing, or
- d) The borrower receives documented compensation or income that is not reflected in effective income but directly affects his/her ability to pay the mortgage.

DCA reserves the right to require further information to insure compliance of the Underwriting Package with Mortgage Insurer requirements.

Credit recommendations other than "Approve" or "EA1" from Desktop Underwriter, FHA Total Scorecard must be manually underwritten and approved by your underwriter.

Conventional Loans with an LTV of 80% or less underwritten through Loan Prospector to HomePossible guidelines must receive a credit recommendation of "Accept". HomePossible Loans which require a manual review are not eligible for purchase by DCA.

When a Georgia Dream Program Second Mortgage Loan or other subordinate debt is part of the financing, the subordinate loan must be entered in DU as a Community Second, in LP as an Affordable Second, and in FHA Total Scorecard as Subordinate Financing. All subordinate financing must be included in the combined loan-to-value ratio.

You must submit to DCA, in the Underwriting Package, all documentation used or required by the Approved Automated Underwriting System in determining the credit recommendation. DCA will accept the streamlined documentation required by the Approved Automated Underwriting System, with the exception of the Appraisal, as further described in Section 311 of this Guide. Additional documentation for compliance underwriting will be required in the Underwriting Package, as specified in the Underwriting Package Checklist.

*207.5
Manual
Underwriting*

Loans with no credit score, no usable score, or loans downgraded from automated approval must meet manual underwriting guidelines.

DCA will accept an Underwriting Package that has been manually underwritten and approved by the Lender's designated underwriting staff.

Conventional uninsured HomePossible Loans submitted to Loan Prospector must receive a credit recommendation of "Accept" HomePossible Loans which require manual reviews are not eligible for purchase by DCA.

FHA and VA loans must comply with the manual underwriting requirements as set forth in HUD 4155.1 or the VA Lenders Handbook.

For all manually underwritten loans, the maximum Housing Expense ratio may not exceed 28% and the total Debt to Income ratio may not exceed 36%.

If a co-signer is used, the borrower must qualify individually with the maximum Housing Expense ratio not to exceed 50% and the total Debt to Income ratio not to exceed 50%. See section 303.6.

*207.6
Minimum
Credit Score
Requirements
for FHA ,VA,
USDA/ RD, &
Conventional
Uninsured
Loans*

All FHA, VA, USDA/RD and Conventional uninsured loans must have a low middle credit score of at least 640. See section 207.4 and section 207.5.

Applicants with no credit scores that meet FHA's non-traditional credit policy as outlined in the HUD 4155.1 Rev-5 will continue to be accepted as meeting the minimum 640 credit score requirement and must also meet the maximum DTI ratios and additional requirements above.

*207.7
Underwriting
Package
Format*

The Underwriting Package must include at least the items listed on the Underwriting Package Checklist in this Guide. The Lender must insure that the Underwriting Package includes all documentation that was deemed necessary to obtain credit underwriting approval including all documentation required to clear all prior to closing credit underwriting conditions. The documents in the Underwriting Package must be uploaded and submitted through eDocs into the Underwriting Package, accessible on the Lender Portal.

*207.8
Incomplete
Underwriting
Package*

We will notify you by email or phone if your Underwriting Package is substantially incomplete. When the requested documentation is received by DCA, your Underwriting Package will be considered complete and will be placed into underwriting on that date.

*207.9
DCA's
Underwriting
Period*

Upon our receipt of a complete Underwriting Package, we require up to five (5) Business Days to review the Package and notify you of our underwriting decision. You should consider this underwriting period in your plans to close the Loan. If the Underwriting Package is incomplete when we receive it, you will be notified by email of the missing documentation.

In periods of unusually heavy activity or due to circumstances beyond our control, it may be necessary for us to extend beyond five (5) Business Days the time required for our underwriting review. If it becomes necessary to extend beyond our five (5) day underwriting time, we will extend your Reservation Period. One day is given, at no charge, for each day beyond our five (5) day underwriting period. You may check the status of our underwriting turnaround time by calling the Lender Information Line at (404) 679-0581.

**208 *Underwriting
Decision***

We will send you an approval, deferral or rejection letter by email as outlined in this section.

*208.1
Underwriting
Approval
Letter*

The underwriting approval letter states that this is a "Firm Commitment" and includes any conditions which are to be satisfied and included in the Purchase Package.

*208.2
Underwriting
Approval
Letter with
Prior to
Closing
Conditions*

The underwriting approval letter with prior to closing (PTC) conditions states that this is a "Firm Commitment" and includes conditions which are to be cleared and uploaded in eDocs for review prior to closing. The approval may also contain other conditions that are to be satisfied at closing and included in the Purchase Package.

*208.3
Underwriting
Deferral
Letter*

The deferral letter states that "an underwriting decision cannot be made until receipt of all of the following documents..." We defer an Underwriting Package when it appears that the Loan may not meet critical Georgia Dream Homeownership Program requirements, such as Household Annual Income, first-time home buyer status or Acquisition Cost limits. Upon receipt of the necessary information, we will again review the Underwriting Package, email you, and upload in eDocs, the results of our review.

*208.4
Underwriting
Rejection
Letter*

The rejection letter is sent to you when we determine that a Loan does not meet the guidelines for the Georgia Dream Homeownership Program. The letter states: "The Loan referenced below has been denied for delivery to DCA for the reason stated below..." We will cancel your Reservation for these Loans ten (10) Business Days from the date of the rejection unless you notify us within that period that you wish to try to "cure" the rejection. If you wish to "cure" the rejection and require an Extension of the Reservation/Commitment Period, you must request an Extension in accordance with Section 205.1.

209 *Clearing
Conditions*

To clear PTC conditions or to respond to a deferral or rejection, you must upload and submit in eDocs to the Underwriting Package the requested information.

Failure to follow these procedures may cause delays in our response to your conditions. The DCA underwriter will respond by emailing you a new letter if our underwriting decision changes, or the previous letter with an indication of which conditions have been cleared. You can also view this letter in the Underwriting Package in eDocs.

210 *Closing*

The Underwriting Approval Letter which we email to you is our commitment to purchase the Loan after closing as long as it is closed in accordance with:

- a) any conditions or instructions contained in the Underwriting Approval Letter;
- b) the provisions of this Guide and the Loan Seller Agreement; and
- c) applicable Federal, State and local laws and regulations.

The Underwriting Approval Letter contains a restatement of the terms under which the Loan has been underwritten. The Loan must close in accordance with these terms. The Underwriting Approval Letter can be viewed in the Underwriting Package in eDocs.

The Loan closing must occur in sufficient time to allow for the delivery of the Loan to us prior to the expiration of the Reservation Period.

211 *Loan
Purchase*

DCA purchases loans two (2) times each week, pursuant to the purchase schedule described in Section 211.5 of this guide. Lenders must submit purchase packages to DCA within 15 calendar days after loan closing.

A paper servicing package, along with escrow check must be delivered to State Home Mortgage within 15 calendar days of loan closing as further described in Section 214 of this guide.

- 211.1
Purchase
Deadline* If we have not received a Purchase Package for a Loan within the Reservation/Commitment Period, your Reservation will expire and will be cancelled (unless the Reservation/Commitment Period is extended in accordance with Section 205.1).
- 211.2
Contents of
Purchase
Packages* Purchase Packages must include the items listed on the Purchase Package Checklists in this Guide. The documents in each Purchase Package must be arranged in the order listed on the checklist. The documents in the Purchase Package must be uploaded and submitted through eDocs into the Purchase Package, accessible on the Lender Portal
- 211.3
Purchase
Package
Review* Generally, we will review Purchase Packages within three (3) business days of receipt. If we determine that your Purchase Package is substantially complete and begin processing it, we will notify you by email of any missing or incorrect items. The Lender is responsible for submitting or correcting all deficiencies in the Purchase Package within 15 business days of DCA's notice to you.
- 211.4
Incomplete
Purchase
Packages* We will notify you of any Purchase Package which we determine is substantially incomplete or uploaded incorrectly. Our receipt of such a substantially incomplete package will not be considered to have met the deadline requirements of Section 205.
- 211.5
Purchase
Schedule* All Purchase Packages that are complete as of 2:00 p.m. on Tuesday will be funded on Wednesday. All Purchase Packages that are complete as of 2:00 p.m. on Thursday will be funded on Friday.
- We reserve the right to periodically amend this purchase schedule due to State holidays, domestic or foreign bank holidays, acts of God and/or any circumstances which, in our opinion, warrant a change.
- 211.6
Purchase
Delay Penalty
Fee* If the Purchase Package items are not provided or corrected within 15 Business Days of our notification to you, then beginning with the 16th Business Day, a Purchase Delay Penalty Fee of \$5.00 per Business Day will be charged until the missing or incorrect documents are provided. The Purchase Delay Penalty Fee will be subtracted from the Loan Purchase Price for the applicable Georgia Dream First Mortgage Loan.
- If the Reservation for the Loan is cancelled after Purchase Delay Penalty Fees have accrued or we are unable to purchase a Loan as described in this Section, we will calculate the Purchase Delay Penalty Fees due as of the date of cancellation and bill you that amount. If fees are not paid within 90 days of the original invoice date, we reserve the right to place your company on Limited Participation as described in Section 110.1.

*211.7
Conventional
Loan Fees* Any applicable loan level price adjustment will be deducted from DCA's remittance to you when we purchase all conventional uninsured loans you deliver to us. Loan level price adjustment as a third-party charge on the Closing Disclosure as described in Section 312.

*211.8
Loan
Purchase
Price* At the time of funding, the amount disbursed to you will be the original principal balance, plus or minus any adjustments for accrued interest, earned servicing fees, extension fees, loan level price adjustments and Purchase Delay Penalty Fees at time of purchase.

We will wire funds to you for Loan purchase using the wiring instructions provided on your lender application, until you provide written notification of any change to the Single Family Program Specialist.

The Servicing Release Premium is 80 basis points (.80%) times the principal balance purchased for loan balances \$54,999 and less or 100 basis points (1%) times the principal balance purchased for loan balances \$55,000 and greater.

State Home Mortgage will wire funds to you for the SRP deducting the tax service fee of \$67.00 on loans purchased.

*211.9
Non-Purchase
of Closed
Loan* If items are not provided so that we can purchase a Loan within 60 days of our purchase review, we may, in our sole discretion, elect not to purchase the Loan and notify you that the Reservation is cancelled. We will arrange to transfer the Loan back to you and execute all necessary documents.

If DCA has purchased five (5) Georgia Dream Second Mortgage Loans from a Lender without purchasing that Lender's corresponding Georgia Dream First Mortgage Loans, DCA may in its sole discretion, elect not to approve additional Georgia Dream Second Mortgage Loans from the Lender until one or more of the outstanding Georgia Dream First Mortgage Loans have been purchased by DCA.

*211.10
Non-Purchase
of Delinquent
Loan* If a Loan is delinquent (calculated from the first of the month), we will not purchase the Loan until the Loan payment is made. However, if the Loan becomes 45 calendar days or more delinquent, we will not purchase the Loan, even if the Loan subsequently becomes current. We will notify you that the Reservation is cancelled, arrange to transfer the Loan back to you and execute all necessary documents.

If Purchase Packages and State Home Mortgage Servicing Packages are submitted quickly after closing and are complete and correct, you should be funded before the first payment due date for each Loan. Any failure by the borrower to make payments after we purchase the Loan does not

automatically create a liability for you, as long as the Loan is otherwise eligible.

211.11
*Repurchase of
FHA Loans*

HUD Mortgagee Letter 2003-17 states, “*Sale of insured mortgage to approved mortgagee requires that the **seller** must notify HUD within 15 days of a sale of the mortgage. Thus the Department should receive an update on the identity of the new holder within 15 days from the date of the sale*”. Therefore, you as the seller must change the holder of record to Georgia Housing and Finance Authority in FHA Connection on every loan sold to us within 15 days of the date we purchase the loan from you. Any loan not transferred to Georgia Housing and Finance Authority within the 15 day period will be subject to repurchase by the lender.

212 *Final
Documents*

For each Loan we purchase, we will email you a letter listing the final documents required for that Loan. These documents include those listed on the Checklists in this Guide and may include other items. All final documents must be provided to us within 90 days of our purchase of the Loan or we may, in accordance with the Loan Seller Agreement, require you to repurchase the Loan.

Our failure to include in the final document letter a document contained on the applicable Final Document or Purchase Package Checklist does not relieve you of the requirement that the document be provided to us within 90 days of the date that we purchased the Loan.

All final documents must be accompanied by a copy of the Final Documents Letter we send you and must be addressed “Office of Housing Finance Final Documents.” Any final documents we receive that we cannot identify, may be returned to you via certified mail. In such event, your obligation to provide final documents will not have been satisfied. Documents need to be sent to our office attached to a cover sheet providing the loan number.

Lender must provide a properly executed Form SF-60 Lender Certification dated after all documents have been correctly recorded.

213 *Quality
Control
Review*

In order to monitor the overall quality of the Loans we purchase, DCA will conduct Quality Control Reviews to evaluate the credit and compliance underwriting decisions made on our Loans.

The purpose of our Quality Control Review is to:

- a) provide assistance to our Lenders for the timely correction of deficiencies if and when identified;
- b) provide efficiency and prevent costly errors; and

- c) ensure that Mortgage Insurer and DCA guidelines and State and/or Federal regulations are met.

Quality Control Reviews will be conducted monthly. Loans will be selected for review from Loans we purchased during the previous month and will be performed on any FHA and USDA loan that has defaulted within the first six (6) months.

Upon completion of each monthly Quality Control Review, we will provide written feedback to the Lender on any Loan in which we find a discrepancy in Mortgage Insurer and/or DCA guidelines, and state and/or federal regulations.

The feedback from DCA to the Lender will do one or more of the following:

- a) Remind the Lender of certain guidelines that did not appear to be met on a particular Loan;
- b) Request that missing information or documentation on a Loan be sent to DCA within a specified time;
- c) Request an explanation from the Lender regarding a specific Finding on a Loan
- d) Request that the Lender refund charges that the borrower and/or Seller paid, as reflected on the Closing Disclosure, that are not allowed by DCA or the Mortgage Insurer; and/or
- e) Request that the Lender conduct a quality control review or review appraisal on a certain file due to the number or seriousness of the discrepancies found with the Loan.

If you disagree with any finding, you must respond in writing and submit your documentation to support your dispute within thirty (30) calendar days of the date of the letter. Your response, if applicable, must be accompanied by a copy of the Quality Control Review feedback letter and sent to: DCA, Attn: Homeownership.

If the corrective action required by our Quality Control Review feedback letter is not received within ninety (90) calendar days of our initial request or we have not received a written response disputing our finding, we may exercise our remedies for non-performance in accordance with the Loan Seller Agreement and/or this Guide, which may include requiring you to repurchase the Loan.

**214 Loan
Servicing-
State Home
Mortgage**

The servicing rights to all Georgia Dream first mortgage loans are sold to State Home Mortgage. Loans released to State Home Mortgage for servicing should not be “set-up” on your servicing system, but must be transferred immediately after closing to State Home Mortgage.

Servicing Packages must include the items listed on the Servicing Package Checklist in this Guide. The documents in each paper Servicing Package must be delivered to State Home Mortgage at the address below, along with the escrow check within 15 calendar days after closing.

60 Executive Park South, N.E.
Atlanta, GA 30329
Attn: New Loans Department

All first payments are due and payable to State Home Mortgage. You must forward to State Home Mortgage any payments received from the borrower upon receipt of the payments.

*214.1
Loan
Payment
History*

If the purchase date is 16 calendar days or more after the first payment due date, we will obtain the payment history directly from State Home Mortgage. We will not purchase your Loan until the requirements of Section 211.10 are met.

*214.2
Second
Mortgage
Loan
Servicing*

We service all Georgia Dream Second Mortgage Loans. However, we do not require a Servicing Package for a Second Mortgage Loan. We already have sufficient documentation to service the Second Mortgage Loan.

*214.3
Second
Mortgage
Loan Payoff*

State Home Mortgage will process the payoffs on the loans that State Home Mortgage services the first mortgage. Mortgagors or their agents must contact State Home Mortgage directly for payoff quotes on Georgia Dream Second Mortgage loans. Payoff quotes may be obtained by submitting the official Payoff Request Form found at www.statehomemortgage.net. This request can be faxed to our Payoff Department at (404) 679-4837. State Home Mortgage will provide the payoff quote within forty-eight (48) hours of receipt of the request.

If the first mortgage is serviced by Bank of America, Regions or SunTrust the payoff quote will be processed by our payoff specialist. Please fast your request to (404) 679-5839. The payoff quote will be provided within forty-eight (48) hours of receipt of the request.

Chapter 3

Georgia Dream Homeownership Program First Mortgage Requirements

Through the Georgia Dream Homeownership Program, we provide affordable mortgage financing for low and moderate income homebuyers. This Chapter describes the requirements common to all Georgia Dream Homeownership Program Loans.

301 Eligible Loans

Federal and State law and regulatory guidelines define what types of Loans are eligible for the Georgia Dream Homeownership Programs. Eligible Georgia Dream First Mortgage Loans are fixed rate FHA, USDA, VA or Conventional loans. The Applicant may use a Georgia Dream Second Mortgage Loan for down payment and closing cost assistance only with the Georgia Dream First Mortgage Loan. Georgia Dream Second Mortgage Loans are 0% interest delayed repayment subordinate mortgage loans.

DCA cannot purchase a Loan that is not a new permanent loan on the property for the Applicant. Thus, if the Applicant has paid off a previous permanent loan on the property or is seeking to refinance an existing permanent loan, the Applicant is ineligible for the Georgia Dream Homeownership Program.

301.1 Warranties and Representations

Georgia Dream Homeownership Program Loans must be closed in your name as the originating Lender. You are fully responsible for all warranties and representations made to us under the Loan Seller Agreement, regardless of who originates and/or packages the Loan.

302 Georgia Dream First Mortgage Loans

The Georgia Dream First Mortgage Loan is financed with proceeds of certain tax-exempt bonds issued by GHFA pursuant to certain state laws and federal income tax laws. The tax-exempt status of such bonds is dependent, in part, on GHFA's purchase of Loans that are in compliance with the applicable sections of the Internal Revenue Code and applicable Georgia state laws. The Georgia Dream First Mortgage Loan requirements are contained in this Chapter and must be used in conjunction with the requirements for all Georgia Dream Homeownership Program Loans contained throughout the Seller Guide.

*302.1
Interest Rate* The interest rate for Georgia Dream First Mortgage Loans is the rate that is in effect at the time the Reservation is received by DCA. We post our interest rates on the Lender Portal, the Rate Sheet, and on our Lender Information Line (404-679-0581).

*302.2
Mortgage
Insurance
Requirements* Georgia Dream First Mortgage Loans must be (i) insured by FHA (ii) guaranteed by VA or USDA/RD, or (iii) with respect to conventional loans, meet certain LTV requirements. We expect you to ensure that the Loan meets the requirements of the Mortgage Insurer. You should check with the Mortgage Insurer to verify the precise requirements.

*302.3
FHA Loans* Georgia Dream First Mortgage Loans insured by FHA must conform to one of the following Sections of the Federal Housing Code: (We will not purchase co-insured Loans.)

- a) FHA Section 203(b) - \$100.00 down HUD REO's
We accept \$100 down Sales Incentive loans with financed UFMIP provided the total amount of the mortgage does not exceed 100% of the "as is" appraised value and the borrower makes our required \$1,000 minimum investment. If UFMIP is paid in cash it is an allowable cost and can be part of our borrower's \$1,000 minimum investment.
If the bid price exceeds the list price then the difference has to be from the borrower's funds and in addition to our \$1,000 minimum investment. Any amount that exceeds the appraised value must be paid from the borrowers own funds in addition to our \$1,000 minimum investment.
- b) FHA Section 203(k) – Rehabilitation
Lender will meet and certify FHA regulations 4240-4 and REV-2 and any applicable Appendix. The construction period must begin within 30 days of closing and be complete within 6 months. DE underwriters must have successfully completed 203(k) training. Lender will provide a 203(k) Quality Control Policy Manual at lender application or renewal.

Additional documentation will be required as follows:

Underwriting Package:

- 203(k) Applicant Acknowledgment
- Rehabilitation Loan Agreement
- 203(k) Streamline Max. Mortgage Worksheet HUD92700
- Cost Estimate and Contractor Bid
- Analysis of Appraisal Report HUD 54113

Funding Package:

Final Inspection signed by Appraiser and Underwriter
 Final Release Notice
 203(k) Draw Request 9746A and interim draws, if needed
 Mortgagor Letter of Completion
 Rehabilitation Loan Rider
 FHA Connection 203(k) escrow close out screen print
 reflecting any principal reduction

Loan will not be purchased until any required principal reduction has been applied.

- c) FHA Section 220(d) (3) (A) - Urban Renewal
- d) FHA Section 234(c) - Condominiums

*302.4
 VA Loans*

Georgia Dream First Mortgage Loans guaranteed by VA must conform to Title 38, Chapter 37, Section 810 of the United States Code. The sum of any down-payment plus the VA guaranty must equal at least twenty-five percent (25%) of the lower of the Purchase Price or the Appraised Value of the mortgaged property.

*302.5
 Conventional
 Loans*

Conventional Loans with an LTV of 80% or less are eligible for our Program. If our Georgia Dream Second Mortgage Program is used the applicant must contribute 3% of their own funds, not including gifts.

*302.6
 USDA/RD
 Loans*

USDA/RD Loans are eligible for our Georgia Dream Homeownership Program. All Loans guaranteed by USDA/RD must be underwritten to meet the current Program requirements and the current USDA/RD requirements.

*302.7
 Pool
 Insurance*

At the present time, Mortgage Pool Insurance is not required. If it is required in the future, we will notify you by updating this Seller Guide. In such case, you would be responsible for obtaining Pool Insurance for the specified Loans from the designated Mortgage Pool Insurer. You would be required to submit the necessary documents to the Mortgage Pool Insurer in order to obtain the required coverage.

*302.8
 Buydowns*

DCA allows a Buydown on any type of Georgia Dream First Mortgage Loan as described in Appendix IV. The initial Buydown rate must not be more than 2% below the final Note rate. A 2-1 Buydown is permitted, as are more gradual plans which meet the requirements of Appendix IV. A signed Buydown Disclosure Letter (sample in Appendix IV) and Buydown payment schedule with applicable interest rates indicated must be included in the Underwriting Package. A Buydown cannot be shown on the Closing Disclosure as discount points. A Georgia Dream Second Mortgage Loan may not be used to fund the Buydown.

302.9
Subordinate
Financing

We encourage the combination of our Georgia Dream First Mortgage Loan with publicly and privately sponsored down payment and closing cost assistance programs, especially the Georgia Dream Second Mortgage Program.

These programs may provide subordinate loans or grants to Applicants to assist them in their home purchase. If the assistance is in the form of a loan, it must be subordinate to our Georgia Dream First Mortgage Loan, and any monthly payment must be included in the computation of the underwriting ratios.

The Lender must include in the Underwriting Package an approval letter or other document, which evidences the Applicant’s approval for the subordinate financing. The document evidencing approval must provide the dollar amount of the loan or grant, interest rate, monthly payment, and number of monthly payments, and other repayment or forgiveness terms as applicable. The subordinate financing must be reflected in the CLTV and meet the Mortgage Insurer’s guidelines.

NOTE: When utilizing the Georgia Dream Second Mortgage loan, the only additional subordinate financing may be used is an employer assisted home buyer down payment loan program. These loans must be in third position behind our second mortgage. Down payment “Grants” may always be used in conjunction with a Georgia Dream Second Mortgage Loan.

302.10
Loan Amount

The maximum base amount of a Georgia Dream First Mortgage Loan is determined as follows:

| | |
|--|----------|
| Lesser of Sales Contract Price or Appraised Value | \$ _____ |
| PLUS: 203b or 203k Required Repairs | \$ _____ |
| Total Acquisition Cost | \$ _____ |
| LESS: DCA or other 2 nd Mortgage: | \$ _____ |
| LESS: DCA required borrower Contribution of \$1,000: | \$ _____ |
| Subtotal: | \$ _____ |
| PLUS: Closing costs from 1003 | \$ _____ |
| PLUS: Prepays from 1003 | \$ _____ |
| MINUS: Seller Paid Closing Cost | \$ _____ |
| Maximum Base Loan Amount: | \$ _____ |

In addition:

- a) The borrower must contribute cash to the transaction equal to the difference in the sales price and the appraised value when the appraised value is less.
- b) The first mortgage loan amount at closing must not be greater than the amount stated in the Underwriting Approval letter without our prior written approval.

*302.11
Determining
the Down
Payment*

All loans must meet the mortgage insurer's down payment requirements. For a Georgia Dream First Mortgage Loan the applicant's funds may be a gift or a loan. Funds must be documented in accordance with standard FHA, VA, Conventional, or USDA-Rural Development requirements.

*302.12
Construction
Loans*

DCA does not consider a construction loan, bridge loan or similar temporary financing which has a term of less than 24 months to be a permanent loan. If the First Mortgage Loan is used to pay-off the construction loan, DCA requires that the construction be satisfactorily completed and that the Applicant not receive "cash out" at closing that would exceed the sum of the Applicant's own funds used for earnest money, credit report, appraisal and application fees. Any costs, with the exception of verified earnest money deposit, the Applicant paid on the construction loan may be applied toward funds required on the Georgia Dream First Mortgage Loan.

The LTV is to be calculated using the total Acquisition Cost or the Appraised Value, whichever is less.

*302.13
Amortization
of First
Mortgage*

The term of the Georgia Dream First Mortgage Loan may not exceed 30 years. Loans must be amortized in equal monthly installments of principal and interest payable on the first day of each month.

303 *Eligible
Applicants*

Federal and state laws and regulatory guidelines define for us who is eligible for assistance under our programs.

*303.1
First-Time
Home Buyer
Requirement*

Generally, we can purchase a Loan only if it is made to an Applicant(s) who:

- a) is a first-time home buyer, or
- b) does not have a present ownership interest and has not had an ownership interest in a home used as his or her principal residence in the three (3) years prior to closing on the Loan, or
- c) is purchasing a home in a Targeted Area, or financing of any residence for a veteran (as defined in section 101 of title 38, United States Code), if such veteran has not previously qualified for and received such financing by reason of the subparagraph.

303.2
*Ownership
 Interest*

Ownership interests include:

- a) a fee simple interest;
- b) a joint tenancy;
- c) a tenancy in common;
- d) a tenancy by the entirety;
- e) a tenant-share hold in a cooperative;
- f) a life estate;
- g) a land contract pursuant to which possession and burdens of ownership are transferred, but legal title is not transferred until some later time;
- h) a beneficial interest in a trust that would constitute a present ownership interest if it were held directly by the mortgagor; and
- i) An Applicant is considered to have an ownership interest in a property if he/she received the benefits of the mortgage interest deduction through the filing of a joint federal income return with a spouse, even if the Applicant did not hold title to the home.

If the Applicant(s) holds ownership interest as defined above, the Applicant(s) would not be classified as a first-time homebuyer

Interests that are not considered to be ownership interests are:

- a) a remainder interest;
- b) a lease (without regard to any purchase option);
- c) a mere expectancy to inherit an interest in a principal residence;
- d) an interest that a purchaser of a residence acquires upon the execution of a purchase contract;
- e) an interest in a residential property other than a principal residence during the previous three (3) years; and
- f) an interest in a vacation timeshare.

An Applicant is not considered to have had a prior ownership interest in a primary residence in the last three years if :

- a) the Applicant did not hold title to the home, but did receive all or a portion of the proceeds of the sale of the residence ;
- b) the Applicant continued to hold title following a divorce which granted property to other spouse, but the Applicant has not used the property as a principal residence in the last three (3) years; or
- c) the residence is a manufactured home that is currently titled by the Department of Motor Vehicles or is not permanently affixed to a permanent foundation. If the manufactured home was or is taxed as real property and is permanently affixed to a permanent foundation, then the Applicant is considered to be a prior homeowner.

Applicants may own vacant land or a manufactured home taxed as personal property at the time they close on their Loan, because neither vacant land nor a manufactured home taxed as personal property is considered by DCA to be residential real estate.

We reserve the right to investigate or require further substantiation of the Applicant's first time homebuyer status.

Non-applicant household members are not required to be first time home buyers.

*303.3
Exceptions for
Georgia
Dream First
Mortgage
Loans*

An Applicant who is not a first time homebuyer who purchases a home in a Targeted Area is eligible for the Georgia Dream First Mortgage Loan.

*303.4
No Ownership
of Other
Residential
Real Estate*

Applicants may not own any other residential real estate within or outside the United States as of the date of closing on a Loan. For example, an Applicant may have owned property used solely as a residential rental property, but never as a primary residence, during the previous three (3) years, but must terminate his or her interest in such property prior to closing on a Loan.

*303.5
Principal
Residence
Requirement*

Each Applicant must occupy the mortgaged property as his or her principal residence within 60 days after closing the Loan. You must make the Applicant aware of this requirement when you take an application and originate the Loan.

An Applicant is temporarily exempt from this 60-day occupancy requirement if his or her employment or military orders require that he or she reside temporarily away from the mortgaged property and (i) his or her principal residence is the mortgaged property, (ii) he or she expects to return to the mortgaged property to live, and/or (iii) a co-Applicant will occupy the mortgage property within 60 days of closing.

You must make clear to the Applicant that he or she **will not be allowed to rent** the property after closing, except that the Applicant may rent the property back to the property seller for up to, but no more than, 60 days after closing.

*303.6
Co-Signers*

Co-signers are permitted in the circumstances described below:

a) Co-signers cannot take title to the property or live in the property securing our Loan. (Co-signers who live in the mortgaged property are considered co-Applicants.)

- b) Co-signers must sign the Note. Co-signers may not sign the Security Deed or DCA forms nor may they hold title to the property.
- c) The co-signers' income is not included in the Household Annual Income but may be used as qualifying income.
- d) If a co-signer is proposed for a Loan, the Underwriting Package must contain complete credit documentation for the co-signer along with a completed MCAW or 1008 underwriting worksheet;
- e) Co-signers' credit and ratios must meet the requirements of the applicable Mortgage Insurer.
- f) If a co-signer is used on a manual underwritten loan, the borrower must qualify individually with the maximum Housing Expense ratio not to exceed 50% and the total Debt to Income ratio not to exceed 50%. See section 207.5

*303.7
Liquid Assets
Limitation*

The Applicant(s) must not have liquid assets in excess of \$20,000 or 20% of the sales price, whichever is greater, at time of loan closing unless the liquid assets over the allowable amount have been or will be consumed by a documented emergency or other extraordinary event beyond the control or planning of the Applicant or will be used in the purchase transaction:

Gifts of substantial amounts are considered liquid assets. Stocks and other readily salable securities are considered liquid assets, unless they are restricted by IRA, 401(k) or other similar requirements. IRAs, 401(k) plans and other similarly qualified retirement accounts are not considered to be liquid assets.

If a Georgia Dream Mortgage Loan Applicant owns a mobile home which is not being sold, then you must document the Applicant's equity by providing the value of the mobile home from a published source and the amount owed on the mobile home. Net rental income from a mobile home must be included in the calculation of Household Annual Income.

Applicants approaching retirement age may have retirement savings, which do not disqualify them, unless such savings exceed an amount that would be considered reasonable for a person of low or moderate income. Some exceptions may also be made due to the nature of the source of funds. For example, insurance settlements that compensate an Applicant for lost wages during disability or death of a spouse may not be considered excessive.

**304 Household
Annual
Income
& Debt**

Household Annual Income is defined as all amounts, which go to, or are provided on behalf of, the Applicant(s) or spouse (even if temporarily absent), or any household member who will occupy the subject property within the 12-month period immediately following loan closing.

Household Annual Income is the sum of the anticipated income for each Household member during the 12-month period commencing with the date of application. Household Annual Income is determined by ascertaining the income received from each source over the most recent representative period and projecting those amounts over a one (1) year period.

The Lender is required to insure that the household income for all household members who will occupy the property within 12 months of the closing date have disclosed their income as required on form SF-12 and form SF-15, Affidavit of Non-Applicant Household Member, (if applicable).

*304.1
Household
Members*

“Household members” include:

- a) the Applicant, co-Applicant, spouse (unless it can be shown that a spouse resides elsewhere), parents, and children who live with the Applicant and co-Applicant at least six (6) months of each year;
- b) any related or un-related person who will reside in the mortgaged property during the 12-month period immediately following closing, regardless of previous address; and
- c) any person who has resided with the Applicant and/or co-Applicant prior to closing and whose financial affairs are combined with the Applicant’s and/or the co-Applicant’s according to the documents in the Underwriting Package. (If such person will not occupy the mortgaged property, his or her income can be excluded from Household Annual Income only if the Underwriting Package contains an explanation from the Applicant(s) as to the person’s future residence plans).
- d) “Household members” does not include: foster children; live-in aides and children of live-in aides; unborn children; and children being pursued for legal custody or adoption who are not currently living with the household.

Spouses and other adults (18 years old or older) who will live in the mortgaged property and who are not co-applicants should not be listed on the Note or Deed and are not required to be first-time home buyers. No adult household member may own residential real estate as of the date of closing (See Section 303.4). The income of all Non-Applicant adult household members’ must be considered as Household Annual Income.

Non-Applicant adults (18 years of age or older) who are also full time

high school or college students must provide evidence of enrollment from the high school or college at the time of application.

We understand that it is not common lending practice to request this information for Non-Applicants, but we require it for Loans made through our Georgia Dream Homeownership Program in order to verify that the Household Annual Income is within our Program’s Household Annual Income limits.

*304.2
First Mtg.
Loan
Household
Income
Limitations*

The Georgia Dream First Mortgage Applicant’s total Household Annual Income including the income for a Non-Applicant 18 years of age or older (as stated on Forms SF-12 and SF-15) must not exceed the following amounts based on the Household size and the location of the property:

| <u>Household Size</u> | <u>Statewide</u> | <u>MSA*</u> |
|-----------------------|------------------|-------------|
| 1 to 2 persons | \$59,500 | \$69,000 |
| 3 or more persons | \$68,500 | \$79,500 |

*** See Appendix II for counties in the Metropolitan Area**

*304.3
Calculating
Household
Income*

Each Underwriting Package must include a completed Household Income Worksheet. The income figure shown on the Household Income Worksheet and source documents for each Household member must agree. Income calculations for compliance underwriting are different from income calculations for credit underwriting. The compliance underwriting income figure will not necessarily be the same as the income figure used in credit underwriting. Lenders must make every reasonable effort to include the income of all Household members on Forms SF-12 and SF-15, as applicable. DCA will review copies of the Verifications of Employment (VOE), W-2’s, pay stubs and/or copies of additional income verifications to substantiate income calculations. The Household Income Worksheet is located in the Worksheet section of this Guide. We may, in our sole discretion, require additional documentation to determine Household Annual Income.

Each individual Non-Applicant must complete and sign the Affidavit of Non-Applicant Household Member (Form SF-15). The Non-Applicant’s income must be documented by providing the most recent W-2 and a current pay-stub (or similar third party document for other types of income) dated within forty-five (45) days of Lender’s underwriter’s approval.

No adjustments or deductions are made to Household Annual Income with respect to child care expenses, medical expenses, or adjustments for family size.

See Seller Guide Forms to obtain a copy of this worksheet or access the automated version at www.gadream.com

Household Annual Income includes, but is not limited to:

- a) the full amount, before any payroll deductions, of wages and salaries, overtime, commissions, fees, tips, bonuses and other compensation for personal services (including raises indicated by the employer on the VOE which are expected to take effect prior to closing);
- b) net income from operation of a business or profession;
- c) income from trusts, investments, interest, dividends, royalties, net rental income and other net income from real or personal property;
- d) periodic payments from Social Security (including that received on behalf of children), annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic payments;
- e) payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay;
- f) Welfare Assistance, where payments include amounts specifically designated for shelter and utilities;
- g) periodic and determinable allowances such as alimony and child support, and regular contributions or gifts received from organizations or persons not residing in the dwelling;
- h) all housing allowances and similar allowances which are not reimbursement for job-related expenses;
- i) all regular and special pay, and allowances of members of the Armed Forces (whether or not living in the dwelling) who are the head of the family or the spouse;
- j) relocation payments;
undocumented non-payroll deposits, extrapolated to an annualized amount;
- k) earnings up to \$480 annually for each full-time student 18 years or older (excluding the head of household and spouse); and
- l) adoption assistance payments up to \$480 annually per adopted child.

Household Annual Income excludes:

- a) non-reoccurring, sporadic, or irregular income, including gifts;
- b) amounts received by an employee as employer-paid benefits under a "cafeteria plan" and included as income on pay documents, but which would be discontinued if employee declined benefits;
- c) amounts included as income on a W-2, but claimed by the employee as un-reimbursed business expenses for federal tax purposes;
- d) amounts which are specifically for reimbursement of medical

- expenses of a family member;
- e) lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;
- f) amounts of educational scholarships paid directly to the student or the educational institution;
- g) special pay to a military head of a family who is away from home and exposed to hostile fire;
- h) foster child or foster adult care payments;
- i) the value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1977 which is in excess of the amount actually charged for the allotments;
- j) income from the employment of children (including foster children) under the age of 18 years;
- k) income of a live-in aide;
- l) amounts received under training programs funded by HUD
- m) amounts received by a disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
- n) amounts received by a participant in publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
- o) reparation payments made by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
- p) payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626I);
- q) income derived from certain sub marginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459(e));
- r) payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f));
- s) payments received under programs funded in whole or in part under the Job Training Partnership Act, now referred to as the Workforce Investment Act of 1998;
- t) income derived from the disposition of funds of the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04);
- u) the first \$2,000.00 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Court of Claims (25 U.S.C. 1407-08) or from funds held in trust for an Indian tribe by the Secretary of the Interior (25 U.S.C. 117b, 1407);
- v) amounts of scholarships funded under Title IV of the Higher

- Education Act of 1965, including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu);
- w) payments received from programs funded under Title V of the Older Americans Act of 1965 (42 U.S.C. 3056(f));
 - x) payments received from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the *In Re Agent Orange* product liability litigation, M.D.L. No. 381 (E.D.N.Y.);
 - y) payments received under the Maine Indian Claims Settlement Act of 1980 (Pub. L. 96-420, 94 Stat. 1785);
 - z) the value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 99858q);
 - aa) earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j));
 - bb) earnings in excess of \$480 annually for each full-time student 18 years or older (excluding the head of household and spouse);
 - cc) adoption assistance payments in excess of \$480 annually per adopted child;
 - dd) a resident service stipend (not to exceed \$200 per month);
 - ee) compensation from state or local employment training programs and training of a family member as resident management staff;
 - ff) deferred period payments of Supplemental Security Income and Social Security benefits that are received in a lump-sum payment;
 - gg) amounts received by family in form of refunds or rebates under state or local law for property taxes paid on the dwelling unit;
 - hh) amounts paid by state agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the disabled family member at home;
 - ii) amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609 I apply.

- jj) payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub.L. 95-433);
- kk) allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C.12637[d]);
- ll) any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran (38 U.S.C. 1805); and
- mm) any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602).

*304.4
Termination of
Employment*

Household members who have terminated employment of their own accord less than three (3) months before the date of Loan application must provide a detailed explanation of the reason for termination and their intent of future employment. Verification from the employer of the termination of employment will be required. We will be alert to any indication that the employment termination is temporary and/or may be for the purpose of meeting our Household Annual Income guidelines.

*304.5
Child Support/
Alimony*

Child support and/or alimony will be included in the calculation of Household Annual Income in the amounts actually received by the Applicants. If the Underwriting Package contains legal documents (such as divorce decrees) detailing the amount of child support to be paid, and a different amount is actually received, the actual amount received will be included in Household Annual Income so long as a reasonable explanation is included in the Underwriting Package.

*304.6
Overtime/
Bonuses*

For applicants with variable earnings (overtime, bonus, commission, and/or shift differential), Household Annual Income is determined using the appropriate method on the Household Income Worksheet located in the Worksheet Section, which is as follows:

- a) if the employer separates the variable earnings from the base pay, average the total of the year-to-date and the previous year's variable earnings and add it to the current base salary up through paystubs dated June 30 of the calendar year; after June 30, average only year-to-date variable earnings (Method B); or
- b) if the employer does not separate variable earnings from the base pay, average the total of year-to-date and the previous year's total income up through paystubs dated June 30 of the calendar year; after June 30, average only year-to-date (Method C).

- 304.7
Unemployment Compensation
- Unemployment compensation is available to certain unemployed persons who are actively seeking work. Therefore, we will include unemployment compensation in the calculation of Household Annual Income by multiplying the weekly benefit times 52 weeks, regardless of the amount of unemployment benefits remaining. This approach is based upon the assumption that the discontinuance of unemployment compensation will be accompanied by re-employment.
- 304.8
Self-Employed Applicants
- To calculate Household Income for a self-employed Applicant, you must use the previous year's filed income tax return and the income reported on Schedule C and the current Profit and Loss Statement (P&L). When completing the Household Income Worksheet, the DCA Lender must complete Method C.
- 304.9
Student Loans
- Student loan debt documentation must conform to insurer guidelines.
- 305 **Bank Statements, Paystubs and Section 1010 Language**
- For all Applicants, the Underwriting Package must include;
- a) the most recent bank statement for all accounts and must cover thirty (30) consecutive days.

All non-payroll deposits of \$300 or more reflected on the bank statement(s) must be included as Household Annual Income in the last section of the DCA Household Income Worksheet. Any deposits not included must be clearly and fully explained in a letter that is signed and dated by the borrower and included in the Underwriting Package.

The letter should include:

 - a) a complete description of the deposit
 - b) the date(s) the deposit(s) posted to the bank statement and the frequency of the deposits
 - c) the source of the funds
 - d) a reason why the funds should not be included as income.
 - e) The following certification:

Warning: Section 1010 of Title 18, U.S.C. Federal Housing Administration provides "*Whoever, for the purpose of influencing in any way the action of such administration Makes, Passes, Utters, or publishes any statement, knowing the same to be false shall be fined not more than \$5,000 or imprisoned not more than two years or both*".
 - b) current year to date paystubs from each employer. Documents must be dated within forty-five (45) days of the Lender's underwriting approval.

306 Tax Returns

Legible copies of signed federal income tax returns for each Applicant for the most recent three (3) year period and the most recent W-2s for each Applicant must be submitted with the Underwriting Package. Signatures may be photocopies.

These tax returns may be:

- a) signed copies of the paper copies filed with IRS;
- b) computer print-outs of IRS Form 1040 or 1040EZ, accompanied by IRS Form 8453, Electronic Filing Form;
- c) IRS Tele File Tax Record;
- d) signed print-outs from tax software computer programs; or
- e) computer print-outs of IRS Tax Return Listing from a tax return reporting service.

If the Applicant itemized deductions during any of the three (3) previous years, we must have a copy of the IRS Form 1040 and Schedule A. The IRS Letter 1722 (DO) (Rev. 8-96) is acceptable for an Applicant who itemized if the printouts attached include Schedule A.

If federal income tax returns are not available, we must have a copy of the IRS Letter 1722 (DO) (Rev. 8-96) and printout from the IRS covering the period for which the tax returns are not available. You can obtain this letter by contacting the IRS at (800) 829-1040 and following the prompts for “tax return transcript” or by submitting to the IRS a completed IRS Form 4506T.

We will review the tax returns for evidence of a mortgage interest deduction or payment of real estate taxes, either of which could indicate prior homeownership. We will also review basic demographic information (such as names, social security numbers, addresses, marital status and dependents) for consistency with the remainder of the Underwriting Package. We reserve the right to review other aspects of the tax return and its supporting schedules if it is deemed necessary in order to make a determination of the applicant’s eligibility for our Loan(s).

307 Home Buyer Education

Homebuyer education is required for all Georgia Dream Loans. Applicants must attend and complete a home buyer education workshop or individual housing counseling session(s) with a DCA or HUD approved Housing Counseling agency **OR** complete the online homebuyer education course at www.ehomeamerica.org/dca .

The home buyer education or individual housing counseling may be provided by:

- a) *Community-based organizations under contract with DCA*
DCA contracts with a number of community based non-profit organizations around the State who provide home buyer education at no cost to the home buyer. These organizations are listed in Appendix VIII.
- b) *Other non-profit or for profit organizations.* The Applicant may receive the required home buyer education from other DCA or HUD approved providers and is allowed to pay for the service.
- c) *Online counseling services.* The E-Home Online Homebuyer Course www.ehomeamerica.org/dca cost \$50.00. Topics covered include: Are You Ready to Buy a Home, Managing Your Money, Understanding Credit, Getting A Mortgage Loan, Shopping For A Home, Keeping Your Home, and Managing Your Finances. Course vouchers are available to homebuyers' whose household income is at or below Very Low Income, Extremely Low Income or Low-Income based on HUD's current Statewide Income Limits for Georgia. The Participating Lender must complete and submit the Certification of Income Form to housingcounseling@dca.ga.gov for approval. The Participating Lender will be provided a code for the homebuyer to use to complete the course free of charge.
- d) *Ready, Set, Go program. Ready, Set, Go Program.* For a cost of \$50.00, applicants with a low middle credit score of less than 640 can complete an online financial literacy course and receive three free personalized housing counseling sessions with a housing counselor. Participants will receive an Action Plan which will provide them with tangible steps to increase their credit score. This is not a substitute for required homebuyer education.

Any fees paid for home buyer education must be paid to a third party provider and may not exceed \$100.00. DCA will not pay this fee and will not be responsible for insuring the fees are paid to the provider. This fee is generally paid prior to closing and may be shown on the HUD-1. If paid by the Applicant, the fees can be counted towards meeting the Applicant's Required Funds.

The Underwriting Package must contain a copy of the Certificate of Completion issued by the home buyer education provider evidencing the Applicant's completion of the home buyer education course within 12 months prior to closing.

308 Eligible Properties

Georgia Dream Homeownership Program Loans must be secured by property which:

- a) is located in the state of Georgia;
- b) the title is held by the mortgagor at the time of closing as fee simple or under an eligible leasehold interest (the terms of the ground lease must extend beyond the maturity date of the Loan and only the land may be under a ground lease; the improvements must be owned by the mortgagor);
- c) is a one (1) unit single family dwelling (attached or detached) designed for residential use, condominiums or planned unit developments approved by Fannie Mae, Freddie Mac or the Mortgage Insurer, townhomes and modular homes that are located in an area consistent with such use and intended for owner occupancy; and

308.1 Maximum Purchase Price

We define the Purchase Price or Acquisition Cost as the total cost to acquire the completed residential unit excluding financing costs such as closing costs and prepaid items. Form SF-16 must be used to calculate the Acquisition Cost.

The Maximum Purchase Price for existing and newly constructed properties must be equal to or less than the following amounts based on the location of the property:

| | |
|------------------|-------------|
| <u>Statewide</u> | <u>MSA*</u> |
| \$200,000 | \$250,000 |

*See Appendix II for a listing of all counties in the MSA.

When the Applicant is also the builder, DCA requires the following: a copy of the construction contract or cost to build (including receipts) to be in the Underwriting Package to document the Acquisition Cost and to ensure it is not over the Maximum Purchase Price limit; the LTV ratio is to be calculated using the total Acquisition Cost or the Appraised Value, whichever is less; and all credit and closing documents to indicate the transaction as a purchase or construction to permanent financing. It must not be presented as a refinance transaction.

308.2 Manufactured & Modular Homes

Manufactured home loans are not eligible for purchase under the Georgia Dream Homeownership Program.

We will purchase a Loan for a factory-built home providing that the home meets the following criteria:

Modular homes (Industrialized Buildings)

We will purchase Loans for modular homes which bear the “DCA insignia”. Modular homes are factory built under the standards of the State of Georgia’s Industrialized Building Program.

As stated in O.C.G.A. 8-2-112(b)(1): “All industrialized buildings (modular homes) bearing an insignia of approval issued by the Commissioner of Community Affairs pursuant to this part shall be held to comply with the requirements of all ordinances or resolutions enacted by any local government which are applicable to the manufacture or installation of such buildings.” Modular homes must also be built to comply with all city and county building codes which apply to site built homes.

308.3 *Condominium*

We reserve the right to reject any Loan for the purchase of a condominium if we determine, in our sole discretion, that it would constitute an excessive underwriting risk.

Lenders must provide evidence of project approval for any loan secured by a condominium, PUD, or town home. The property must also meet the Mortgage Insurers’ requirements.

We require an HO 6 or “all inclusive” hazard policy and a completed Limited Review Condominium Questionnaire on all condominium loans. Fees for this policy must be included in the PITI and escrowed.

308.4 *Trade, Business, or Investment Property*

To comply with federal requirements, we will not approve a Loan on any property used to conduct a trade or business or any property that is an investment property. Examples of residential property business use which are not acceptable include:

- a) car repair;
- b) child care;
- c) hair styling;
- d) merchandise distribution; and
- e) farming.

All the examples above involve the movement of people and/or materials onto the property and the use of the property is crucial to the business' income.

Examples of acceptable home-based businesses include:

- a) sales positions requiring some record keeping and telephoning at the home, but no storage or distribution of goods; and
- b) production of craft items involving only a small area in the house.

If there is any question as to whether a type of business is acceptable, contact our Underwriting Coordinator before processing the Loan.

309 *Property Standards*

Georgia Dream Homeownership Program Loans must be secured by properties that are safe, decent, sanitary, structurally sound, and functionally adequate to meet the present and foreseeable housing needs of the Applicant.

To ensure satisfactory long-term security, the subject property should be compatible with the surrounding properties in terms of those factors that affect marketability, such as function, design, and quality of construction.

Further, we will examine the following:

- a) Appraisers assessment of the property and market conditions of the neighborhood;
- b) adequate sewer, water, and other utilities;
- c) accessibility by roads that meet local standards;
- d) the present or anticipated use of adjacent real estate should not adversely affect the livability, value, or marketability of the property for residential use; and
- e) neither the mortgaged property nor any adjacent property should pose a specific physical or environmental risk which could endanger the health and/or safety of the occupants.
- f) agreements for shared driveways and private road maintenance.

309.1 Private Wells

If the subject property has a private well as its water source, we require that the local or county health inspector test and certify to the safety and adequacy of the water source. This certification must be dated within 30 days prior to closing. In the case of a shared well, we require a recorded shared well agreement to be in force prior to closing, or we will accept the approval of the Mortgage Insurer. The well certification must comply with all requirements of the Mortgage Insurer.

309.2 Septic Systems

If the property is new construction and it is served by a private or shared septic system, we require that the system be tested by a licensed plumbing contractor or local government health or building inspector. The inspector must certify to the adequacy and proper functioning of the septic system as of the date of inspection and that it does not contaminate the water source to the subject property.

For existing properties, the septic system must be tested by a licensed plumbing contractor or local government health or building inspector prior to Loan approval, if: (i) the appraiser suggests that problems may exist with the septic system, and/or (ii) the property is guaranteed by

USDA/RD. The inspector's certification as to the adequacy of the septic system must be dated within 30 days of the Lender's Underwriting approval. In the case of a shared septic system, for new or existing properties, we require a recorded septic system agreement to be in force prior to closing.

*309.3
New
Construction*

DCA considers a property to be new construction when it is being sold to the Applicant(s) by the builder and all of the original warranties are in place. All newly constructed residences must be inspected during construction to ensure compliance with all applicable minimum building and housing codes. The inspections must be done in accordance with the requirements of the Mortgage Insurer.

For USDA/RD Guaranteed Loans originated by USDA/RD, the RD form HB-1-3550 Attachment 5-B, Single Family Housing Site Checklist and Form FmHA 1940-22, Environmental Checklist for Categorical Exclusions must be complete and signed by the Community Development Manager (CDM)

All construction must be complete and a clear final inspection included in the Purchase Package in order for us to buy the Loan. If the Loan was closed with the establishment of an escrow account for minor completion work (including landscaping), you must ensure the work is complete, disburse the escrow funds, and provide a clear final inspection in order for us to purchase the Loan.

Estimates of Monthly Real Estate Tax payments on new construction property must be based on at least 125% of the purchase price or taxes based on county millage rate must be documented.

*309.4
Acreage*

The full value of the land may be financed by the Loan only if documentation is provided verifying that such land is needed to reasonably maintain the basic livability of the residence and does not provide, other than incidentally, a source of income to the mortgagor. Unless we have given prior written approval specific to this issue, we will not purchase a Loan where the land value is equal to more than 30% of the total Appraised Value of the subject property.

*309.5
Environmental
Review*

During the physical inspection of the property, the appraiser must be alert for any indication of the presence of any hazardous materials on the subject property or any adjacent or nearby properties (including, but not limited to, asbestos or polychlorinated biphenyls (PCBs) or any indication that the property or any nearby site is or has been used as a landfill or the site of activity related to or used for the storage of oil, asbestos, PCBs, other hazardous wastes or other toxic substances). You must notify us in writing of any report by the appraiser indicating the possible presence of hazardous materials at the time that you submit the Underwriting Package to us.

- 309.6
Flood Hazard
Zone
Certification* A flood hazard zone certification must be obtained in accordance with federal law and the guidelines of the Mortgage Insurer and included in our Underwriting Package. The flood hazard zone certification must be for the life of the Loan and transferable to the Servicer of the Loan.
- 309.7
Plumbing,
Electrical
and/or
Heating* Lenders must provide a copy of clear plumbing, electrical, and heating certifications if the appraiser indicated that the property was vacant and/or the systems were not operational at the time of the appraisal inspection. Clear plumbing, electrical and heating certifications will also be required if the appraiser recommends them or there is an indication in the appraisal or the agreement of sale that there is an existing or potential problem with the plumbing, electrical and/or heating system(s).
- 309.8
Lead Paint* The Applicant(s) must be provided with a copy of the HUD/EPA pamphlet “Protect Your Family From Lead in Your Home” on properties built prior to 1978. The “Notice to Purchasers of Housing Constructed Before 1978” exhibit must be signed and made a part of the Sales Contract.
- 309.9
Swimming
Pools* Properties with indoor pools are not eligible. All outdoor swimming pools must be fully functional at the time of closing and documented by the appraiser.
- 310** *Appraisal
Guidelines* All appraisals contained in Underwriting Packages must be reported on the most recent version of the Uniform Residential Appraisal Report (URAR). All appraisals must conform to the Uniform Standards of Professional Appraisal Practice, the Home Valuation Code of Conduct (conventional loans only) and the DCA appraisal guidelines contained in this Guide. The appraiser must complete these forms in a manner that will clearly reflect the thoroughness of his or her investigation and analysis and provide the rationale for the estimate of market value. The Lender must disclose to the appraiser any and all information about the subject property that affects either the marketability of the property or the appraiser’s estimate of its market value.
- The property must have been appraised within the 120 days that preceded the date of the note and mortgage or in accordance with the applicable Mortgage Insurer requirements based on loan type. The appraiser must identify the subject property by its complete property address and legal description. All appraisals must show the census tract or block number in which the subject property is located.
- For existing properties, any improvements to the subject property must be completed when the Purchase Package is delivered to us. The

appraisal may be based on the “as is” condition of the property if minor conditions exist that do not affect the livability of the property. The Lender must carefully review the appraisal for a property appraised in an “as is” condition to assure that the property does not have any physical deficiencies or conditions that would affect its livability, or health and safety of the occupants.

When there are incomplete items or conditions that affect the livability of the property or physical deficiencies that could affect the soundness or structural integrity of the improvements, the property must be appraised subject to completion of the specific alterations or repairs. In such cases, the Lender must obtain a clear final inspection from an appraiser before they submit the Purchase Package to us.

For proposed construction, the appraisal may be based on plans and specifications if the Lender obtains a certification of completion before the Purchase Package is submitted to us. This certification should be completed by the appraiser and must be accompanied by photographs of the completed improvements. The appraiser must certify that the improvements are completed in accordance with the requirements and conditions stated in the original appraisal report.

We require certain exhibits to support each appraisal report:

- a) Clear, descriptive original color digital images or color photographs of the front, back, and street scene of the subject property.
- b) Clear, descriptive color digital images or photographs that show the front of each comparable sale and that are appropriately identified.
- c) Certification of completion and value, either as a letter or as a form that provides the necessary information, if applicable.
- d) A street map that shows the location of the subject property and of all comparables that the appraiser used.
- e) Any other information, as an attachment or addendum to the appraisal report form, which is necessary to provide an adequately supported estimate of market value.
- f) All mortgage insurer required appraisal addendums (i.e. 1004 MC, Market Conditions Addendum)

The appraiser’s neighborhood analysis must identify the area (based on common characteristics or trends) that is subject to the same influences as the subject property. The sales prices of comparable properties in the identified area should reflect the positive and negative influences of the neighborhood. The results of the neighborhood analysis should enable the appraiser to define the area from which to select comparables, to understand market preferences and price patterns and to identify any other value influences affecting the neighborhood. The appraiser and the Lender’s underwriter must be sensitive to the varying conditions that characterize different types of locations.

If the subject property is located in an area in which there is a shortage of recent truly comparable sales either because of the nature of the improvements of the subject property or the relatively low number of sales transactions in the neighborhood and the appraiser utilizes comparables that are not truly comparable to the subject property, the appraiser must adequately document his or her analysis in the appraisal report and explain why such comparable(s) are used.

Any and all additional comments made by the appraiser and the limiting conditions statement must accompany the appraisal in the Underwriting Package.

*310.1
Standards for
Appraisers*

Upon our request, you must furnish evidence that the appraiser has appropriate experience and approvals from the applicable Mortgage Insurers. This generally means that the appraiser:

- a) is a real estate appraiser certified with the State of Georgia;
- b) has successfully completed a nationally recognized basic appraisal course and has appropriate appraisal experience;
- c) has demonstrated a high level of integrity, professional ethics, and technical ability; and
- d) is approved by HUD to perform FHA and/or VA appraisals, as applicable (for Conventional Loans, the FHA or VA status is not required unless there is an accompanying Georgia Dream Second Mortgage Loan.

*310.2
FHA
Appraisals*

For FHA Loans, the appraisal must be accompanied by a HUD Form 92800.5B, "Conditional Commitment/Direct Endorsement Statement of Appraisal Value."

If an FHA Loan is submitted with a VA CRV, photos of the property are not required. We will accept a VA Certification of Reasonable Value that has been converted from a HUD Conditional Commitment or vice versa.

*310.3
FHA Property
Disposition
Program*

We encourage the use of Georgia Dream Mortgage Loans for the purchase of HUD Real Estate Owned (REO) property. The HUD REO appraisal must be used to determine the maximum mortgage amount and a copy included in the Georgia Dream underwriting package. All HUD REO appraisals will be valid for a period of 120 days from the effective date of the appraisal. A valid HUD REO sales contract must be ratified within 120 days of the appraisal effective date or a new appraisal or an appraisal update is required in accordance with FHA guidelines to support the mortgage transaction. An updated appraisal may be obtained in accordance with FHA guidelines when repairs are required by the FHA appraiser.

The maximum allowable mortgage amount is determined by using the lesser of the sales price or:

- a) The “as-is” appraised value as determined by the HUD REO or updated appraisal.
- b) The “as repaired” value as determined by a FHA appraisal for 203b or 203k loans.

If the sales price is more than the appraised value, the difference must be paid by a documented cash investment from the borrower. Georgia Dream Second Mortgage funds may not be used to fund this difference.

*310.4
USDA/RD
Guaranteed
Loans*

USDA/RD Guaranteed Loans must be supported by an FHA appraisal conducted by an FHA-eligible appraiser in order to satisfy federal regulatory requirements.

*310.5 VA
Loans*

For VA Loans, the appraisal must be accompanied by a VA Form 26-1843, "Certificate of Reasonable Value" (CRV) or the Notification of Value letter for automatic approval lenders.

311 *Loan Closing Documents*

All closing documents and legal documents must reference GHFA (Georgia Housing and Finance Authority), not DCA. GHFA is the legal entity that will purchase the Loan from the DCA Lender.

*311.1
Warranty Deed
& Transfer*

All property purchased under the Georgia Dream Homeownership Program must be conveyed by a Warranty Deed and an interest in the same property granted to you (and subsequently transferred to us) by a Security Deed and a completed Form SF-44 Transfer & Assignment signed by an officer designated to act on behalf of the corporation.

The Georgia Housing and Finance Authority will not accept Security Deeds in the name of MERS (Mortgage Electronic Registration System)

*311.2
Survey*

A survey may be required in accordance with the requirements of the Mortgage Insurer. The survey must be signed and sealed by a licensed surveyor or engineer showing the boundaries, improvements, setback lines, easements and encroachments onto or off of the mortgaged property, and certifying whether the mortgaged property or any portion thereof is located in a special flood hazard area as identified by the Mortgage Insurer (see Section 311.5).

311.3
*Title Insurance
Policy*

Each Loan must be insured by a mortgagee's title insurance policy on the current standard form of the American Land Title Association in an amount at least equal to the principal amount of the mortgage indebtedness. The title insurance policy must show the insured as the Lender, Mortgage Insurer and successors and assigns as their interest may appear. The title insurance policy must be endorsed to Georgia Housing Finance Authority, showing all recorded transfers and assignments.

The title insurer must be licensed to conduct business in the State of Georgia and approved by Fannie Mae, Freddie Mac, or Ginnie Mae. The policy must insure that the Loan is a valid and recorded first lien on the mortgaged property, except for Second Mortgage Loans, which must be the second priority lien, unless otherwise approved by DCA prior to loan closing. Additionally, the policy cannot be subject to any exceptions other than those previously approved by the Mortgage Insurer. You must receive prior written approval from us for any deviation in the title policy from this requirement.

The Short Form Residential Loan Policy or Master Residential Loan Policy showing the Lender, the Mortgage Insurer, and its successors and assigns as the insured is also acceptable.

When using full title policies for loans with a subordinate Georgia Dream Second Mortgage Loan, Schedule B of the title policy must reference the Georgia Dream Second Mortgage Loan.

In the event the policy identifies a Fi.Fa it must be cleared to our satisfaction and a clear and marketable title provided as per insurer requirements.

311.4
*Hazard
Insurance
See (d) for
Mortgagee
Clause*

You must ensure that the property securing each Loan is covered by hazard insurance that, at a minimum, meets the following requirements:

- a) *Term.* Policies must be for a period of at least one (1) year. Insurance must be in effect on the date of closing of the Loan
- b) *Ratings.* Policies must be issued by an insurance carrier specifically licensed or authorized by law to transact business within the State of Georgia. The firm must have a financial rating of Class VI or better by Best's Insurance Reports and a Best's general policyholder's rating of B or better. We will allow coverage with a Reinsurance Agreement, whereby an insurer with a classification lower than Class VI is covered by reinsurance from a company satisfying the aforesaid rating requirements

- c) *Fire and Extended Coverage.* Policies must afford protection against loss or damage from fire and other hazards covered by the standard extended coverage endorsement in an amount at least equal to the lesser of the outstanding principal balance of the Loan at the time you deliver it for purchase or the maximum insurable value of the improvements, determined by subtracting the land value as shown on the Uniform Residential Appraisal Report from the final reconciliation of value as calculated on the report
- d) *Mortgagee Clause.* Policies must contain a standard mortgagee clause endorsed in favor of the Lender and/or its successors or assigns, as their interest may appear. Upon assignment of the Loan to GHFA, an endorsement must be obtained which contains the standard mortgagee clause endorsed in favor of GHFA and/or its successors or assigns, as their interest may appear
- e) *Other Hazards.* If you are aware at any time that a mortgaged property is exposed to any appreciable hazard against which standard fire and extended coverage does not afford protection, you must advise us of the nature of the hazard within 10 Business Days of your discovery of the hazard and the additional insurance coverage, if any, which should be obtained or which you have obtained due to the mortgagor's failure to obtain adequate insurance. We may require you to obtain additional coverage, in accordance with the terms of the mortgage documents, as we determine necessary. You are responsible to us for the portion of the loss not covered by insurance if you fail to notify us of the hazard.
- f) *Deductible.* Policies must contain a deductible clause of no more than \$1,000, or the lowest deductible offered by the insurance carrier if greater than \$1,000. When the lowest deductible is more than \$1,000 documentation from the carrier indicating that the deductible for the policy is the lowest they offer must be provided.
- g) *Wind and hail Coverage in Coastal Areas.* Policies must afford protection against loss or damage from wind and hail as a result of tropical cyclones or named hurricanes. The maximum deductible for this coverage may be no greater than 5% of the total dwelling coverage.
- h) We require an HO 6 or all inclusive master hazard policy on all condominium loans. See section 308.3. Fees for this policy must be included in the PITI and escrowed.

*311.5
Flood
Insurance*

If any portion of the mortgaged property is located in an area identified by the Federal Emergency Management Agency (FEMA) as an area having special flood hazards (unless the improvements themselves are not located in a special flood hazard area), and if insurance is available under the National Flood Insurance Act of 1968, you must ensure that flood insurance is obtained in the amount of the outstanding principal balance of the Loan or the maximum limit of coverage available under the 1968 Act, whichever is less. A flood insurance policy containing a minimum \$500 deductible clause for new construction and \$1500 for existing properties is acceptable. Policies with a higher deductible must be approved by DCA prior to closing. You must also comply with provisions of the Flood Disaster Protection Act of 1973 whenever applicable to any Loan.

*311.6
Termite Letters*

The property securing each Loan must have been inspected for termites and other pest infestation in accordance with the requirements of the Mortgage Insurer. New construction must be built on ground which has been treated prior to the construction of the property.

If there is evidence of previous infestation, the graph showing locations of the infestation must be attached. If a structural engineering inspection is required by the termite inspector, then you must provide us with a copy of the report. The Applicant must sign the termite letter.

*311.7
Note &
Endorsement*

Each Loan must be evidenced by a properly executed Note, endorsed to the Georgia Housing and Finance Authority. The endorsement must read "Pay to the Order of the Georgia Housing and Finance Authority Without Recourse." An Allonge for endorsement of the Note, if necessary, will be accepted only if sent with the original Note.

You must include in the Note for Georgia Dream First Mortgage Loans a provision for an enforceable late charge of the monthly principal and interest payment on any installment that is not received by the 15th day after it is due. A late charge of 4% is required on FHA and VA Loans and a late charge of 5% is required for Conventional Loans (including the Georgia Dream First Mortgage Loan portion of Leveraged Loans) and USDA/RD Guaranteed Loans.

*311.8
Georgia
Dream First
Mortgage
Loan Estimate*

GHFA waives the 30 calendar days notice allowed by the FHA Deed and also waives all interest beyond the date of the payment in full. The Loan Estimate should state that there will not be a prepayment penalty and that the loan can and may be assumed. GHFA does not require or allow a prepayment penalty on any type of Loan.

311.9
*Addenda to the
Deed*

You must execute and record the appropriate DCA addendum with the Georgia Dream First Mortgage Loan:

- a) for FHA Georgia Dream First Mortgage Loans, you must execute and record the Tax Exempt Financing Rider (Form SF-40); or
- b) for VA, USDA and Conventional Georgia Dream First Mortgage Loans, you must execute the Addendum to the Note (Form SF-42). The original SF-42 must be sent with the original Note

312 *Closing Costs
for First
Mortgage
Loans*

The closing costs (whether paid by the property seller or the mortgagor) may not exceed the aggregate of:

- a) The actual amounts expended for the following third party costs as itemized on the HUD-1:
 - a) title examination;
 - b) title insurance;
 - c) attorney's fees;
 - d) credit reports;
 - e) termite reports;
 - f) tax service fees (\$67.00)
 - g) flood certification fees;
 - h) surveys;
 - i) photographs;
 - j) appraiser's fees;
 - k) filing and recording fees;
 - l) transfer tax and intangible taxes;
 - m) mortgage insurance;
 - n) Georgia Residential Mortgage Act (GRMA) fee of \$10.00;
 - o) express mail and courier fees paid to company other than Lender;
 - p) application, processing or underwriting fees, only if paid to an independent third party; and
 - q) any Adverse Market Delivery Charge and any MyCommunity Mortgage Loan Level Price Adjustment payable to GHFA.
- b) The following fees payable to you as a lender:
 - a) an origination fee of no more than 2.00% of the Georgia Dream First Mortgage Loan amount;
 - b) FHA 203(k) fees to the extent allowed by FHA; and
 - c) Other fees

312.1
Other Fees

You may charge certain customary lender fees in connection with Georgia Dream First Mortgage Loans. Such fees may not exceed the amount of such fees charged for non-DCA loans, and may not in the aggregate, exceed \$725. The fees may be called an application, processing or underwriting fee, or other similar name, as long as the name is not unique to our Loans and does not include GHFA, Georgia Dream or DCA by name. None of such fees may be based on the size of the Loan. All allowable fees must meet applicable mortgage insurer guidelines. Web Technology fees are not allowable fees.

312.2
Calculating the Prepays

The prepaid expenses which are eligible for payment with the Georgia Dream Second Mortgage Loan proceeds include the amounts required by the Mortgage Insurer to be deposited in the escrow account for property taxes, hazard insurance, homeowner association or condominium fees and prorated interest expenses up to the first payment date.

312.3
Interest Credit At Closing

If the Loan closes during the first seven (7) calendar days of the month, the first payment due date may be no later than the first day of the second complete calendar month after closing. (Example: the Loan closes March 7, the first payment due date may be April 1 with interest credit given at closing or may be May 1 with interest paid at closing). Interest credit given at closing must be shown on the Closing Disclosure.

If the Loan closes after the 7th day of the month, the first payment due date must be the first day of the second complete month after closing. (Example: the Loan closes March 17, the first payment due date must be May 1 with interest paid at closing.)

312.4
Cash Out At Closing

We require that the amount of cash paid to the Applicant at the closing of a Loan be no greater than the sum of the Applicant's own funds used for earnest money, credit report, appraisal and application fees, regardless of any greater allowances permitted by the Mortgage Insurer.

312.5
Taxes and Special Assessments

We require taxes due within 45 days of Loan closing to be paid by the closing attorney. In addition, all outstanding contractors' liens must be satisfied prior to your submission of the Loan to us for purchase.

313 *Loan Assumptions*

You must make the Applicant aware that when he or she seeks to sell his or her home, if he or she offers a loan assumption, the household must:

- a) occupy the property as a principal residence;

- b) must be an eligible Applicant as defined in Section 303 of this Guide;
- c) purchase the residence at a price that does not exceed the federal Purchase Price limitations in effect for existing property at the time of the assumption
- d) have a Household Annual Income that does not exceed the limits established by the Internal Revenue Code at the time of the assumption; and
- e) be aware that as the new owner(s), he or she will be subject to potential Recapture Tax as outlined in this Guide.

When the assumption occurs, the property is considered to be an existing property for our purposes. Thus the new buyer cannot assume the Loan for a Purchase Price that is higher than the federal maximum Purchase Price for an existing property, nor have a higher income than federal law allows at the time of assumption.

314 *High Cost Loans*

The Georgia Department of Community Affairs will not purchase any “High Cost” loans as defined by the Georgia Fair Lending Act (GFLA).

FHA loans would meet the restrictions set out by the Georgia law if the security deed contains “NOTICE: This is a mortgage subject to special rules under the Georgia Fair Lending Act. Purchasers or assignees of this mortgage may be liable for all claims and defenses by the borrower with respect to the mortgage

315 *Recapture Tax*

The potential exists for payment of a Recapture Tax imposed by Federal law with respect to all Georgia Dream First Mortgage Loans which close on or after January 1, 1991. In the unlikely event that a Georgia Dream First Mortgage Loan is exempt from the Recapture Tax, we will note such in the Underwriting Approval Letter. Generally, if a Applicant sells or otherwise disposes of the property in the first nine (9) years after the closing, the benefit of the below market loan may be “recaptured” by an increase in the Applicant’s federal income taxes in the year the home is sold or otherwise disposed of.

Not all Applicants under the Georgia Dream First Mortgage Loan Program or the Georgia Dream Second Mortgage Loan Program will owe Recapture Tax when they sell or otherwise dispose of their home.

No Recapture Tax is due if:

- a) the home is sold more than nine (9) years after the Georgia Dream First Mortgage Loan closing;

- b) the home is sold as the result of the death of the Applicant;
- c) the home is transferred to a spouse or former spouse incident to divorce and no gain or loss is included in Applicant's income tax calculation;
- d) the home is sold at a loss; or
- e) in the year the home is sold or disposed of, the Applicant's income does not exceed the federal income limits for the area based on the household size at the time of the Georgia Dream First Mortgage Loan closing. The limits increase by 5% for each year or part year after closing.

*315.1
IRS Reporting
and
Calculation of
Recapture Tax*

All Applicants will need to complete IRS Form 8828, Recapture of Federal Mortgage Subsidy, when they file their federal income taxes for the year in which the home is sold. (For the purposes of this Section only, the term "sale" includes other types of disposition of the property.) IRS Form 8828 calculates any Recapture Tax that may be due.

The details of the Recapture Tax calculation are included in the Notice to Purchaser of Potential Recapture Tax on Sale of Home (Form SF-50) to which you should refer for additional information. It is important to remember that most Applicants whose homes appreciate an average amount and whose incomes increase modestly will not owe any Recapture Tax. In the event that Recapture Tax is due, it will be only a portion of the Applicant's gain on the sale of the home. The law states that the maximum Recapture Tax is either 50% of the gain on the sale (regardless of whether the Applicant must include that gain as income) or 6.25% of the original Loan amount, whichever is less. Many Applicants will not owe any Recapture Tax.

*315.2
Refinancing*

If the Applicant refinances his or her Loan which is subject to Recapture Tax, the refinancing does not trigger the calculation of Recapture Tax because the property has not been disposed of or sold. If the Applicant does not sell or dispose of the home within nine (9) years of the closing date of the Georgia Dream First Mortgage Loan, a Recapture Tax will not be due. If the Applicant, after a refinance, does sell or dispose of the home within nine (9) years of the closing date of the Georgia Dream First Mortgage Loan, the Notice to Purchaser of Potential Recapture Tax on Sale of Home (Form SF-50) cannot be used to calculate the Recapture Tax, if any, that is due. The assistance of the IRS or a tax preparer will be required to calculate any Recapture Tax due.

315.3
Assumptions

If the Loan, which is subject to Recapture Tax, is assumed within nine (9) years of the closing date of the Georgia Dream First Mortgage Loan, calculation of any Recapture Tax due is triggered because the property has been sold or transferred. The Applicant who assumes the Loan will also be subject to Recapture Tax for a nine (9) year period beginning on the date of assumption.

The Servicer of the Loan can provide information to the Applicant about processing the assumption.

315.4
*Lender's
Responsibility*

The Applicant is made aware of the federally imposed Recapture Tax law at the time of Loan application by the disclosure provided in the Application Affidavit (Form SF-12). At Loan closing, you must complete and have the Applicant(s) sign the Notice to Applicant of Potential Recapture Tax on Sale of Home (Form SF-50).

You should be prepared to respond to questions from Applicants about the Recapture Tax, but you should refrain from actually assisting Applicants in calculating their expected tax. There is no way to predict the exact potential tax liability, IF ANY, since it is based on when the Applicants sell their home, their income and family size at the time of sale, and the amount of profit, if any, that they realize from the sale. You should advise the Applicant to consult with a tax advisor or the IRS office for further information.

315.5
*Recapture Tax
Notice at
Closing*

The Notice to Applicant of Potential Recapture Tax on Sale of Home (Form SF-50) must be executed at closing for all Georgia Dream First Mortgage Loans.

Applicants' signatures must appear on page 1 of The Notice to Applicant of Potential Recapture Tax on Sale of Home (Form SF-50) and you must complete the information on page 2 as follows:

- a) *Address of Property.* Insert the street address of the mortgaged property.
- b) *Lending Institution.* Insert the name and address of your company.
- c) *Loan Closing Date.* Insert the date of the closing of the Georgia Dream First Mortgage Loan.
- d) *Federal Subsidized Amount.* Multiply the original Loan amount by 6.25% and insert that number in the blank.
- e) *Targeted Area.* If the mortgaged property is located in one of these counties, complete this item by indicating whether or not the mortgaged property is in a targeted census tract or other Targeted Area.

Chapter 4

Georgia Dream Second Mortgage Programs

Georgia Dream Second Mortgage Loans must be used in conjunction with a Georgia Dream First Mortgage Loan.

The Georgia Dream Second Mortgage Program provides first time home buyers with a deferred payment subordinate mortgage loan for the down payment, closing costs, prepaid expenses or principal reduction associated with the purchase of a home. The program requirements specific to the Georgia Dream Second Mortgage Programs contained in this Chapter must be used in conjunction with the requirements for all Georgia Dream Homeownership Program Loans contained in Chapter 3 of this Guide.

401 ***Georgia Dream Second Mortgage Loan***

The Georgia Dream Second Mortgage Loan is a deferred repayment subordinate mortgage loan. In general, the Georgia Dream Second Mortgage Loan is in second lien position.

The Georgia Dream Second Mortgage Loan must be repaid in full if the Applicant:

- a) sells or transfers the property;
- b) refinances the first mortgage; or
- c) no longer uses the mortgaged property as the principal residence.

401.1 **Interest Rate**

The interest rate for Georgia Dream Second Mortgage Loans is 0% per annum.

401.2 **Loan Amount**

Georgia Dream Second Mortgage Loans provide the following amounts of down payment assistance to Georgia home buyers. Income limits and eligibility requirements apply and are further described in Section 402 and 403 of this Chapter. These loan amounts cannot be combined.

401.2a **Standard**

The *Standard* Loan provides \$5,000.

401.2b **Protectors, Educators, and Nurses (PEN)**

The *PEN* Loan provides Georgia's heroes, who help others in time of need with \$7,500, (See documentation requirements in Section 406).

- a) Protectors are employees and/or active duty personnel of (i) a police department, sheriff's office, corrections department*, Georgia Department of Motor Vehicles or other law enforcement agency administered by or part of

a local, state, or federal government or other political subdivision of the state, that is responsible for the enforcement of the penal, traffic, or highway laws or the incarceration or detention of offenders; (ii) a local, state, or federal fire department, including volunteer firefighters, that are responsible for at least one of the following: natural disaster response, fire suppression, emergency medical response and patient care, fire and injury prevention, arson investigation, hazardous materials, incident response and management, and/or response to acts of terrorism; (iii) the armed forces of the United States of America consisting of the United States Army, United States Navy, United States Air Force, United States Marine Corps, United States Coast Guard; (iv) the Army National Guard; (v) the Air National Guard and/or (vi) Civil Servants for a Military Base

*Including Homeland Security and/or the correction departments that are administered by a private corporation under State or Federal guidelines.

- b) Educators are employees of (i) a local, city or county school board that is recognized by the state or accredited by a state or regional accrediting association. This would include Head Start programs, Pre-K, elementary and high school teachers and all other employees of a school or board of education, school Bus drivers working for an accredited school system, even if outsource.; (ii) a private school system that is recognized by the state or accredited by a state or regional accrediting association; (iii) state-certified teachers of a Head Start, Pre-K program or day care provider not connected to a local school board system that can provide evidence of current certification in the state of Georgia at time of DCA underwriting; and (iv) employees of post-secondary institutions a credited by State or Regional Accreditation Association. This includes employees of agencies that are “units” of a University System, who are eligible for participation in the Teachers Retirements System. Sylvan and Total Learning Center applicants, as long as they can provide a current teaching certificate.
- c) Nurses (health care workers) are employees of a state licensed health care facility including, but not limited to, hospitals, medical and dental offices, health departments, nursing homes, lab technicians, pharmacy technicians, assisted living workers, red cross employees, home health care workers, Georgia

Department of Community Health, public health care, county health care and residential mental health facilities.

*401.2c
CHOICE
(Consumer
Homeownership &
Independence
Choices for
Everyone)*

The *CHOICE* Loan provides applicants with disabilities, or those who have a disabled dependent as a household member, with \$7,500.

*401.3
Mortgage Insurer
Requirements*

You must ensure that the Georgia Dream Second Mortgage Loan meets the requirements of the Mortgage Insurer of the Georgia Dream First Mortgage Loan. You should check with the Mortgage Insurer to verify the precise requirements.

- a) *FHA Loans.* FHA has approved the Georgia Dream Second Mortgage Program as provided under Mortgagee Letter 94-2. The combined LTV for all mortgages cannot exceed 100% of the cost to acquire the property, plus any normal prepaid expenses, as described in HUD Handbook 4155.1

Per HUD Mortgagee Letter 2013-14 the Georgia Dream Second Mortgage Loan directly provides the borrower's required cash investment through secondary financing as an instrumentality of the State of Georgia. DCA incurs a legal enforceable obligation as a result of its agreement to provide funds towards the borrower's minimum cash investment. (Sec 409,410 Funding)

VA Loans. The Georgia Dream Second Mortgage Loan may be used with a VA guaranteed loan.

- b) *USDA/RD Loans.* The Georgia Dream Second Mortgage Loan may be used with a USDA/RD Loan. The USDA/RD Loan and the Georgia Dream Second Mortgage Loan amounts may exceed the appraised value of the property only by an amount equal to closing costs and prepaid expenses.

*401.4
Use of the Georgia
Dream Second
Mortgage Loan
Amount*

The Georgia Dream Second Mortgage Loan funds may be used for principal reduction, down payment, allowable closing costs and prepaid expenses associated with the home purchase. If the Applicant's required costs for the principal reduction, down payment, closing costs, and prepaid expenses associated with the home purchase are more than the Georgia

Dream Second Mortgage Loan amount, the amount over the Loan amount must be provided by the Applicant, the seller or another party acceptable to the Mortgage Insurer.

Georgia Dream Second Mortgage Loan proceeds may not be used for buy downs or repairs.

When purchasing a HUD REO property where the maximum loan amount, based on the “as-is” appraised value, is less than the sales price, Georgia Dream Second Mortgage Loan proceeds may not be used as the borrowers cash investment for the difference, see Chapter 3 Section 310.3 of this guide.

*401.5
Debarred and
Suspended Lists*

DCA will not approve or purchase a Georgia Dream Second Mortgage Loan if the borrower(s), seller(s), realtor(s) or any other parties to the second mortgage transaction appear on the current HUD Debarred or Suspended lists as per mortgage insurer guidelines. You are responsible for certifying that you have checked the most recent HUD lists and the parties to the transaction do not appear on either list by signing page 2 of the SF-60, Lender Certification.

*401.6
Recapture Tax*

Georgia Dream Second Mortgage Loans may be subject to Recapture Tax. The potential exists for payment of a Recapture Tax imposed by Federal law with respect to all Georgia Dream Second Mortgage Program Loans which close on or after January 1, 1991 and were financed with tax exempt bond funds. In the event that a Second Mortgage loan is financed with tax exempt bond funding, we will note so on the Underwriting Approval letter. Lenders must refer to Section 315 Recapture Tax in this Seller Guide for information regarding Recapture Tax requirements and disclosures

402 *Eligible
Applicants*

Federal and state laws and regulatory guidelines define for us who is eligible for assistance under our programs. Additional eligibility requirements, if any, for each loan program are listed in Chapter 3.

*402.1
First Time Home
Buyer
Requirements*

Generally, we can purchase a Loan only if it is made to an Applicant(s) who:

- a) is a first-time home buyer, or
- b) does not have a present ownership interest and has not had an ownership interest in a house used as his or her principal residence in the three (3) years prior to closing on the Loan, or

- c) is purchasing a home in a Targeted Area
- d) is purchasing a home in a county designated as a federal disaster county

See Chapter 3, Section 303.2 for complete definitions of ownership interest.

*402.2
First Time Home
Buyer Exceptions*

An Applicant who is not a first time homebuyer may qualify for a Georgia Dream Second Mortgage Loan if he or she purchases a home in a designated Targeted area

403 *Household
Annual Income*

The Applicant’s total Household Annual Income including the income of Non-Applicants 18 years of age and older (as stated on Forms SF-12 and SF-15) must not exceed the maximum allowable income for the program based on the location of the home.

MSA

| | |
|-------------------|----------|
| 1 or 2 persons | \$69,000 |
| 3 or more persons | \$79,500 |

Statewide

| | |
|-------------------|----------|
| 1 or 2 persons | \$59,500 |
| 3 or more persons | \$68,500 |

404 *Eligible Properties*

Properties secured by a Georgia Dream Second Mortgage Loan must meet the property requirements described in Chapter 3 of this guide.

405 *Appraisal
Requirements*

Georgia Dream Second Mortgage Loans must be supported by an FHA appraisal conducted by an FHA-approved appraiser in order to satisfy federal regulatory requirements. The appraisal must reflect that the subject property meets HUD minimum property standards. This applies in cases in which the first mortgage is a Conventional Loan, USDA/RD Leveraged or Guaranteed Loan, as well as if it is an FHA Loan.

406 *Additional
Documentation
for Underwriting
Package*

The following is required in the DCA Underwriting Package as evidence that the Applicant meets the requirements of the Program being used:

PEN:

Any additional document required to verify applicant(s) eligibility per section 401.2b.

CHOICE:

Applicants must provide documentation to the Lender verifying the status of the disability and dependency. Eligible documentation will include either (1) a Social Security Disability Determination Letter or (2) a certified denial from SSI which states that a disability exists but the applicant is not income eligible for funds, or documentation from an acceptable medical source that indicates the existence of an impairment listed on the Social Security Administration's website "listing of Impairments", www.ssa.gov/disability/professionals/bluebook/listing-impairments.htm and (3) evidence of dependent status (if applicable). A disability determination is only acceptable for the applicant, the applicant's spouse or a dependent of an applicant.

407 *Loan Closing and Purchase*

All closing documents and legal documents must reference GHFA (Georgia Housing and Finance Authority), not DCA. GHFA is the legal entity that will purchase the Loan from the DCA Lender.

408 *Subordinate Financing*

When utilizing the Georgia Dream Second Mortgage Loan Program no additional subordinate financing may be used. We do permit Employer Assisted Home Buyer Down Payment Programs in third position behind our second mortgage.

409 *Purchase Documentation*

Georgia Dream Second Mortgage Loans require the following purchase documentation. (See Purchase Package Checklist)

- a) *Note and Deed.* All Georgia Dream Second Mortgage Loans must be evidenced by the Georgia Dream Second Mortgage Note (Form SF-82) and the Georgia Dream Second Mortgage Subordinate Security Deed (Form SF-84). The Note should be endorsed as follows: "Pay to the order of the Georgia Housing and Finance Authority without recourse."
- b) *Loan Estimate.* The Loan Estimate for the Georgia Dream Second Mortgage Loan should state that there will not be a prepayment penalty and that the loan can

- and may be assumed. GHFA does not require or allow a prepayment penalty on any type of loan
- c) *Transfer and Assignment (Form SF-44)*, All Georgia Dream Second Mortgage Loans must have a completed and signed original recorded Transfer and Assignment (Form SF-44) reflecting the second mortgage loan amount.
 - d) *First Mortgage Closing Disclosure*. The Georgia Dream Second mortgage Loan must be shown on Lines 204-209 of the Georgia Dream First Mortgage Loan Closing Disclosure.
 - e) *Second Mortgage Closing Disclosure*. The Georgia Dream Second Mortgage Loan Closing Disclosure should reflect only the following fees:
 - An Origination Fee of 1% of the 2nd mortgage loan amount
 - Attorney Fees of no more than \$150
 - Filing and recording fees –Actual
 - Transfer and Intangible Taxes –Actual
 - GRMA Fees - \$10.00

A second Mortgage Closing Disclosure is not required if the settlement cost of the second mortgage is less than 1% of the second mortgage loan amount per section 4 and 5 of RESPA. A separate Closing Disclosure will not be required for the secondary financing prior to closing, however, any actual expenses charged for the secondary financing must be identified on the 1st mortgage Closing Disclosure.

You are responsible for complying with all Federal and State legal requirements related to the charging of all fees. You must also ensure that all fees meet the requirements of the Mortgage Insurer.

410 *Loan Purchase*

At the time of funding (See Section 211 of this Guide), the amount disbursed to a DCA Lender will be the original principal balance of the Georgia Dream Second Mortgage Loan. DCA will wire funds to you for the Georgia Dream Second Mortgage Loan purchase using the wiring instructions that you have provided on the initial lender application.

411 *Applicant's
Funds Required*

The applicant must contribute \$1,000 to the purchase transaction. Funds may be a gift or a loan documented in accordance with the mortgage insurer's requirements.

The Applicant's Funds Required may be contributed to the transaction prior to closing and/or at closing. Examples of items which must be included in determining the amount contributed by the Applicant include:

- a. earnest money;
- b. credit report fee paid outside of closing (POC), even if credited back at closing;
- c. appraisal fee (POC) ,even if credited back at closing;
- d. hazard insurance if paid for by Applicant prior to closing;
- e. homeowner's title insurance if paid for by Applicant prior to closing;
- f. home inspection fees paid (POC) by the Applicant; and
or
- g. cash brought to closing

Total Household Income Worksheet

Input total income for applicant, co-applicant, and adult non-applicant pursuant to Chapter 3 of this Seller Guide.

County _____

Mortgage Income Limit _____

(See Section 304.2)

Family Size _____

Employment Income (use only one Method for each employer)

| | | |
|-------------------------|--|--|
| Name of Person Employed | | |
| Company Name | | |

Method A

Each paycheck is the same and is consistent with current year's VOE.

| | | |
|-------------------------------------|--|--|
| 1 Enter gross income from paycheck: | | |
| 2 Enter pay periods per year: | | |
| 3 Multiply line 1 times line 2: | | |

Method B

Gross pay varies and variable income is shown separately from gross pay.

| | | |
|----------------------------------|--|--|
| 1 Enter current base pay: | | |
| 2 Enter pay periods per year: | | |
| 3 Multiply line 1 time line 2: | | |
| 4 Enter YTD variable pay:* | | |
| 5 Enter number of days in YTD:** | | |
| 6 Divide line 4 by line 5: | | |
| 7 Multiply line 6 by 365: | | |
| 8 Add line 3 and line 7: | | |

Method C

Gross pay varies and variable income is not shown separately from gross pay.

| | | |
|----------------------------------|--|--|
| 1 Enter YTD gross pay:* | | |
| 2 Enter number of days in YTD:** | | |
| 3 Divide line 1 by line 2: | | |
| 4 Multiply line 3 by 365: | | |

Other Income and Non- Applicant Income

| Recipient | Source | Multiply Amount Received By Number of Periods in the Year | Total |
|-----------|--------|--|-------|
| | | | |
| | | | |
| | | | |
| | | | |

Non-Payroll Deposits

Divide Total "Other" Deposits by
Number of Monthly Statements and
Multiply by 12

| | | | |
|----------------------------|--------------------------------------|--|--|
| Bank Name & Account Number | Total of Deposits Not Included Above | | |
| | | | |

TOTAL OF ALL NUMBERS IN BOLD BOXES

(Cannot exceed program income limits)

* If paystub(s) dated prior to July 1, use previous year variable pay + year to date variable pay

** If paystub(s) dated prior to July 1, use 365 + year to date

Georgia Dream Homeownership Program

Year to Date Conversion Chart

| <u>January</u> | <u>February</u> | <u>March</u> | <u>April</u> | <u>May</u> | <u>June</u> | <u>July</u> | <u>August</u> | <u>September</u> | <u>October</u> | <u>November</u> | <u>December</u> |
|----------------|-----------------|--------------|--------------|------------|-------------|-------------|---------------|------------------|----------------|-----------------|-----------------|
| 1 1 | 1 32 | 1 60 | 1 91 | 1 121 | 1 152 | 1 182 | 1 213 | 1 244 | 1 274 | 1 305 | 1 335 |
| 2 2 | 2 33 | 2 61 | 2 92 | 2 122 | 2 153 | 2 183 | 2 214 | 2 245 | 2 275 | 2 306 | 2 336 |
| 3 3 | 3 34 | 3 62 | 3 93 | 3 123 | 3 154 | 3 184 | 3 215 | 3 246 | 3 276 | 3 307 | 3 337 |
| 4 4 | 4 35 | 4 63 | 4 94 | 4 124 | 4 155 | 4 185 | 4 216 | 4 247 | 4 277 | 4 308 | 4 338 |
| 5 5 | 5 36 | 5 64 | 5 95 | 5 125 | 5 156 | 5 186 | 5 217 | 5 248 | 5 278 | 5 309 | 5 339 |
| 6 6 | 6 37 | 6 65 | 6 96 | 6 126 | 6 157 | 6 187 | 6 218 | 6 249 | 6 279 | 6 310 | 6 340 |
| 7 7 | 7 38 | 7 66 | 7 97 | 7 127 | 7 158 | 7 188 | 7 219 | 7 250 | 7 280 | 7 311 | 7 341 |
| 8 8 | 8 39 | 8 67 | 8 98 | 8 128 | 8 159 | 8 189 | 8 220 | 8 251 | 8 281 | 8 312 | 8 342 |
| 9 9 | 9 40 | 9 68 | 9 99 | 9 129 | 9 160 | 9 190 | 9 221 | 9 252 | 9 282 | 9 313 | 9 343 |
| 10 10 | 10 41 | 10 69 | 10 100 | 10 130 | 10 161 | 10 191 | 10 222 | 10 253 | 10 283 | 10 314 | 10 344 |
| 11 11 | 11 42 | 11 70 | 11 101 | 11 131 | 11 162 | 11 192 | 11 223 | 11 254 | 11 284 | 11 315 | 11 345 |
| 12 12 | 12 43 | 12 71 | 12 102 | 12 132 | 12 163 | 12 193 | 12 224 | 12 255 | 12 285 | 12 316 | 12 346 |
| 13 13 | 13 44 | 13 72 | 13 103 | 13 133 | 13 164 | 13 194 | 13 225 | 13 256 | 13 286 | 13 317 | 13 347 |
| 14 14 | 14 45 | 14 73 | 14 104 | 14 134 | 14 165 | 14 195 | 14 226 | 14 257 | 14 287 | 14 318 | 14 348 |
| 15 15 | 15 46 | 15 74 | 15 105 | 15 135 | 15 166 | 15 196 | 15 227 | 15 258 | 15 288 | 15 319 | 15 349 |
| 16 16 | 16 47 | 16 75 | 16 106 | 16 136 | 16 167 | 16 197 | 16 228 | 16 259 | 16 289 | 16 320 | 16 350 |
| 17 17 | 17 48 | 17 76 | 17 107 | 17 137 | 17 168 | 17 198 | 17 229 | 17 260 | 17 290 | 17 321 | 17 351 |
| 18 18 | 18 49 | 18 77 | 18 108 | 18 138 | 18 169 | 18 199 | 18 230 | 18 261 | 18 291 | 18 322 | 18 352 |
| 19 19 | 19 50 | 19 78 | 19 109 | 19 139 | 19 170 | 19 200 | 19 231 | 19 262 | 19 292 | 19 323 | 19 353 |
| 20 20 | 20 51 | 20 79 | 20 110 | 20 140 | 20 171 | 20 201 | 20 232 | 20 263 | 20 293 | 20 324 | 20 354 |
| 21 21 | 21 52 | 21 80 | 21 111 | 21 141 | 21 172 | 21 202 | 21 233 | 21 264 | 21 294 | 21 325 | 21 355 |
| 22 22 | 22 53 | 22 81 | 22 112 | 22 142 | 22 173 | 22 203 | 22 234 | 22 265 | 22 295 | 22 326 | 22 356 |
| 23 23 | 23 54 | 23 82 | 23 113 | 23 143 | 23 174 | 23 204 | 23 235 | 23 266 | 23 296 | 23 327 | 23 357 |
| 24 24 | 24 55 | 24 83 | 24 114 | 24 144 | 24 175 | 24 205 | 24 236 | 24 267 | 24 297 | 24 328 | 24 358 |
| 25 25 | 25 56 | 25 84 | 25 115 | 25 145 | 25 176 | 25 206 | 25 237 | 25 268 | 25 298 | 25 329 | 25 359 |
| 26 26 | 26 57 | 26 85 | 26 116 | 26 146 | 26 177 | 26 207 | 26 238 | 26 269 | 26 299 | 26 330 | 26 360 |
| 27 27 | 27 58 | 27 86 | 27 117 | 27 147 | 27 178 | 27 208 | 27 239 | 27 270 | 27 300 | 27 331 | 27 361 |
| 28 28 | 28 59 | 28 87 | 28 118 | 28 148 | 28 179 | 28 209 | 28 240 | 28 271 | 28 301 | 28 332 | 28 362 |
| 29 29 | | 29 88 | 29 119 | 29 149 | 29 180 | 29 210 | 29 241 | 29 272 | 29 302 | 29 333 | 29 363 |
| 30 30 | | 30 89 | 30 120 | 30 150 | 30 181 | 30 211 | 30 242 | 30 273 | 30 303 | 30 334 | 30 364 |
| 31 31 | | 31 90 | | 31 151 | | 31 212 | 31 243 | | 31 304 | | 31 365 |

Georgia Dream Homeownership Program

Year to Date Conversion Chart (Leap Year)

| <u>January</u> | <u>February</u> | <u>March</u> | <u>April</u> | <u>May</u> | <u>June</u> | <u>July</u> | <u>August</u> | <u>September</u> | <u>October</u> | <u>November</u> | <u>December</u> |
|----------------|-----------------|--------------|--------------|------------|-------------|-------------|---------------|------------------|----------------|-----------------|-----------------|
| 1 1 | 1 32 | 1 61 | 1 92 | 1 122 | 1 153 | 1 183 | 1 214 | 1 245 | 1 275 | 1 306 | 1 336 |
| 2 2 | 2 33 | 2 62 | 2 93 | 2 123 | 2 154 | 2 184 | 2 215 | 2 246 | 2 276 | 2 307 | 2 337 |
| 3 3 | 3 34 | 3 63 | 3 94 | 3 124 | 3 155 | 3 185 | 3 216 | 3 247 | 3 277 | 3 308 | 3 338 |
| 4 4 | 4 35 | 4 64 | 4 95 | 4 125 | 4 156 | 4 186 | 4 217 | 4 248 | 4 278 | 4 309 | 4 339 |
| 5 5 | 5 36 | 5 65 | 5 96 | 5 126 | 5 157 | 5 187 | 5 218 | 5 249 | 5 279 | 5 310 | 5 340 |
| 6 6 | 6 37 | 6 66 | 6 97 | 6 127 | 6 158 | 6 188 | 6 219 | 6 250 | 6 280 | 6 311 | 6 341 |
| 7 7 | 7 38 | 7 67 | 7 98 | 7 128 | 7 159 | 7 189 | 7 220 | 7 251 | 7 281 | 7 312 | 7 342 |
| 8 8 | 8 39 | 8 68 | 8 99 | 8 129 | 8 160 | 8 190 | 8 221 | 8 252 | 8 282 | 8 313 | 8 343 |
| 9 9 | 9 40 | 9 69 | 9 100 | 9 130 | 9 161 | 9 191 | 9 222 | 9 253 | 9 283 | 9 314 | 9 344 |
| 10 10 | 10 41 | 10 70 | 10 101 | 10 131 | 10 162 | 10 192 | 10 223 | 10 254 | 10 284 | 10 315 | 10 345 |
| 11 11 | 11 42 | 11 71 | 11 102 | 11 132 | 11 163 | 11 193 | 11 224 | 11 255 | 11 285 | 11 316 | 11 346 |
| 12 12 | 12 43 | 12 72 | 12 103 | 12 133 | 12 164 | 12 194 | 12 225 | 12 256 | 12 286 | 12 317 | 12 347 |
| 13 13 | 13 44 | 13 73 | 13 104 | 13 134 | 13 165 | 13 195 | 13 226 | 13 257 | 13 287 | 13 318 | 13 348 |
| 14 14 | 14 45 | 14 74 | 14 105 | 14 135 | 14 166 | 14 196 | 14 227 | 14 258 | 14 288 | 14 319 | 14 349 |
| 15 15 | 15 46 | 15 75 | 15 106 | 15 136 | 15 167 | 15 197 | 15 228 | 15 259 | 15 289 | 15 320 | 15 350 |
| 16 16 | 16 47 | 16 76 | 16 107 | 16 137 | 16 168 | 16 198 | 16 229 | 16 260 | 16 290 | 16 321 | 16 351 |
| 17 17 | 17 48 | 17 77 | 17 108 | 17 138 | 17 169 | 17 199 | 17 230 | 17 261 | 17 291 | 17 322 | 17 352 |
| 18 18 | 18 49 | 18 78 | 18 109 | 18 139 | 18 170 | 18 200 | 18 231 | 18 262 | 18 292 | 18 323 | 18 353 |
| 19 19 | 19 50 | 19 79 | 19 110 | 19 140 | 19 171 | 19 201 | 19 232 | 19 263 | 19 293 | 19 324 | 19 354 |
| 20 20 | 20 51 | 20 80 | 20 111 | 20 141 | 20 172 | 20 202 | 20 233 | 20 264 | 20 294 | 20 325 | 20 355 |
| 21 21 | 21 52 | 21 81 | 21 112 | 21 142 | 21 173 | 21 203 | 21 234 | 21 265 | 21 295 | 21 326 | 21 356 |
| 22 22 | 22 53 | 22 82 | 22 113 | 22 143 | 22 174 | 22 204 | 22 235 | 22 266 | 22 296 | 22 327 | 22 357 |
| 23 23 | 23 54 | 23 83 | 23 114 | 23 144 | 23 175 | 23 205 | 23 236 | 23 267 | 23 297 | 23 328 | 23 358 |
| 24 24 | 24 55 | 24 84 | 24 115 | 24 145 | 24 176 | 24 206 | 24 237 | 24 268 | 24 298 | 24 329 | 24 359 |
| 25 25 | 25 56 | 25 85 | 25 116 | 25 146 | 25 177 | 25 207 | 25 238 | 25 269 | 25 299 | 25 330 | 25 360 |
| 26 26 | 26 57 | 26 86 | 26 117 | 26 147 | 26 178 | 26 208 | 26 239 | 26 270 | 26 300 | 26 331 | 26 361 |
| 27 27 | 27 58 | 27 87 | 27 118 | 27 148 | 27 179 | 27 209 | 27 240 | 27 271 | 27 301 | 27 332 | 27 362 |
| 28 28 | 28 59 | 28 88 | 28 119 | 28 149 | 28 180 | 28 210 | 28 241 | 28 272 | 28 302 | 28 333 | 28 363 |
| 29 29 | 29 60 | 29 89 | 29 120 | 29 150 | 29 181 | 29 211 | 29 242 | 29 273 | 29 303 | 29 334 | 29 364 |
| 30 30 | | 30 90 | 30 121 | 30 151 | 30 182 | 30 212 | 30 243 | 30 274 | 30 304 | 30 335 | 30 365 |
| 31 31 | | 31 91 | | 31 152 | | 31 213 | 31 244 | | 31 305 | | 31 366 |

Underwriting Package Checklist

(Use for Georgia Dream First Mortgage and/or Georgia Dream Second Mortgage Loans)

Upload Package to EDOCS in Underwriting Package Loan file

Don't forget to click SUBMIT

| | | |
|--------------------------|-----|--|
| <input type="checkbox"/> | 1. | "Loan Applicant Profile," (Form SF-10) with Underwriters Phone Number |
| <input type="checkbox"/> | 2. | "Reservation Accepted " screen printed from LOL @ time loan reserved |
| <input type="checkbox"/> | 3. | Total Household Income Worksheet, completed for applicant(s) and adult non-applicant(s) Household Members |
| <input type="checkbox"/> | 4. | Fully executed "Application Affidavit," (Form SF-12) ___ Household Members complete with birthday and Social Security Number ___ Annual Income Section complete ___ 3 Year Residence History must agree with other loan documents ___ Signed, dated and notarized |
| <input type="checkbox"/> | 5. | "Affidavit of Adult (18yrs or older) Non-Applicant Household Member," (Form SF-15), if applicable ___ Signed by non-applicant and notarized/ if student provide evidence of enrollment ___ Documentation for all sources of income: current pay stub or similar third party documentation, 2 year work history, VOE/Verbal and W2s. |
| <input type="checkbox"/> | 6. | Copy of "Acquisition Cost Certification," (Form SF-16) ___ Fully Completed, Signed and dated by all Borrowers and Sellers on the same form. ___ Print name and title under seller's signature on page 2. ___ Corporate Resolution/ Recorded POA, if applicable |
| <input type="checkbox"/> | 7. | Applications and Addendums ___ Final FNMA Form 1003 with updated PITI, income, assets and details and transactions ___ Signed FHA or VA Addendum (page 1,2 & 4), if applicable ___ Typed, signed and dated by lender and applicant ___ DE Approval signed w/approval and expiration dates ___ Liquid Assets meet program requirements ___ All financing sources listed in details of transaction ___ Complete loan originator name and identifier number if applicable |
| <input type="checkbox"/> | 8. | Copy of the applicable all signed and dated by Lender's Underwriter: a. FHA Form 92900 LT: "FHA Loan Underwriting Transmittal Summary" and "Direct Endorsement Approval" HUD Form 92900-A, page 3 b. VA form 26-6393: "Loan Analysis" c. FNMA Form 1008: "Transmittal Summary" with Mortgage Insurance approval (for USDA/RD Guaranteed Loans, verify CAVIRS number is written on the form) d. USDA Form 3555-18E Conditional Commitment and Waiver Letter (credit or ratios), if applicable for USDA/RD Guaranteed Loan e. Eligibility Summary (Guaranteed Loans originated by USDA/RD only) |
| <input type="checkbox"/> | 9. | Automated Underwriting Findings - Final findings reports on loans approved through DU/LP/GUS signed by the underwriter (Underwriter must sign all AUS submitted to DCA) All documents required by the Automated Underwriting System, the Mortgage Insurer and the Lender's Underwriter to determine the credit decision |
| <input type="checkbox"/> | 10. | Internal Underwriting Approval with conditions listed. Signed and dated by Underwriter w/phone # |
| <input type="checkbox"/> | 11. | Credit Report dated within 120 days of the lenders underwriting decision. Any credit supplements or updated reports to be placed in front of original report. <i>If credit report reflects a current or previous mortgage document that borrower has no current ownership interest.</i> |
| <input type="checkbox"/> | 12. | Verbal Verification of Employment from last 12 months of employment |
| <input type="checkbox"/> | 13. | Employment Verification documentation required per DU or LP |
| <input type="checkbox"/> | 14. | Verification of Income dated within forty five (45) days of your underwriting decision date shown on the 92900A ___ Copy of most recent paystubs for borrower and co-borrower, must reflect year-to-date earnings, most current paystub to be placed first ___ Other sources of income such as child support, SSI, etc. ___ Most current year's W-2's from all jobs worked for year in question |

| | | |
|--------------------------|-----|---|
| <input type="checkbox"/> | 15. | Bank Statement(s) on ALL open accounts for the most recent 30 day period dated within forty- five (45) days of your underwriting decision date shown on the 92900A ___Explanation for non-payroll deposits greater than \$300 over a 1010 warning (attached) ___Assets on bank statement(s) must agree with figures on 1003 and Automated Underwriting Findings. Seller Guide 304.8 ___Verification of funds source as per insurer guidelines. ___Copy of earnest money and source of funds. Any POC's to be sourced to receive credit on CD |
| <input type="checkbox"/> | 16. | Rental History Verification, if manual review. |
| <input type="checkbox"/> | 17. | Federal Tax returns for each Borrower for the past 3 years or IRS Filing Status Verification (IRS Letter 1722 with printouts. A SF-6012 Tax Affidavit may be provided for applicable years if no tax return filed. (W2 and State tax returns not required unless requested by DCA underwriter) ___Signed by Borrower(s). ___If evidence of home mortgage interest or real estate taxes deduction, see Seller Guide 303.1 ___Number of dependents consistent with loan application. If not, satisfactory explanation over 1010 language is required |
| <input type="checkbox"/> | 18. | Sales Contract and applicable Addenda signed by all parties a. Addendum referencing disclosure of Lead-Based paint and Lead-Based paint hazards if property built prior to 1978 |
| <input type="checkbox"/> | 19. | Uniform Residential Appraisal Report and all attachments including legible photographs with one of the following, if applicable: a. If VA Loan, VA Form 26-1843: "Certificate of Reasonable Value" or VA Notification of Value Letter (must be signed/dated by Lenders Underwriter) along with the VA Case Number Assignment and CAIVRS b. If FHA Loan, FHA Form 92800.5B: "Conditional Commitment/Direct Endorsement Statement of Appraised Value" (must be signed/dated by Lenders Underwriter) along with the FHA Case Number Assignment with Success, FHA Appraisal Logging results with Success, CAIVRS and LDP/GSA on all parties to the loan c. New construction docs: Builder's Certification, Building Permit, Certificate of Occupancy, Warranty of Completion and Termite forms 99A & 99B d. If Conventional 1 st mortgage with a DCA 2 nd provide evidence appraiser is FHA approved/URAR must reflect "Property meets HUD minimum property standards". |
| <input type="checkbox"/> | 20. | FEMA Flood Certification w/ Life of Loan coverage |
| <input type="checkbox"/> | 21. | Home Buyer Education Certificate of Completion for all borrowers on all loans, must be dated within 12 months of DCA commitment. Must be with a HUD approved agency. See seller guide for list of approved agencies |
| <input type="checkbox"/> | 22. | Borrower's Authorization form, signed by Borrower |
| <input type="checkbox"/> | 23. | 4506T signed by Borrower with items #6 – #9 completed in full. Must state 3 years |
| <input type="checkbox"/> | 24. | Plan Certification, USDA/RD form 1924.25 for USDA/RD Guaranteed loans originated by Rural Development for new construction or Certificate of Occupancy as per USDA guidelines. |
| <input type="checkbox"/> | 25. | Support documentation for the following Georgia Dream Second Mortgage Loan programs (See Section 401.2 & 406 OF Seller Guide): a. CHOICE – Documentation of the status of the disability and dependency (if applicable). b. Approval of the 2 nd mortgage from issuing Non-Profit |
| <input type="checkbox"/> | 26. | Preliminary Title Policy with chain of title and annual taxes reviewed by underwriter for any insurability issue. (Taxes must be w/o exemptions including Homestead) Insured closing letter, E&O insurance and wiring instructions |
| <input type="checkbox"/> | 27. | Evidence of Hazard Insurance with not more than \$1,000.00 deductible. Coverage equal to loan amount |
| <input type="checkbox"/> | 28. | 203K documents if applicable – see section 302.3(b) |
| <input type="checkbox"/> | 29. | Photo ID for Borrower(s). |
| <input type="checkbox"/> | 30. | Condos ONLY ___Borrower's HO6 Condo Policy ___Evidence of FHA Condo Approval from lender's U.W. ___Master Condo Policy ___Condominium Limited Review Questionnaire |
| <input type="checkbox"/> | 31. | Scratch application and FHA Addendum (92900A), signed and dated by Lender and Borrower(s) |
| <input type="checkbox"/> | 32. | Loan Estimate for Georgia Dream First and Second Mortgage with correct loan amount. |
| <input type="checkbox"/> | 33. | Buy down schedule, Disclosure Letter and Sources of Funds Statement, if applicable |
| <input type="checkbox"/> | 34. | E-signature Authority for lenders application documents & Sales Contract signed electronically, if applicable. |

Closing Checklist

Documents to send to Closing for Georgia Dream 1st and/or 2nd Mortgage Loans

This checklist includes only the items that are unique to the Georgia Dream First and/or Second Mortgage Loans; closers must also send usual loan documents to closing.

MORTGAGE MAY NOT BE REGISTERED WITH MERS

Georgia Dream First Mortgage Loans:

FHA Loan:

| | | |
|--------------------------|----|--|
| <input type="checkbox"/> | 1. | FHA Note endorsed per Section 311.7 (must provide original) |
| <input type="checkbox"/> | 2. | FHA Deed to Secure Debt* MORTGAGE MAY NOT BE REGISTERED WITH MERS |
| <input type="checkbox"/> | 3. | Form SF-40 - "Tax-Exempt Financing Rider"* |
| <input type="checkbox"/> | 4. | Form SF-46 - "Mortgagor's Closing Affidavit" |
| <input type="checkbox"/> | 5. | Form SF-50 - "Notice to Purchaser of Potential Recapture Tax" |
| <input type="checkbox"/> | 6. | Form SF-61 – Pgs. 1-3 "Notice of Assignment, Sale or Transfer of Servicing Rights" |

VA Loan:

| | | |
|--------------------------|----|--|
| <input type="checkbox"/> | 1. | VA Note endorsed per Section 311.7 (must provide original) |
| <input type="checkbox"/> | 2. | Form SF-42- "Addendum to Note" |
| <input type="checkbox"/> | 3. | VA Deed to Secure Debt* |
| <input type="checkbox"/> | 4. | Form SF-46 - "Mortgagor's Closing Affidavit" |
| <input type="checkbox"/> | 5. | Form SF-50 - "Notice to Purchaser of Potential Recapture Tax" |
| <input type="checkbox"/> | 6. | Form SF-61 – Pgs. 1-3 "Notice of Assignment, Sale or Transfer of Servicing Rights" |

Conventional or USDA/RD Loan:

| | | |
|--------------------------|----|--|
| <input type="checkbox"/> | 1. | FNMA or FHLMC Note endorsed per Section 311.7(must provide original) |
| <input type="checkbox"/> | 2. | Form SF-42- "Addendum to Note" |
| <input type="checkbox"/> | 3. | FNMA or FHLMC Deed to Secure Debt* |
| <input type="checkbox"/> | 4. | Form SF-46 - "Mortgagor's Closing Affidavit" |
| <input type="checkbox"/> | 5. | Form SF-50 - "Notice to Purchaser of Potential Recapture Tax" |
| <input type="checkbox"/> | 6. | Form SF-61 – Pgs. 1-3 "Notice of Assignment, Sale or Transfer of Servicing Rights" |

Georgia Dream Second Mortgage Loans:

| | | |
|--------------------------|----|---|
| <input type="checkbox"/> | 1. | Form SF-82 - "Georgia Dream Second Mortgage Note" |
| <input type="checkbox"/> | 2. | Form SF-84 - "Georgia Dream Second Mortgage Subordinate Security Deed"*** |
| <input type="checkbox"/> | 3. | Form SF-44 - "Transfer and Assignment"*** |
| | | |

* These documents must be recorded.

** This document must be recorded after the Georgia Dream First Mortgage Deed.

Purchase Package Checklist

(Use for Georgia Dream First and/or Georgia Dream Second Mortgage Loans)

Upload Package to EDOCS in Purchase Package Loan file Don't forget to click SUBMIT

MAIL NOTES TO:
LOAN FUNDING DEPT.
GEORGIA DEPARTMENT OF COMMUNITY AFFAIRS
60 EXECUTIVE PARK SOUTH, N.E.
ATLANTA, GEORGIA 30329-2231

| | | |
|--------------------------|-----|---|
| <input type="checkbox"/> | 1. | Signed "Loan Funding Profile", (Form SF-30) |
| <input type="checkbox"/> | 2. | Any documents required to clear conditions in the Underwriting Approval letter for Georgia Dream First and Georgia Dream Second Mortgage Loans. |
| <input type="checkbox"/> | 3. | Copy of Escrow Check |
| <input type="checkbox"/> | 4. | Executed Note endorsed to "Georgia Housing and Finance Authority", Signed by Authorized Officer and Lender. Mail original to our office |
| <input type="checkbox"/> | 5. | "Addendum to Note," (Form SF-42) (VA, USDA/RD or Conventional only) – Mail original to our office. |
| <input type="checkbox"/> | 6. | Official "Georgia Dream Second Mortgage Note", (form SF-82) endorsed to "Georgia Housing and Finance Authority", Signed by Authorized Officer and Lender. Mail original to our office. |
| <input type="checkbox"/> | 7. | Closing Disclosure – Include itemized list of disbursements and copies of checks |
| <input type="checkbox"/> | 8. | If FHA Loan: "Direct Endorsement Approval for a HUD/FHA-Insured Mortgage": FHA form 92900a (page 4) signed by borrower and lender |
| <input type="checkbox"/> | 9. | If VA Loan: "Certificate of Commitment for VA Home Loan Guaranty, "VA Form 26-1866a or VA Loan Analysis, VA Form 26-6393 |
| <input type="checkbox"/> | 10. | If Conventional Loan: PMI Certificate (if LTV is greater than 80%) |
| <input type="checkbox"/> | 11. | Signed Security Deed with "Waiver of Borrower's Rights and Closing Attorney's Affidavit", PUD or Condo Rider, if applicable (MORTGAGE MAY NOT BE REGISTERED WITH MERS and MERS DOCUMENTS MAY NOT BE USED) |
| <input type="checkbox"/> | 12. | "Tax-Exempt Financing Rider," (Form SF-40) (FHA only) |
| <input type="checkbox"/> | 13. | "Transfer and Assignment" (Form SF-44), transferring the mortgage to GHFA Signed by an Officer designated to act on behalf of the Corporation and any required Corporate seals. |
| <input type="checkbox"/> | 14. | Title Insurance Binder/Commitment or Short Form Policy for first mortgage. Add FHA language, lender name and or the Secretary of Housing and Urban Development ISAOA/ATIMA |
| <input type="checkbox"/> | 15. | "Mortgagor's Closing Affidavit" (Form SF-46) |
| <input type="checkbox"/> | 16. | "Notice to Purchaser of Potential Recapture Tax on Sale of Home", (Form SF-50) |
| <input type="checkbox"/> | 17. | Loan Estimate for the Georgia Dream First Mortgage |
| <input type="checkbox"/> | 18. | Clear termite letter with attachments, if applicable |
| <input type="checkbox"/> | 19. | HO6 Policy for condos. |
| <input type="checkbox"/> | 20. | Survey, if applicable. |

Georgia Dream Second Mortgage Documents (if applicable)

| | | |
|--------------------------|----|--|
| <input type="checkbox"/> | 1. | Loan Estimate and Closing Disclosure with all attachments for Georgia Dream Second Mortgage, if applicable |
| <input type="checkbox"/> | 2. | Signed "Georgia Dream Second Mortgage Subordinate Security Deed", (FormSF-84) |
| <input type="checkbox"/> | 3. | "Transfer & Assignment", (Form SF-44) transferring the Georgia Dream Second Mortgage to GHFA (MORTGAGE MAY NOT BE REGISTERED WITH MERS) |
| | | |

Servicing Package Checklist Due to State Home Mortgage (Use for Georgia Dream First Mortgage Loans)

ACCO CLASP PACKAGE DOWN IN A MANILA FOLDER WITH ESCROW CHECK AND MAIL TO:

STATE HOME MORTGAGE
60 EXECUTIVE PARK SOUTH, N.E.
ATLANTA, GEORGIA 30329-2231

| | | |
|--------------------------|-----|--|
| <input type="checkbox"/> | 1. | State Home Mortgage Servicing Loan Profile (Form SF-31) |
| <input type="checkbox"/> | 2. | Signed Note and Security Deed * |
| <input type="checkbox"/> | 3. | Properly executed applicable one of the following: "Tax-Exempt Financing Rider," (Form SF-40 (FHA only) or *Addendum to the Note", (Form SF-42) |
| <input type="checkbox"/> | 4. | If FHA Loan: "Direct Endorsement Approval ",FHA Form 92900a * |
| <input type="checkbox"/> | 5. | If Conventional Loan: Private Mortgage Insurance Certificate and Pool Insurance Certificate, if applicable * |
| <input type="checkbox"/> | 6. | IF VA Loan: "Certificate of Commitment for VA Home Loan Guaranty, "VA Form 26-1866a or VA Loan Analysis, VA Form 26-6393* |
| <input type="checkbox"/> | 7. | If USDA/RD: Conditional Commitment, "RD Form 1980-18, page 2, Lender Certificate signed by Lender* |
| <input type="checkbox"/> | 8. | Title insurance policy or title binder * |
| <input type="checkbox"/> | 9. | Hazard insurance policy with proof of payment of first year's premium* |
| <input type="checkbox"/> | 10. | Flood insurance policy, if applicable, with proof of payment of first year's premium* |
| <input type="checkbox"/> | 11. | Tax Information Sheet * |
| <input type="checkbox"/> | 12. | Flood Certification Form |
| <input type="checkbox"/> | 13. | Closing Disclosure* – |
| <input type="checkbox"/> | 14. | IRS form W-9 |
| <input type="checkbox"/> | 15. | "Transfer and Assignment" (Form SF-44)* |
| <input type="checkbox"/> | 16. | Transfer of Servicing letters sent to the Hazard Insurance Agent, PMI Company and Flood Certification Company with Mortgagee Clause as follows: Georgia Housing and Finance Authority its Successors and/or Assigns c/o State Home Mortgage 60 Executive Park South N.E. Atlanta, GA 30329 |
| <input type="checkbox"/> | 17. | Notice of Assignment, Sale or Transfer of Servicing Rights – (Form SF-61) Pages 1-3* |
| <input type="checkbox"/> | 18. | Initial Aggregate Escrow Account Disclosure Statement |
| <input type="checkbox"/> | 19. | Buy down Schedule, if applicable |
| <input type="checkbox"/> | 20. | HUD-92900-LT (FHA Only) |
| <input type="checkbox"/> | 21. | Loan application |
| <input type="checkbox"/> | 22. | Complete appraisal |
| <input type="checkbox"/> | 23. | At closing payment, if sent to lender must be sent immediately to State Home Mortgage |
| <input type="checkbox"/> | 24. | HO6 Policy for condo and proof of payment of 1 st year's premium. |

Loan will not be purchased if:

- 1) The 1st payment of PITI for the Georgia Dream First Mortgage has not been received by State Home Mortgage, and
- 2) Documents marked with "***" have not been received by State Home Mortgage

Final Documents Checklist

Upload Package to EDOCS in Final Document Loan file
Don't forget to Click SUBMIT

MAIL ORIGINALS TO:
 LOAN FUNDING DEPT.
 GEORGIA DEPARTMENT OF COMMUNITY AFFAIRS
 60 EXECUTIVE PARK SOUTH, N.E.
 ATLANTA, GEORGIA 30329-2231

Georgia Dream First Mortgage Documents

| | | |
|--------------------------|----|--|
| <input type="checkbox"/> | 1. | Recorded Security Deed and evidence of payment of intangible tax* |
| <input type="checkbox"/> | 2. | If FHA Loan, original recorded "Tax Exempt Financing Rider," (Form SF-40)* |
| <input type="checkbox"/> | 3. | Original recorded "Transfer and Assignment," (Form SF-44)* |
| <input type="checkbox"/> | 4. | As applicable: a. VA Loan Guaranty Certificate, or b. FHA Mortgage Insurance Certificate, or c. USDA/RD Loan Note Guarantee (RD Form 1980-17) |
| <input type="checkbox"/> | 5. | Title Policy a. Minimum loan amount coverage b. Insured name (lender name and Mortgage Insurance Verbiage) |
| <input type="checkbox"/> | 6. | "Lender Certification," (Form SF-60) |
| <input type="checkbox"/> | 7. | FHA Connection Printout to reflect and include: a. Active insurance status b. Endorsement date c. Georgia Housing and Finance Authority as current holder |
| <input type="checkbox"/> | 8. | Any other documents required |

Georgia Dream Second Mortgage Documents

| | | |
|--------------------------|----|---|
| <input type="checkbox"/> | 1. | Recorded "Georgia Dream Second Mortgage Security Deed," (Form SF-84) and evidence of payment of intangible tax* |
| <input type="checkbox"/> | 2. | Recorded "Transfer and Assignment" of the Georgia Dream Second Mortgage Loan from you to GHFA, (Form SF-44)* |
| <input type="checkbox"/> | 3. | Any other required documents |

We require originals of all documents marked with an "*"

Georgia Dream First Mortgage Loan # _____

Georgia Dream First Mortgage Loan # _____

Appendix I Definitions

All words and phrases used in this Guide and not defined below shall have the same meaning as in the Loan Seller Agreement. In any case in which the definitions in this Guide vary from the definitions in the Loan Seller Agreement, the Loan Seller Agreement shall prevail.

“Acquisition Cost” means the borrower’s cost of acquiring a residence from a seller as a completed unit. See Form SF-16 to calculate Acquisition Cost.

“Act” means the Georgia Housing and Finance Authority Act, as the same may be amended, from time to time, appearing as Official Code of Georgia Annotated Title 50, Chapter 26, Article 2.

“Annual Income” means the sum of the total anticipated income for each Household member during the 12-month period commencing with the date of initial occupancy, as further described in Chapter 3 of this Guide.

“Applicant” means the person(s) who initiates the mortgage loan process of applying for a Georgia Dream Homeownership Program loan by completing the necessary paperwork, as well as providing a DCA lender with information about their income, debt, and assets as well as information about the property being financed.

“Appraised Value” means the market value of the home to be purchased with the proceeds of a Loan, as determined by a professional real estate appraiser and documented by a Uniform Residential Appraisal Report (URAR).

“Approved Automated Underwriting System” means those computerized underwriting programs approved for use by DCA for DCA Loans. Currently, Desktop Underwriter (DU) and Loan Prospector (LP) are approved by DCA.

“Authority” means GHFA, as defined herein.

“Authorized Originator” means one or more approved loan correspondents who have contracted with the Seller to deliver Loans, as herein defined, for sale to GHFA.

“Bond Issue” means “Series of Bonds” as defined in this Appendix.

“Bonds” means the single family mortgage revenue bonds of GHFA issued to finance the Program.

“Borrower's Funds Required” means the amount of funds required to be furnished by the borrower from his/her own funds as part of a Georgia Dream Homeownership Program transaction (see Chapter 3 of this Guide).

“Business Day” means any day other than: (a) a Saturday or Sunday, (b) a day proclaimed by the Governor of the State as a holiday for State employees or (c) a day on which banking institutions in Georgia are authorized or obligated by law or executive order to be closed for business.

“Buydown” means the temporary reduction of mortgage interest payments due from the Mortgagor because of the placement of funds from another source into an escrow account which supplement the monthly interest payments of the Mortgagor. See Appendix IV of this Guide.

“CLTV” means combined loan-to-value ratio. A ratio that is used for a mortgage that is subject to subordinate financing, which is developed by dividing the sum of the unpaid principal balance of the first mortgage, the unpaid principal balance of any home equity line of credit from which the borrower has withdrawn funds, and the unpaid principal balance of all other subordinate financing by the lower of the property’s sales price or appraised value.

“CHOICE” means the Georgia Dream Second Mortgage program of purchasing Loans secured by subordinate Security Deeds on Single Family Residences owned and occupied by eligible borrowers who meet the eligible borrower definitions in Chapter 4 of this Guide. Purchases shall be financed with funds received by GHFA or DCA from the U.S. Department of Housing and Urban Development pursuant to the Cranston-Gonzalez National Affordable Housing Act of 1990, from Bond Issues, or from other funding sources.

“closing costs” means only the costs specified in Section 312 of this Guide.

“Community Second” means a second mortgage issued by a state, county, or local housing agency, a nonprofit organization, or an employer.

“Conventional Loan” means a Loan that is not insured by FHA or guaranteed by VA or USDA/RD, and the principal amount of which Loan is less than 80% of the lesser of the purchase price or the initial Appraised Value of the subject Single Family Residence, or which Loan is insured under Private Mortgage Insurance.

“copy” means a photocopy reproduction of an original document which omits no portion of the original.

“Corporate Resolution” is a written statement made by the Board of Directors detailing which officers are authorized to act on behalf of the corporation.

“DCA” means Department of Community Affairs.

“DCA Lender or Lender” means a Seller as defined in this Appendix.

“day” means a calendar day, unless specifically noted as being a Business Day.

“DE Underwriter” means an underwriter designated by the Lender as a FHA Direct Endorsement underwriter.

“Department of Community Affairs” means a legislatively executive branch, Georgia State Government, created pursuant to the official code of Georgia. Annotated, Title 50, Chapter 8, Article 1, as amended.

“Desktop Underwriter (DU)” means an automated underwriting system developed by Fannie Mae to evaluate a borrower’s income, assets and credit that helps lenders make informed credit decisions on conventional conforming, non-conforming, and government loans.

“discretion” when used in the context of “the sole discretion,” means the sole and absolute discretion.

“down payment” means for FHA Loans, the “Required Investment” from line 12a of the Loan Underwriting Transmittal Summary; for other Loans, the amount determined by the insurer (or the investor if the loan is uninsured) to be the difference between the purchase price of the property and the loan amount.

“Expiration Date” means the last day of the Reservation/Commitment Period.

“Extension Fees” means the fees charged to Sellers in accordance with Section 205.2 of this Guide.

“Fannie Mae” means the Federal National Mortgage Association, or any other agency or instrumentality created or chartered by the United States to which the powers and obligations of the Federal National Mortgage Association have been transferred.

“Fannie Mae Guides” means the Fannie Mae Selling and Servicing Guides, as amended from time to time.

“FHA” means the Federal Housing Administration of the United States Department of Housing and Urban Development, or any other agency or instrumentality created or chartered by the United States to which the powers and obligations of the Federal Housing Administration have been transferred.

“FHA Insured” means insured by FHA under one of the FHA insurance programs listed in the Seller Guide.

“FHA Property Disposition Program” means DCA’s program established to include in the First Mortgage Program properties previously acquired by FHA through foreclosure or a deed in lieu of foreclosure.

“FHA Total Scorecard” means a tool developed by HUD to evaluate the credit risk of FHA loans that are submitted to an automated underwriting system. To underwrite an FHA loan electronically, a mortgagee must process the request through an automated underwriting system that can communicate with the FHA Total Scorecard.

“FHA 203(k)” means the HUD home rehabilitation insurance program.

“Fieri Facias (Fi.Fa)” means a Latin term for “cause it to be done”. A Fi.Fa is based on a judgment. Once the Fi.Fa is filed the judgment attaches to the property of the defendant.

The Fi.Fa has priority based on the date of filing, and expires after 7 years if not renewed. In some cases, possession for 4 years by a bona fide purchaser for value will dislodge a Fi.Fa if against a prior owner.

“First Mortgage Program” means the Georgia Dream First Mortgage Loan Program of purchasing loans and securities, including, without limitation, the purchase with Bond proceeds of Loans and of Program Securities backed by Pools of Loans.

“Freddie Mac” means the Federal Home Loan Mortgage Corporation, or any other agency or instrumentality created or chartered by the United States to which the powers and obligations of the Federal Home Loan Mortgage Corporation have been transferred.

“Georgia Dream First Mortgage Loan Program” means First Mortgage Program as defined in this Appendix.

“Georgia Dream Homeownership Program” means the specific Program under which the subject Loan is being purchased, as specified by the Reservation issued by DCA. “Program” shall include the Georgia Dream First Mortgage Program, the Georgia Dream Second Mortgage Program, and any other programs established by DCA or GHFA for the purchase of Loans.

“Georgia Dream Loan” means a Loan as defined in this Appendix.

“Georgia Dream Second Mortgage Program” means the Georgia Dream Second Mortgage program of purchasing Loans secured by subordinate Security Deeds on Single Family Residences that meet the requirement of the Georgia Dream Homeownership Program. The Single Family Residences must be owned and occupied by eligible borrowers who meet the eligible borrower definitions in Chapter 3 of this Guide, which purchase shall be financed with funds received by GHFA or DCA from the U.S. Department of Housing and Urban Development pursuant to the Cranston-Gonzalez National Affordable Housing Act of 1990, from Bond Issues, or from other funding sources.

“Georgia Dream Second Mortgage Loan” means the Second Mortgage programs as defined in this Appendix.

"Georgia Security and Immigration Compliance Act" means the State law that requires that every agency or political subdivision shall verify the lawful presence in the United States of any applicant for public benefits.

"GHFA" means the Georgia Housing and Finance Authority.

"Ginnie Mae" means the Government National Mortgage Association, or any other agency or instrument created or chartered by the United States to which the powers and obligations of the Government National Mortgage Association have been transferred.

"Ginnie Mae Guide" means either the GNMA I or the GNMA II Mortgage-Backed Securities Guide, as applicable, in effect on the date of issuance of the related Program Security which is a GNMA security.

"GRMA" means the Georgia Residential Mortgage Act which imposes a \$10.00 fee on each mortgage loan transaction.

"Guide" means Seller Guide as defined in this Appendix.

"Home Possible" - means A Freddie Mac mortgage that offers underserved qualified borrowers flexible underwriting, low down payment options, expanded loan-to-value (LTV) and total loan-to-value (TLTV) ratios, and other special underwriting features.

"Household" means all members proposed to reside in the house being financed, whether or not related by blood, marriage or law.

"Household Annual Income" means the aggregate Annual Income of all members of the Household living in a housing unit.

"HUD" means the United States Department of Housing and Urban Development, or any successor to its functions and obligations.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended, together with corresponding final, temporary or proposed regulations and revenue rulings issued or amended with respect thereto by the Treasury Department or Internal Revenue Service of the United States.

"Lender" or "DCA Lender" means a mortgage lender approved by DCA to originate first and second mortgages under the Georgia Dream Homeownership Program.

"Leveraged Loan" means a mortgage transaction in which GHFA purchases a first mortgage Loan of less than 80% LTV and USDA/RD funds a second mortgage loan from the Direct Rural Housing 502 Program.

- “Lender Portal” means DCA’s internet based system which allows Lenders to enter a Reservation online, as well as complete and print Georgia Dream Homeownership Program forms, check the status of a Reservation, and access various reports.
- “Loan” means a mortgage loan made through a Program and in accordance with the provisions of this Guide and the Loan Seller Agreement.
- “Loan Administrator” means, each respectively or all collectively, as applicable, the Servicers retained by GHFA as independent contractors to administer and service DCA’s Loans under its Programs in accordance with the Loan Servicing Agreement and Servicing Guide. “Loan Administrator” shall also mean GHFA, to the extent GHFA services any Loans. Loan Administrators are also called Servicers.
- “Loan Administrator Agreement” means, each respectively and all collectively, as appropriate in the context, the Loan Administrator Agreement, including any and all Appendices and Exhibits thereto and as amended from time to time, entered into by GHFA with each approved Loan Administrator in connection with the administration and servicing of Loans under DCA’s Programs, in each case together with the Loan Administrator Guide, which is incorporated by reference in each Loan Administrator Agreement.
- “Loan Administrator Guide” means the Guide published by DCA for GHFA in September 2001 in connection with its First Mortgage Program. The Loan Administrator Guide may be amended from time to time by DCA and is incorporated by reference into the Loan Administrator Agreement. The Loan Administrator Guide is also called the Servicing Guide.
- “Loan Purchase Price” means the price paid by DCA to a Seller for the purchase of a Loan, which shall be calculated in accordance with Chapter 2 of this Guide.
- “Loan Seller Agreement” means the agreement, dated as of July 2003, including subsequent versions and any and all appendices and exhibits thereto (including this Seller Guide) and as amended from time to time, entered into by GHFA and the Seller or, as appropriate in the context, such Loan Seller Agreement collectively with any one or more of the Loan Seller Agreements, entered into by GHFA and each other Seller in connection with the purchase of Loans and Program Securities under the First Mortgage Program, in each case the Seller Guide, which is incorporated by reference into each Loan Seller Agreement.
- “Loan Servicing Release Agreement” means each respectively and all collectively, as appropriate in the context, the Loan Servicing Release Agreement, including any and all Appendices and Exhibits thereto and as amended from time to time, entered into by State Home Mortgage, the servicing division of GHFA, and approved Loan Seller.
- “LTV” means loan to value ratio obtained by dividing the loan amount by the lesser of the Appraised Value or the Purchase Price.

“Maximum Purchase Price” means the Maximum Purchase Price of property acquired with a DCA Loan. The Maximum Purchase Price is calculated on Form SF-16 as the total acquisition cost and as further described in applicable Chapters of this Guide.

“Mortgage Insurer” means FHA, VA, USDA/RD, Private Mortgage Insurer, or Mortgage Pool Insurer as applicable.

“Mortgage Pool Insurer” means the applicable Qualified Mortgage Insurance Company that issued Mortgage Pool Insurance or any successor Qualified Mortgage Insurance Company that issues replacement or substitute Mortgage Pool Insurance.

“Mortgagor” means a maker or makers of a Note, or any other party obligated to repay the applicable Loan.

“MSA” means a Metropolitan Statistical Area.

“Note” means the written debt instrument executed to evidence the Mortgagor’s obligation to repay the Loan, in a form which shall be in accordance with the Seller Guide.

“Participating Lender” – see Lender.

“PEN” means DCA’s program of purchasing Loans secured by subordinate Security Deeds on Single Family Residences that are purchased by public protectors, health care workers and educators who meet the eligible borrower definitions in Chapter 4 of this Guide. The Single Family Residences must be owned and occupied by eligible borrowers, whose purchase will be financed with funds received by GHFA or DCA from the U.S. Department of Housing and Urban Development pursuant to the Cranston-Gonzalez National Affordable Housing Act of 1990, from Bond Issues, or from other funding sources.

“prepaid expenses” means the amount required by the Mortgage Insurer (or the investor if the Loan is uninsured) to be deposited in the escrow account for property taxes, hazard insurance, and homeowner association or condominium fees and prorated interest expenses up to the first payment date.

“Private Mortgage Insurance” means one or more policies of insurance issued by one or more Qualified Mortgage Insurance Companies that require insurance benefits to be paid to the mortgagee following default by the Mortgagor under the terms of the Conventional Loan; the amount of such coverage shall be in accordance with Section 302.5 of this Guide.

“Private Mortgage Insurer” means a Qualified Mortgage Insurance Company as defined in this Appendix.

“Program” means the Georgia Dream Homeownership Program.

“Program Contact” means an employee of a Lender designated by a Lender as the primary person to send and receive DCA and GHFA communications, as described in Chapter 1 of this Guide.

“Program Security” means an obligation representing an undivided interest in a pool of Loans, to the extent the payments to be made on such obligation are guaranteed or insured by Fannie Mae, Freddie Mac, or Ginnie Mae.

“Purchase Delay Penalty Fee” means the \$5 per day fee charged by DCA when Purchase Package documents are not delivered on a timely basis, as required in Chapter 2 of this Guide.

“Purchase Package” means the documents submitted to DCA in connection with DCA's purchase of a Loan from a Seller, as further described in Chapter 2 of this Guide.

“Purchase Price” means the Acquisition Cost of the Single Family Residence.

“Qualified Mortgage Insurance Company” means a Private Mortgage Insurer which meets the requirements of Appendix VI of this Guide.

“Quality Control Plan” means the Lender’s written policies and process for credit and compliance review.

“Quality Control Review” means DCA’s credit and compliance review of Loans with regard to applicable Mortgage Insurer and DCA guidelines, and State and Federal regulations.

“Rate Sheet” means the notice provided by DCA to Participating Lenders on a periodic basis for the purpose of notifying Participating Lenders of (i) the First Mortgage Program mortgage interest rate and the effective date thereof and (ii) other information, in accordance with the provisions of Section 204.1 of this Guide.

“Recapture Tax” means the potential tax on First Mortgage Program borrowers under the provisions of Section 143 (m) of the Internal Revenue Code of 1986 and the accompanying regulations, as described in Chapter 3 of this Guide.

“Reservation” means a conditional commitment of funds by DCA for a specific Loan issued to a Seller in accordance with Chapter 2 of this Guide.

“Reservation Number” means the number assigned by DCA which identifies a Reservation for a specific Loan.

“Reservation/Commitment Period” means the period of time beginning on the date the Seller receives a Reservation for a particular Loan pursuant to Chapter 2 of this Seller Guide and ending on the 75th day thereafter for existing properties or the 120th day thereafter for new construction properties, unless such applicable period is extended in accordance with Chapter 2 of this Seller Guide.

“Second Mortgage Program” means DCA’s program of purchasing Loans secured by subordinate Security deeds on Single Family Residences owned and occupied by Eligible Borrowers, which purchase shall be financed with funds received by GHFA or DCA from the U.S. Department of Housing and Urban Development pursuant to the Cranston-Gonzalez National Affordable Housing Act of 1990, from Bond Issues, or from other funding sources.

“Secured Property” means the real property and improvements encumbered by the Security Deed to secure the subject Loan, including, without limitation, the Single Family Residence financed by the subject Loan.

“Security Deed” or “deed to secure debt” means a deed to secure debt or security deed, as may be amended from time to time, covering a fee simple or leasehold estate, which security deed secures a Loan and which security deed encumbers real property located in the State and improved by a Single Family Residence.

“Seller” means a mortgage lending institution which has entered into a Loan Seller Agreement.

“Seller Agreement” means the Loan Seller Agreement.

“Seller Guide” means this Guide as amended from time to time.

“Series of Bonds” means the respective series of single family mortgage revenue bonds issued by GHFA pursuant to the respective Series Resolution.

“Series Resolution” means the Series Resolution of GHFA adopted pursuant to the applicable General Bond Resolution authorizing the issuance and sale of the respective Series of Bonds in question. A particular Series Resolution may be referred to and identified as, for example, the “1991-A Series Resolution” or the “1991-B Series Resolution.”

“Servicer” means Loan Administrator as defined in this Appendix.

“Servicing Agreement” means Loan Administrator Agreement as defined in this Appendix.

“Servicing Guide” means Loan Administrator Guide as defined in this Appendix.

“Single Family Residence” means a single unit residential dwelling (whether attached or detached) located in the State, and land appurtenant to the residential unit, which meets the Program requirements set forth in this Guide. For Loans purchased under the First Mortgage Program, to the extent of any conflict between the Internal Revenue Code and this Guide, the provisions of the Internal Revenue Code shall control.

“single parent” means an individual who is unmarried or legally separated from a spouse and:
(i) has one or more dependent children for whom the individual has sole or joint custody;
or (ii) is pregnant.

“State” means the state of Georgia

“State Home Mortgage” means the DCA in house loan servicing division.

“Targeted Area” means a census tract in which at least seventy percent (70%) of the families have a Household Annual Income that is eighty percent (80%) or less of the state-wide median family income or an area designated by the State as an area of chronic economic distress and approved by the Secretary of the Department of Housing and Urban Development and the Secretary of the Department of Treasury.

“Targeted Area Loan” means, each respectively and all collectively, as applicable, a Loan made through the First Mortgage Program to finance a Single Family Residence located in a Targeted Area.

“Transfer and Assignment” means the document executed to transfer all rights, title and interest in the mortgage loan.

“Underwriting Approval Letter” means the letter described in Section 208.1 of this Guide.

“Underwriting Package” means the documents submitted to DCA for prior underwriting approval for a Loan as further described in Chapter 2 of this Guide.

“USDA/RD” means the USDA Rural Development of the United States Department of Agriculture, or any other agency or instrumentality created or chartered by the United States to which the powers and obligations of the USDA Rural Development have been transferred.

“USDA/RD Loan” means a Loan guaranteed by USDA/RD.

“USDA/RD State Office” means the Rural Development, Rural Housing Service, the United States Department location that provides support to the Rural Development area offices.

“VA” means the Department of Veterans Affairs, a department of the United States of America, or any successor to its functions and obligations.

“VA Guaranteed” means guaranteed by VA under the Serviceman’s Readjustment Act of 1944, as amended; provided, however, that the sum of the VA guaranty plus any down payment by the Mortgagor must equal twenty-five percent (25%) of the lesser of the Purchase Price or the appraised value of the Secured Property.

“VA Lender Handbook” (VA Pamphlet 26-7) means the Department of Veterans Affairs primary guide to making VA home loans.

Appendix II Metropolitan Statistical Areas

For the purposes of originating Georgia Dream First Mortgage Loans that meet the maximum Purchase Price and Household Annual Income Limits, the following Georgia Counties are in Metropolitan Statistical Areas (MSAs).

Atlanta
Barrow
Bartow
Carroll
Cherokee
Clayton
Cobb
Coweta
Dawson
DeKalb
Douglas
Fayette
Forsyth
Fulton
Gwinnett
Heard
Henry
Jasper
Newton
Paulding
Pickens
Pike
Rockdale
Spalding
Walton

Appendix III Targeted Areas

There are 81 counties, 32 Neighborhood Strategy Areas (NSAs), and one Urban Development Action Grant (UDAG) Area that have been approved by the federal government as Targeted Areas for the Georgia Dream First Mortgage Loan Program. The counties, census tract numbers, and NSA and UDAG legal descriptions are listed below.

Targeted Counties

All census tracts in the counties listed below are Targeted Areas:

| | | |
|-----------|------------|------------|
| Appling | Greene | Quitman |
| Atkinson | Hancock | Randolph |
| Bleckley | Haralson | Schley |
| Brooks | Heard | Screven |
| Bulloch | Irwin | Stewart |
| Burke | Jasper | Sumter |
| Calhoun | Jefferson | Talbot |
| Charlton | Jenkins | Taliaferro |
| Chattooga | Johnson | Tattnall |
| Clay | Lamar | Taylor |
| Clinch | Laurens | Telfair |
| Coffee | Lincoln | Terrell |
| Colquitt | Long | Thomas |
| Cook | Macon | Treutlen |
| Coweta | Marion | Turner |
| Crawford | McDuffie | Twiggs |
| Crisp | McIntosh | Upson |
| Decatur | Meriwether | Ware |
| Dodge | Miller | Warren |
| Dooly | Mitchell | Washington |
| Early | Montgomery | Wayne |
| Echols | Morgan | Webster |
| Elbert | Newton | Wheeler |
| Emanuel | Oglethorpe | Wilcox |
| Evans | Peach | Wilkes |
| Fannin | Polk | Wilkinson |
| Grady | Pulaski | Worth |

Targeted Census Tracts

The following census tracts are Targeted Areas. DCA will rely upon the appraiser's identification of the census tract in determining whether the Loan is eligible for Targeted Area funds.

| <u>County</u> | <u>IRS Rev Proc 2014-12 Targeted Census Tracts 2014</u> |
|----------------|---|
| Baldwin County | 9707.01 |
| Barrow | 1802.03 |
| Ben Hill | 9602, 9604 |
| Bibb | 101, 104, 105, 115, 123, 125, 127, 128, 129, 132.01, 138 |
| Bulloch | 1104.04 |
| Burke | 9504 |
| Carroll | 9105.02 |
| Chatham County | 1, 6.01, 11, 12, 20, 21, 22, 23, 28, 33.01, 35.01, 36.01, 38, 43, 44, 101.01, 113 |
| Clarke | 4.01, 4.02, 9, 302, 1504 |
| Clayton | 402.02, 402.03, 403.06, 403.08, 405.19, 406.17 |
| Cobb | 304.11, 304.12, 304.14, 311.08, 313.10 |
| Coffee | 103, 107 |
| Colquitt | 9703, 9704, 9707.02, |
| DeKalb | 212.04, 213.03, 214.14, 219.11, 219.13, 220.09, 221, 231.12, 0235.01 |
| Dooly | 9702 |
| Dougherty | 1, 2, 8, 9, 10, 11, 14.03, 15, 103.02, 106.01, 107, 114 |
| Early | 902 |
| Echols | 8801 |
| Emanuel | 9703 |

| | |
|----------------|---|
| Floyd | 16 |
| Fulton | 21, 23, 25, 26, 28, 31, 36, 37, 38, 39, 44, 48, 55.02, 57, 58, 63, 66.02, 68.02, 70.02, 71, 72, 73, 74, 76.03, 76.04, 78.07, 78.08, 81.01, 81.02, 82.02, 83.01, 83.02, 84, 86.01, 86.02, 110, 112.01, 114.20, 118 |
| Greene | 9503.03, 9504 |
| Gwinnett | 503.04, 503.17, 504.17, 504.18, 505.41 |
| Hall | 8, 10.03 |
| Hancock | 4803, 4804 |
| Houston County | 203 |
| Laurens | 9509 |
| Liberty | 101.03, 102.04 |
| Lowndes | 105, 108, 109, 110, 113.01 |
| Miller | 9502 |
| Muscogee | 3, 14, 16, 18, 22, 24, 25, 27, 28, 29.02, 30, 32, 33.02, 34, 105.02 |
| Polk | 104 |
| Putnam | 9602.02 |
| Randolph | 7901, 7902 |
| Richmond | 2, 3, 9, 10, 14, 15, 16.01, 103, 104, 105.04, 106, |
| Screven | 9706 |
| Spalding | 1603, 1604, 1608 |
| Stephens | 9703.01 |
| Taliaferro | 102 |
| Terrell | 1203 |
| Thomas | 9601 |

| | |
|-----------|---------------|
| Tift | 9606, 9608 |
| Troup | 9608, 9609.01 |
| Twiggs | 602 |
| Upson | 104 |
| Walker | 207 |
| Ware | 9504, 9507 |
| Warren | 9705 |
| Whitfield | 4, 5.02, 13 |
| Wilcox | 9601 |

Neighborhood Strategy Areas (NSAs) and Urban Development Action Grant (UDAG) Area

The following NSA and UDAG areas in each city are identified by name and legal description:

Albany

Davis-Roosevelt Redevelopment Area - Begin at the intersection of the centerline of Society Avenue and Madison Street in the City of Albany, and run thence South along the center-line of Madison Street approximately 2570 feet to the intersection of the centerline of Pine Alley; thence West along the centerline of Pine Alley approximately 3068 feet to the intersection of the centerline of Harding Street; thence North along the centerline of Harding Street approximately 272 feet to the intersection of the centerline of Flint Avenue; thence East along the centerline of Flint Avenue approximately 190 feet to a point; thence North along a line, said line being the centerline of Harding Street extended South, approximately 1160 feet to the intersection of the centerline of Harding Street and Residence Avenue; thence East along the centerline of Residence Avenue approximately 960 feet to the intersection of the centerline of VanBuren Street; thence North along the centerline of VanBuren Street approximately 580 feet to the intersection of the centerline of Tift Avenue; thence East along the centerline of Tift Avenue approximately 320 feet to the intersection of the centerline of Stadium Avenue; thence North along the centerline of Stadium Avenue approximately 572 feet to the intersection of the centerline of Society Avenue; thence East along the centerline of Society Avenue approximately 1598 feet to the point of beginning.

South Central Neighborhood Strategy Area - Beginning at the intersection of the centerlines of Oglethorpe Boulevard and Monroe Street; thence east along the centerline of Oglethorpe Boulevard approximately 3630 feet to the Flint River, thence generally southward following the flow of the river downstream approximately 3125 feet to the intersection of the centerline of Cotton Avenue extended eastward; thence west along a line, said line being the centerline of Cotton Avenue extended east, approximately 2450 feet to the intersection of the centerlines of Cotton Avenue and Jackson Street; thence south along the centerline of Jackson Street approximately 40 feet to the intersection of the centerline of Cotton Avenue; thence west along the centerline of Cotton Avenue approximately 730 feet to the intersection of the centerline of Jefferson Street; thence south along the centerline of Jefferson Street approximately 30 feet to the intersection of the centerline of Cotton Avenue; thence west along the centerline of Cotton Avenue approximately 930 feet to the intersection of the centerline of Monroe Street; thence north along the centerline of Monroe Street approximately 3080 feet to the point of the beginning.

Jackson Heights Neighborhood Strategy Area - Beginning at the intersection of the northern right-of-way line of Clark Avenue and the western right-of-way of Maple Street; thence north along the western right-of-way line of Maple Street approximately 2910 feet to the southwestern right-of-way line of U.S. Highway 19 (also known as the By-pass); thence northwest along the southeast right-of-way line of U.S. Highway 19 approximately 700 feet to the eastern right-of-way line of Jordan Street; thence south along the eastern right-of-way line of Jordan Street approximately 75 feet to the northern right-of-way line of an alley (said alley being located approximately 100 feet north of East Fourth Avenue); thence west along the

northern right-of-way line of said alley approximately 2575 feet to the eastern right-of-way line of Swift Street; thence south along the eastern right-of-way line of Swift Street approximately 3273 feet to the northern right-of-way line of Clark Avenue; thence east along the northern right-of-way line of Clark Avenue approximately 3305 feet to the point of beginning.

Atlanta

Grove Park - Grove Park is located in the west-central section of the city of Atlanta. The following is a description of the physical boundaries of the neighborhood. East - Louisville and Nashville RR from Georgia Power Transmission line moving south to Bankhead Highway. Bankhead Highway from RR moving west to Chappell Road. Chappell Road from Bankhead Highway moving south to Simpson Road. South - Simpson Road from Bankhead Highway moving west to the western boundary of land lot 175. West - The entire western boundary of land lot 175. The northern boundary of land lot 175 from the western corner of land lot 175 moving east to South Eugenia Place. South Eugenia Place from the northern boundary of land lot 175 moving north to Bankhead Highway. Bankhead Highway from South Eugenia Place moving west to Mildred Place. Mildred Place from Bankhead Highway moving north to Hollywood Drive. Hollywood Drive from Hollywood Road moving north to Hollywood Drive from Hollywood Road moving east to Gun Club Road. Gun Club Road from Hollywood Drive moving north to Alvin Drive. North - Alvin Drive (extended) from Gun Club Road moving east to Proctor Creek. Proctor Creek from Alvin Drive (extended) to 400 feet south of the northern boundary of land lot 145. From the point 400 feet south of land lot 145 on Proctor Creek moving 550 feet southeast to a point 200 feet west of the Grove Park Place right-of-way. From a point 200 feet west of the Grove Park Place right-of-way moving due east to a point 350 feet east of the Grove Park Place right-of-way moving due north 520 feet to the northern boundary of land lot 145. The northern boundary of land lot 145 from a point 450 east of the Grove Park Place right of way moving east to the eastern boundary of land lot 225. The eastern boundary of land lot 225 from the northern boundary of land lot 145 moving north to the old City Limits. The old City Limits from the eastern Boundary of land lot 225 to the Louisville and Nashville RR.

Washington Park - Washington Park is located in the west-central section of the city of Atlanta. The following is a description of the physical boundaries of the neighborhood. East - Ashby Street from Simpson Road moving south to Martin Luther King Jr. Drive. South - Martin Luther King Jr. Drive from Ashby Street moving west to the Louisville and Nashville RR. West - Louisville and Nashville RR from Martin Luther King Jr. Drive moving north to Simpson Road. North - Simpson Road from the Louisville and Nashville RR moving east to Ashby Street.

Edgewood - Edgewood is located in the eastern section of the city of Atlanta. The following is a description of the physical boundaries of the neighborhood. East - Rogers Street (extended) from the Georgia RR moving south to Woodbine Avenue. Woodbine Avenue from Rogers Street moving east to Boulevard Drive. Boulevard Drive from Woodbine Avenue moving east to Wyman Street. Wyman Street from Boulevard Drive moving south to I-20. South - I-20 from Wyman Street moving west to Moreland Avenue. West - Moreland Avenue from I-20 moving north to the Georgia RR. North - The Georgia RR from Moreland Avenue moving east to Rogers Street (extended).

West End/Oakland City - The West End/Oakland City NSA is located in the west-central section of the city of Atlanta. The boundaries of this NSA encompass the whole West End neighborhood and that portion of the Oakland City neighborhood which surrounds the area where the Section 8 - Substantial Rehabilitation program is to be undertaken.

West End - East - The Central of Georgia Railway from I-20 moving south to the Louisville and Nashville RR. South and West - The Louisville and Nashville RR from the Central of Georgia Railway moving northwest to I-20. North - I-20 from the Louisville and Nashville RR moving east to the Central of Georgia Railway.

Oakland City - East - Along Lee Street between Oakland Lane on the south and Donnelly Avenue on the north. South - Along Oakland Lane between Oakland Drive on the west and Lee Street on the east. West - Southwest to Peoples Street from Donnelly Avenue, to Arlington Avenue to north/northwest then west along Arlington Avenue to Oakland Drive. North - along Donnelly Avenue, between Peoples Street on the west and Lee Street.

Adair Park - Adair Park is located southwest of the central business district of the city of Atlanta. The following is a description of the physical boundaries of the neighborhood. East - Southern Railway from Central of Georgia Railway moving south to I-20. I-20 from Southern Railway moving west to Stewart Avenue. Stewart Avenue from I-20 moving south to Louisville and Nashville RR. South - Louisville and Nashville RR from Stewart Avenue moving west to Central of Georgia Railway. North and West - Central of Georgia Railway from Louisville and Nashville RR moving northeast to Southern Railway.

Pittsburgh - Pittsburgh is located in the south-central section of the city of Atlanta. The following is a description of the physical boundaries of the neighborhood. East - Southern Railway from I-20 moving south to the Louisville and Nashville RR. South - Louisville and Nashville RR from the Southern Railway moving west to Stewart Avenue. West - Stewart Avenue from the Louisville and Nashville RR moving north to I-20. North - I-20 from Stewart Avenue to the Southern Railway.

Lakewood Heights - Lakewood Heights is located in the southeastern section of the city of Atlanta. The following is a description of the physical boundaries of the neighborhood. East - McDonough Boulevard from Jonesboro Road moving south to New Town Circle. New Town Circle (extended) from McDonough Boulevard to the northern boundary of land lot 26. The northern boundary of land lot 26 from New Town Circle (extended) to the northwest corner of land lot 26. The western boundary of land lot 26 from the northwest corner moving south to Helena Street (extended). Helena Street extended from the western boundary of land lot 26 moving west to Jonesboro Road. Jonesboro Road from Helena Street moving south to Marilyn Drive. South - Marilyn Drive from Jonesboro Road moving west to Browns Mill Road. Browns Mill Road from Marilyn Drive moving north to Greendale Drive. Greendale Drive (extended) from Browns Mill Road moving west to Meadow Way (extended), moving west to Harper Road. Harper Road from Meadow Way moving west to Macon Drive. Macon Drive from Harper Road moving north to Lakewood Avenue. Lakewood Avenue from Macon Drive moving west to I-75/85. West - I-75/85 from Lakewood Avenue moving north to Ashwood Avenue (extended). North - Ashwood Avenue (extended) from I-75/85 moving east to Pryor Circle. Pryor Circle from Ashwood Avenue moving north to Claire Drive. Claire Drive from Pryor Circle moving east to Capitol Avenue. Capitol Avenue from Claire Drive moving north

to Rhodesia Avenue. Rhodesia Avenue from Capitol Avenue moving east to Jonesboro Road. Jonesboro Road from Rhodesia Avenue moving north to Lethea Street. Lethea street from Jonesboro Road moving east to Lakewood Avenue. Lakewood Avenue from Lethea Street moving north to Dorothy Street. Dorothy Street from Lakewood Avenue moving west to Jonesboro Road. Jonesboro Road from Dorothy Street moving north to McDonough Boulevard.

Bedford Pine - Beginning at the intersection of the easterly line of Bedford Place - Argonne Avenue and the northerly line of North Avenue; thence, northerly approximately 146.5 feet along the easterly line of Argonne Avenue to a property corner; thence, easterly along a property line approximately 100 feet to a property corner; thence southerly along a property line approximately 146.5 feet to the northerly line of North Avenue; thence, easterly approximately 1913 feet along said line to a point opposite a property corner on the southern right-of-way of North Avenue; thence, southerly approximately 355 feet along the rear property line extended and rear lines of properties fronting on the easterly line of Boulevard to a property corner; thence, westerly along a property line approximately 75 feet to a property corner; thence, southerly along a property line approximately 265 feet to a property corner; thence easterly along a property line approximately 84 feet to a property corner; thence, southerly along property lines and extensions approximately 406 feet to a northerly line of Winton Terrace; thence westerly approximately 9 feet along said line to a point opposite a property corner; thence, southerly approximately 407 feet along a property line extended and rear lines of properties fronting on the easterly line of Boulevard to the northerly line of Rankin Street; thence, easterly approximately 31 feet along said line to a point opposite a property corner; thence, southerly approximately 173 feet along a property line extended and rear lines of properties fronting on the easterly line of Boulevard to a property corner; thence, westerly along a property line approximately 50 feet to a property corner; thence, southerly along property lines and extension, approximately 252 feet to a property corner; thence, easterly along a property line approximately 10 feet to a property corner; thence, southerly along a property line approximately 40 feet to a property corner; thence, easterly along a property line approximately 30 feet to a property corner; thence, southerly along property lines approximately 420 feet to the northerly line of Wabash Avenue; thence, easterly approximately 20 feet along said line to a point opposite a property corner; thence, southerly approximately 198 feet along a property line extended and rear lines of properties fronting on the easterly line of Boulevard to a property corner; thence, westerly along a property line approximately 152 feet to a property corner; thence, southerly along a property line approximately 20.5 feet to a property corner; thence, westerly along a property line approximately 7.9 feet to a property corner; thence, southerly along a property line approximately 100.9 feet to the northerly line of Forrest Avenue; thence, easterly approximately 175.5 feet along said line to a point opposite a property corner; thence, southerly along property lines and extensions thereof approximately 318 feet to the southerly line of East Avenue; thence, westerly approximately 35.5 feet along said line to a property corner; thence southerly approximately 679 feet along rear lines and extension thereof of properties fronting on the easterly line of Boulevard to the southerly line of Highland Avenue; thence, westerly approximately 34 feet along said line to a property corner; thence, southerly approximately 210 feet along rear lines of properties fronting on the easterly line of Boulevard to the northerly line of the Stone Mountain Freeway; thence, westerly approximately 250.6 feet along said line to the westerly line of Boulevard; thence, southwesterly approximately 34.3 feet along the northerly line of the Stone Mountain Freeway to a property corner; thence, westerly approximately 260.6 feet along the northerly line of the Stone Mountain Freeway to a property

corner; thence, northerly approximately 10 feet along said line to a property corner; thence, northerly approximately 15 feet along said line to a property corner; thence, southerly approximately 10 feet along said line to a property corner; thence westerly approximately 88.1 feet along said line to a property corner; thence, southwesterly approximately 234.4 feet along said line to the easterly line of Parkway Drive; thence, northerly approximately 19 feet along said line to a point opposite a property corner; thence, westerly approximately 234 feet crossing Parkway Drive and along the northerly line of the Stone Mountain Freeway to a property corner; thence, southerly approximately 5 feet along said line to a property corner; thence, 854 feet along said line to the easterly line of Fort Street; thence, northwesterly approximately 982 feet along the northerly line of the Stone Mountain Freeway to the southerly line of Baker Street; thence, easterly approximately 116.8 feet along said line to the westerly line of Butler Street; thence, northerly approximately 348 feet along said line to the southerly line of Chestnut Avenue; thence, westerly approximately 602.3 feet along said line to the westerly line of Piedmont Avenue; thence, northerly approximately 2,987 feet along said line to the northerly line of North Avenue; thence, easterly approximately 1,311.2 feet along said line to the easterly line of Bedford Place - Argonne Avenue, said point being the point of beginning.

Columbus

5th/6th Avenue - Beginning at the point of intersection of the easterly right-of-way line of 4th Avenue and the southerly right-of-way line of 10th Street; thence, generally easterly along the southern right-of-way line of 10th Street to the point of intersection with the easterly right-of-way line of 9th Avenue; thence, generally southerly along the easterly right-of-way line of 9th Avenue to the point of intersection with the northerly right-of-way line of 6th Street; thence, generally westerly along the northerly right-of-way line of 6th Street to the point of intersection with the easterly right-of-way line of 4th Avenue; thence, generally northerly along the eastern right-of-way line of 4th Avenue to the point of beginning.

Savannah

Planning Unit #1

| | |
|-------------------|----------------------------------|
| Northern Boundary | - McKenna, RR Tracks; |
| Southern Boundary | - Augusta, Bay Street; |
| Eastern Boundary | - East Lathrop Avenue; |
| Western Boundary | - West Lathrop, Brittany Street. |

Planning Unit #2

| | |
|-------------------|--|
| Northern Boundary | - Augusta, Brittany, Bay Street; |
| Southern Boundary | - RR Tracks, Hopper, Lissner, Louisville Road; |
| Eastern Boundary | - West Boundary Street; |
| Western Boundary | - U. 80, Market, Alfred, Creek Street. |

Planning Unit #3

- Northern Boundary - Louisville Rd;
- Southern Boundary - 1-16;
- Eastern Boundary - 1-16, West Boundary Street;
- Western Boundary - City Limits.

Planning Unit #5

- Northern Boundary - 37th Street;
- Southern Boundary - 52nd Street;
- Eastern Boundary - Bull, Victory, Montgomery Street;
- Western Boundary - Ogeechee, Kilowatt, Edwin Street.

Planning Unit #6

- Northern Boundary - Victory Drive;
- Southern Boundary - DeRenne Avenue;
- Eastern Boundary - Bull Street, 60th Lane, Montgomery Street;
- Western Boundary - RR Tracks.

Planning Unit #10 (Sub-Units A and C)

| | <u>Sub-Unit A</u> | <u>Sub-Unit C</u> |
|-------------------|-------------------|-------------------|
| Northern Boundary | - Victory Drive | Tompkins Street |
| Southern Boundary | - Country Drive | DeRenne Avenue |
| Eastern Boundary | - City Limits | City Limits |
| Western Boundary | - Skidaway Road | Skidaway Road |

Planning Unit #12 (Sub-Units C and D)

- Northern Boundary - 52nd Street
- Southern Boundary - DeRenne Avenue
- Eastern Boundary - Casey Canal
- Western Boundary - Waters Avenue, Columbus, Paulsen

Sub-Planning Unit 16B

- Northern Boundary - President Street, City Limits
- Southern Boundary - Gwinnett Street
- Eastern Boundary - City Limits
- Western Boundary - Pennsylvania Avenue

Planning Unit #17

- Northern Boundary - President Street
- Southern Boundary - 35th Street
- Eastern Boundary - Kayton Canal, Bee Road
- Western Boundary - Bilbo Sewer, Bouhan, Waters Road

Sub-Planning Unit #18A

- Northern Boundary - 37th Street
- Southern Boundary - Victory Drive
- Eastern Boundary - Price Street
- Western Boundary - Bull Street

Planning Unit #19

- Northern Boundary - Liberty St., Wheaton St., Bilbo Sewer, Creek St.
- Southern Boundary - 37th Street
- Eastern Boundary - Bouhan, Waters Avenue
- Western Boundary - Price St., Park Ave., West Broad, Anderson St., Ogeechee Rd., Kollock Street.

Planning Unit #20

- Northern Boundary - Liberty Street
- Southern Boundary - 52nd Street
- Eastern Boundary - Price St., E. Park Ave., W. Broad, Anderson, Ogeechee, Kollock Street.
- Western Boundary - West Boundary, 1-16, Stiles, Daves, RR Track.

Planning Unit #21

- Northern Boundary - Savannah River
- Southern Boundary - Liberty Street, Wheaton Street
- Eastern Boundary - City Limits, Bilbo Sewer
- Western Boundary - West Boundary

Appendix IV

Buydown Interest Rate Plan

We will purchase Loans which are subject to what are commonly called "buydown interest rate plans" if they meet our guidelines, which are listed below. The Loans may finance the purchase of either newly constructed homes or existing homes.

1. The plan must not reduce the interest rate payable by the mortgagor more than two percent (2%) below the final interest rate in any one year.
2. The plan must provide for graduated payments by the mortgagor during the term of the plan with the change in payment occurring at twelve (12) month intervals.
3. The interest rate paid by the borrower must not increase, from one payment phase to the next, more than one percent (1%).
4. Buydowns cannot be shown on the HUD-1 as discount points.
5. The buydown funds will be held by the Servicer and will be applied by the Servicer to supplement mortgagor payments as Loan installments are due.
6. There must be a written agreement signed by the source of the buydown funds which provides that the funds are not refundable under any circumstances and that the payor has no further right, title or interest in the funds. (See Sample Source of Funds Statement in this Appendix.)
7. The mortgagor shall execute a written statement that he/she has no interest in the funds except to have them applied to the payment of interest on the Loan. (See the Sample Buydown Disclosure Letter in this Appendix.)
8. In no event will the contribution (buydown account) be refunded to the mortgagor or to the source of the funds or be used to pay any past due payments.
9. If the Loan is paid in full, the funds remaining in the buydown account will be credited against the total amount due.
10. The terms of the buydown agreement must be fully disclosed to the designated appraiser. The appraisal report must reflect that this has been done and must state the effect, if any, of the Buydown on the appraiser's final estimate of market value. If there is no effect, then no sale concession adjustment need be made to the property's acquisition cost.
11. The Buydown must be fully disclosed in writing to DCA and to the Mortgage Insurer. The Servicer must provide evidence that the Buydown has been fully disclosed to the Mortgage Insurer(s) and that the mortgage insurance protection is unaffected by the Buydown.
12. In the event of a foreclosure of a mortgage involving a buydown, GHFA is entitled to any remaining buydown funds to reduce the mortgage debt.

13. If the property securing a buydown mortgage is sold during the term of the Buydown, and the terms of the Buydown are assumed by the purchaser, the remaining buydown funds are to be used to reduce the mortgage payments of the purchaser in accordance with the Buydown. The credit underwriting at the time of assumption will be on the basis of the full mortgage rate if the remaining buydown period is less than a year.
14. Funds for the buydown may be provided by any source (seller, real estate professional, mortgagor, relative, etc.) so long as the funds are not borrowed and do not have to be repaid. The source of the funds must sign a statement that the funds do not have to be repaid. (See Sample Source of Funds Statement in this Appendix.)
15. Subordinate financing for the buydown is not permissible.
16. The mortgage documents must be prepared to reflect the permanent payment terms, not the terms of the Buydown. Any Loans which are submitted to DCA for underwriting review and which are subject to Buydowns must be so noted on "Loan Applicant Profile" (Form SF-10). The Underwriting Package must contain the original Buydown Disclosure Letter, the Source of Funds Statement and the Buydown Schedule. Samples of the Buydown Disclosure and the Source of Funds Statement are contained in this Appendix.

Sample Buydown Disclosure Letter

LENDER's LETTERHEAD

TO: Borrower

The purpose of this letter is to explain certain aspects of the "buydown" Loan which has been offered to you, and your signature at the end of this letter indicates your understanding and acceptance of the arrangements that have been made for you.

As a consideration for providing you with a Loan with a buydown interest rate plan, we have received an amount of money sufficient to reduce your monthly payments for a period of time. This money will be held by us, as your lender, and if your Loan is sold to another investor, that investor may hold the money and credit it to your payments in accordance with the Buydown.

Your only right to this money is to have it credited to pay a portion of your payments as they fall due, in accordance with the Buydown. As the money represents a payment to finance this buydown arrangement, no interest obligation will accrue on the money held. The money will not be used to pay any past due mortgage payments which are to be paid by you. If you sell your home or prepay your mortgage during the Buydown, the money remaining for future payments will not be refunded to you, but will be credited toward the amount necessary to payoff your Loan. If you sell your home and your Loan is assumed by a "qualified" assumptor, the balance remaining for future payments will not be refunded to you but will be applied to the regular monthly payments of the assumptor.

After the money to fund the buydown plan for your mortgage has been exhausted, you will be responsible for the full monthly payments as they become due.

Please sign below to indicate your understanding of the terms of the buydown arrangement discussed in this letter.

Borrower's Signature

Co-Borrower's Signature

(Date)

Source of Funds Statement

DATE

RE: Purchaser
Property Address
Lender

To Whom It May Concern:

This is to certify that the funds placed in escrow at _____
_____ to buydown the interest rate of the Georgia Dream First
Mortgage Loan by _____ percent (_____%) for a term of _____ years
are not borrowed from me and do not have to be repaid. Furthermore, I also
acknowledge that the buydown funds are not refundable under any circumstances, and I
relinquish any future right, title or interest in the funds.

Payor

Payor

Witness

Sworn to and subscribed before me this
_____ day of _____, 20__.

Notary Public

My Commission expires on _____,
(Notary Seal Affixed Here)

Appendix VI Private Mortgage Insurers

We require that Private Mortgage Insurance be provided by a Qualified Mortgage Insurance Company which is qualified to insure mortgages purchased by Fannie Mae and Freddie Mac, authorized to do business and issue mortgage insurance in the State, rated by Standard & Poor's Rating Group in either of the two highest rating categories (without regard to numeric or other modifiers or gradations within categories) and who is not on the Standard & Poor's Rating Group's "credit watch" list.

As of the date of this Appendix, the following companies are known by DCA to meet these requirements:

Currently no Mortgage Insurance companies meet DCA requirements.

Appendix VIII

DCA's Approved Housing Counseling Agencies

*Online Homebuyer Education Course Available

Homebuyer counseling is required for ALL Georgia Dream Loans.

Borrowers must attend and complete **either** a homebuyer education workshop, **OR**, individual housing counseling sessions, **OR** an online homebuyer education course through E-Home America. Workshops and counseling sessions must be completed with one of the DCA Certified Housing Counseling Agencies listed below.

Georgia Department of Community Affairs *
(404) 327-6858
ONLINE COURSE ONLY
www.ehomeamerica.org/dca
www.dca.ga.gov

ATLANTA
D&E, A Financial Education and
Training Institute
770-961 6900
www.depover.org

AUGUSTA
CSRA EOA
706-364-6548
www.csraeo.org

ALBANY
City of Albany
229-483-7650
www.albany.ga.us

ATLANTA
Fulton County Department of Housing
and Community Development
404-614-2304
www.fultoncountyga.gov

BLAKELY
Early County CDC
229-724-7552
www.earlycocdc.webs.com

ALBANY
CCCS of Southwest GA*
800-309-3358 / 229-883-0909
www.ehomeamerica.org/cccswga
www.cccsalbany.org

ATLANTA
Help the People Program Housing
Counseling
404-688-7766

BRUNSWICK
Totally Free, Inc. *
912-265-1515
www.ehomeamerica.org/TFI
www.totallyfreeinc.org

ATHENS
Athens Land Trust Housing Counseling
706-613-0122
www.athenslandtrust.org

ATLANTA
Housing Authority of Fulton County
404-588-4972
www.hafc.org
404-588-4950

COLUMBUS
CCCS of West GA
800-757-2227 / 706-327-3239
www.cccs-wga.com

ATHENS
Hancock CDC
706-546-1154
www.hancock.cdc.org

ATLANTA
NID-HCA Southern Crescent
404-763-1553
www.atlhca.com

COLUMBUS
NeighborWorks Columbus
706-324-4663
www.nwcolumbus.org

ATHENS
UGA-Cooperative Extension Program
706-542-4877
www.fcs.uga.edu/extension/home

ATLANTA
Resources for Residents and
Community of Georgia, Inc.
www.rrc-atl.org

CONYERS
The Homeowners Employment
Corporation
404-492-6554
www.homeownerscorp.com

ATLANTA
1st Choice Credit Union
404-832-5800
www.1stchoicecu.org

ATLANTA
Urban League of Greater Atlanta
404-659-1150
www.ulgatl.org

DALTON
Dalton-Whitfield CDC
706-876-1630
www.dwcdc.org

ATLANTA
ClearPoint Credit
800-251-2227
www.clearpointcccs.org

ATLANTA
Women Watch Afrika
404-759-6419
www.womenwatchafrika.org

DECATUR
DeKalb Metro Housing
Counseling Center
404-508-0922
dekalbmetrohousing.org

ATLANTA
Center for Pan Asian Community Services
770-936-0969
www.icpacs.org

AUGUSTA
First East Central Georgia
Partnership
706-495-2304

DECATUR
GreenForest CDC
404-486-5768
www.gfcdc.org

FORT VALLEY

Fort Valley State University
Cooperative Extension Program
478-835-6577
www.fvsu.edu

GRIFFIN

Affordable Housing Enterprise
404-451-6488

HINESVILLE

JC Vision and Associates*
912-877-4243
www.ehomeamerica.org/jcvision
www.jcvision.com

LAGRANGE

DASH for LaGrange*
706-298-0581
www.ehomeamerica.org/dash
www.dashlagrange.org

MACON

CCCS of Middle Georgia
478-745-6197
www.cccsmacon.org

MACON

HomeFirst Housing Resources
478-803-2373
www.homefirstga.org

SAVANNAH

Consumer Credit Counseling Service of Savannah
1-800-821-4040
www.cccsavannah.org

SAVANNAH

Neighborhood Improvement Association
912-447-5577
www.niacdc.org

STONE MOUNTAIN

Refugee Family Assistance
404-296-8743
www.refugeefamilyassistanceprogram.org

VALDOSTA

Valdosta-Lowndes County Habitat for Humanity
229-245-1330
www.valdostahabitat.org

VIENNA

Southwest Georgia United
Empowerment Zone, Inc.
229-268-7592

WASHINGTON

City of Washington
706-678-3277

WINDER

Housing Authority of the City of
Winder
770-867-7495
www.winderhousing.com

Appendix IX

Section 1010 Language

Warning: Section 1010 of Title 18, U.S.C. Federal Housing Administration Transactions provides: "Whoever, for the purpose of influencing in any way the action of such administration... Makes, Passes, Utters, or publishes any statement, knowing the same to be false... shall be fined not more than \$5,000 or imprisoned not more than two years or both".

Georgia Dream Homeownership Program Forms

| Number | Name | Program | Send in with: | | | |
|--------|--|----------------|---------------------|----------------------|------------------|-------|
| | | | Reservation Request | Underwriting Package | Purchase Package | Other |
| SF-1 | Lender Application | All | | | | X (A) |
| SF-2 | Lender Application Renewal | All | | | | X (A) |
| SF-4 | Reservation Form | All | X | | | |
| SF-5 | Extension Form | All | | | | X (B) |
| SF-6 | Reservation Cancellation | All | | | | X (B) |
| SF-7 | Reservation Change Form | All | | X | | |
| SF-10 | Loan Applicant Profile | All | | X | | |
| SF-12 | Applicant Affidavit | All | | X | | |
| SF-15 | Affidavit of Non-Applicant | All | | X | | |
| SF-16 | Acquisition Cost Certification | First Mortgage | | X | | |
| SF-30 | Loan Funding Profile | All | | | X | |
| SF-31 | Loan Servicing Profile | First Mortgage | | | | X(D) |
| SF-40 | Tax-Exempt Financing Rider | First Mortgage | | | X | |
| SF-42 | Addendum to Security Deed | First Mortgage | | | X | |
| SF-44 | Transfer & Assignment | All | | | X | |
| SF-46 | Mortgagor's Closing Affidavit | All | | | X | |
| SF-50 | Recapture Tax Notice | First Mortgage | | | X | |
| SF-60 | Lender Certification | All | | | | X (C) |
| SF-61 | Notice of Assignment, Sale or Transfer of Servicing Rights | First Mortgage | | | X | |

| | | | | |
|---------|---|-----------------|---|---|
| SF-82 | Second Mortgage Note | Second Mortgage | | X |
| SF-84 | Georgia Dream Second Mortgage Security Deed | Second Mortgage | | X |
| SF-100 | Surviving Spouse Affidavit | Special | | X |
| SF-6012 | Tax Return Affidavit | All | X | |

- (A) Used by lender to apply to participate in DCA programs
- (B) Used by lender as needed
- (C) Final document due from lender within 90 days of loan funding

Georgia Department of Community Affairs
Georgia Dream Homeownership Program -- Lender Application

Company Name _____

Primary Contact Person _____

Primary Office Phone Number _____

E-mail Address: _____

Primary Office Address _____

City _____ State _____ Zip _____

Parent Company Name _____

Home Office Address _____

City _____ State _____ Zip _____

Principal Officers:

| Name | Title | Yrs. w/Company | % of Ownership |
|-------|-------|----------------|----------------|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

Identify Holders of Ownership Interest of 5% or more who are not Principal Officers

Primary Origination Area (List Georgia Counties, attach list if necessary)

Primary Fees charged on FHA Loan? _____

Mortgage Lender License Number: _____

Federal Tax ID Number: _____

Incorporated: YES _____ NO

Primary Lender Portal Contact Name: _____

Phone Number: (____) _____

E-mail Address: _____

Primary Reservations Contact Name: _____

Phone Number: (____) _____

E-mail Address: _____

Primary Underwriting Contact Name: _____

Phone Number: (____) _____

E-mail Address: _____

Primary Shipping Contact Name: _____

Phone Number: (____) _____

E-mail Address: _____

Purchase Advise Contact Name: _____

Phone Number: (____) _____

E-mail Address: _____

Primary Final Documentation Contact Name: _____

Phone Number: (____) _____

E-mail Address: _____

Primary Quality Control Contact Name: _____

Phone Number: (____) _____

E-mail Address: _____

Wiring Instructions for First Mortgage Loans:

Bank: _____ Title of Account _____

City _____ State _____ Routing number _____

Officer to be notified _____ Account Number: _____

Wiring Instructions for Second Mortgage Loans:

Bank: _____ Title of Account _____

City _____ State _____ Routing number _____

Officer to be notified _____ Account Number: _____

Agency Approvals:

| | | | | | |
|---------------------------------|--------------------|-----|--------------------------|----|--------------------------|
| FHA Mortgagee Number _____ | Direct Endorsement | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| VA Mortgagee Number _____ | Automatic | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| USDA/RD Approval _____ | | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| Fannie Mae Seller Number _____ | | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| Freddie Mac Seller Number _____ | | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| GNMA Issuer Number _____ | | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |

Do you have Underwriting Staff for the following loans:

| | | | | |
|---|-----|--------------------------|----|--------------------------|
| Conventional | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| FHA | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| VA | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| USDA/RD | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| Have you ever been suspended from the above? If so, explain in an attached letter. | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |

If not FHA, VA, Fannie Mae or Freddie Mac approved, are you a
federally regulated financial Institution? Yes No

Branch Offices in Georgia to be Involved in Originating Loans (attach a list of additional branch offices if necessary):

1. Designated Contact Person _____
Branch Office Address _____
City _____ State _____ Zip _____
Branch Office Phone Number _____
E-mail Address: _____
2. Designated Contact Person _____
Branch Office Address _____
City _____ State _____ Zip _____
Branch Office Phone Number _____
E-mail Address: _____

Correspondent Lender(s) (if applicable) and their Branch Offices in Georgia (attach a list of additional correspondent lenders if necessary):

1. Company Name _____
Designated Contact Person _____
Office Address _____
City _____ State _____ Zip _____
Office Phone Number _____

Insurance Policies

Please attach a current certificate for each applicable insurance policy: Fidelity Insurance, Errors and Omissions Insurance and/or Mortgage Impairment, Mortgage Interest or similar Blanket Coverage.

Does the above coverage meet Fannie Mae requirements? Yes No
Explain exceptions.

Claims and Lawsuits

Are there any significant claims and/or lawsuits in progress, threatened or pending litigation, additional taxes assessed or proposed, or any other contingent liabilities not shown in the financial statement? Yes No
If yes, explain in an attached letter, including the present status and your opinion as to probable ultimate liability and adequacy of insurance coverage.

Has the company, any director, or any officer been involved in bankruptcy, insolvency, made an assignment for benefit of creditors, or been indicted for or charged with fraud or misrepresentation? Yes No
If yes, explain in an attached letter.

Name of Company servicing your DCA loans will be State Home Mortgage

Attachments

Please attach the following items:

Loan Seller Agreements (2 Copies) Copy of Insurance Certificates
Loan Servicing Release Agreement (2 Copies) Copy of Quality Control Plan
Past 3 years of audited financials
Document a HUD Neighborhood Watch Compare ratio of less than 125% for the State of Georgia

The Undersigned swears or affirms that the contents of this form and the attached information have been carefully read and that the information is true and correct. Verification may be obtained from any source named herein. I fully understand that it is a crime to knowingly make any false statements under oath or affirmation and is punishable by fine and/or imprisonment under O.C.G.A. 16-10-71. I acknowledge and agree that the information and/or documentation submitted in connection with the programs offered by the Department of Community Affairs (DCA) on its own behalf or on behalf of the Georgia Housing and Finance Authority (GHFA) may be subject to public disclosure.

Sworn to and subscribed before me this _____ day of

_____, 20_____.

Notary Public

My commission expires _____

(Notary Seal Affixed Here)

Seller's Name

By: _____

Officer's Signature

Printed or Typed Name of Signing Officer

Title of Signing Officer

Georgia Department of Community Affairs
Georgia Dream Homeownership Program - - Lender Application Renewal

Company Name _____

Designated Contact Person _____

Primary Office Phone Number _____ E-mail Address _____

Primary Office Address _____

City _____ State _____ Zip Code _____

Parent Company Name _____

Home Office Address _____

City _____ State _____ Zip Code _____

Principal Officers

| Name | Title | Yrs. w/Co. | % of Ownership |
|------|-------|------------|----------------|
| | | | |
| | | | |
| | | | |
| | | | |

Agency Approvals/DCA

| | | | | |
|------------------------|-----|--------------------------|----|--------------------------|
| FHA Direct Endorsement | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| VA Automatic | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| USDA/RD Approval | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| Fannie Mae Seller | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| Freddie Mac Seller | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| Ginnie Mae Issuer | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |

Have you ever been suspended from any Agency Approvals? Yes No
 If so, explain in an attached letter.

If not, FHA, VA, Fannie Mae or Freddie Mac approved, are you a federally regulated financial institution? Yes No

Loan Origination fee charged **using** Georgia Dream 1st Mtg. _____% 2nd Mtg. _____%
 If fee varies, please explain fee structure. _____

Standard Lender fees charged on loans **not using** Georgia Dream \$ _____

Primary Lender Portal Contact Name: _____

Phone Number (____) _____ E-mail: _____

Primary Reservation Contact Name: _____

Phone Number (____) _____ E-mail: _____

Primary Underwriting Contact Name: _____

Phone Number (____) _____ E-mail: _____

Primary Shipping Contact Name: _____

Phone Number (____) _____ E-mail: _____

Purchase Advise Contact Name: _____

Phone Number (____) _____ E-mail: _____

Primary Final Documentation Contact Name: _____

Phone Number (____) _____ E-mail: _____

Primary Quality Control Contact Name: _____

Phone Number (____) _____ E-mail: _____

Branch Offices in Georgia to be Involved in Originating Loans (attach a list of additional branches if necessary):

1. Designated Contact Person _____

Branch Office Address _____

City _____ State _____ Zip Code _____

Phone Number (____) _____ E-Mail Address _____

2. Designated Contact Person _____

Branch Office Address _____

City _____ State _____ Zip Code _____

Phone Number (____) _____ E-Mail Address _____

Correspondent Lenders(s) (if applicable) and their Branch Offices in Georgia (attach a list of additional correspondents if necessary):

1. Lender Name _____ Designated Contact Name _____

Branch Office Address _____

City _____ State _____ Zip Code _____

Phone Number (____) _____ E-Mail Address _____

Claims and Lawsuits

Are there any significant claims and/or lawsuits in progress threatened or pending litigation, additional taxes assessed or proposed, or any other contingent liabilities not shown in the financial statement? Yes No

If yes, explain in an attached letter. Include present status and your opinion as to probable ultimate liability and adequacy of insurance coverage.

Has the company, any director, or any officer been involved in bankruptcy, insolvency, made an assignment for benefits of creditors, or been indicated for or charged with fraud or misrepresentation? Yes No

Attachments

Please attach the following items:

- Most recent audited financial statements**
- Copy of Insurance Certificates**
- Document a HUD Neighborhood Watch Compare ratio of less than 150% for the State of Georgia**

The Undersigned swears or affirms that the contents of this form and the attached information have been carefully read and that the information is true and correct. Verification may be obtained from any source named herein. I fully understand that it is a crime to knowingly make any false statements under oath or affirmation and is punishable by fine and/or imprisonment under O.C.G.A 16-10-71. I acknowledge and agree that the information and/or documentation submitted in connection with the programs offered by the Department of Community Affairs (DCA) on its own behalf or on behalf of the Georgia Housing and Finance Authority (GHFA) may be subject to public disclosure.

Seller's Name

Sworn to and subscribed before me this _____
Day of _____, 20__.

By: _____

Officer's Signature

Notary Public

Printed or Typed Name of Signing Officer

My commission expires on _____

(Notary Seal)

Title of Signing Officer

**Georgia Dream Homeownership Program
Reservation Form**

(Only use this form if Lender Portal is not available and DCA staff has instructed to use)

Email to dcareservations@dca.ga.gov

Lender Name _____ Telephone Number (____) _____

Contact Person _____

Email Address _____

2nd Mtg. Loan Choice Pen Standard

Loan Type: FHA VA Conventional RD Guaranteed

First Mortgage Loan Amount **Interest Rate** **Second Mortgage Loan Amount**
\$ _____ \$ _____

Borrower's Name _____ **SS#** _____

Email Address: _____

Borrower's Age _____ *Borrower's Sex* Male Female

Ethnicity: White Black Hispanic Asian/Islander Native American

Marital Status Married Unmarried Separated Single Parent Yes No

Co-Borrower's Name _____ **SS#** _____

Co-Borrower's Age _____ *Co-Borrower's Sex* Male Female

Co-Borrower's Ethnicity: White Black Hispanic Asian/Islander Native American

Co-Borrower's Marital Status Married Unmarried Separated Single Parent Yes No

Purchase Price \$ _____ New Existing Target Non-Target

Housing Type Detached Condominium Townhouse Manufactured Home

Property Address _____

City _____ *Zip Code* _____ *County* _____

Borrower's Gross Annual Income \$ _____ # of Persons in Household _____

Co-Borrower's Gross Annual Income \$ _____ Prior Homeowner? Yes No

Non-Applicant's Gross Annual Income \$ _____ # of Persons Employed _____

Total Household Income: \$ _____ # of Dependents _____

Household Type Single/Non Elderly Elderly Related/Single Parent Related/Two Parent Other

To be completed by DCA

Reservation # _____ Reservation # _____

Date Issued _____ Interest Rate Reserved _____ Date Issued _____

Reservation/Commitment Expiration Date _____ Reservation/Commitment Expiration Date _____

Rejected:

Incomplete

Over Income Limits Over Purchase Price Limits

Rejected:

Incomplete

Over Income Limits Over Purchase Price Limits

**Georgia Dream Homeownership Program
Extension Form**

**Send to our office by clicking on the envelope at the top of this screen, then click “send copy”.
Enter email address: DCAReservations@dca.ga.gov**

This is a request to:

- Extend the Reservation/Commitment Period for 30 days
Fees may apply, see note at bottom

Georgia Dream First Mortgage Reservation #: _____

Georgia Dream Second Mortgage Reservation #: _____

Borrower Name: _____

Reason for Extension Request:

- Short Sale - (Include first page, signature page and supporting page of Sales Contract)
 REO – (Include first page, signature page and supporting page)
 203K
 New Construction – (Include first page, signature page and supporting page of Sales Contract)

Requested by:

Name: _____

Phone: _____

Email: _____

To be completed by DCA:

Reservation/Commitment Period Extension

Approved

Denied

Original Reservation Deadline _____

New Reservation Deadline _____

Extension Fees Accrued* _____

By: _____

Date: _____

* Short Sales, REO's and New Construction Loans receive two extensions at no cost, 203K Loans received three extensions at no cost. All other loans will be charged a \$75.00 fee for each extension. Extension Fees Accrued will be deducted from the net proceeds when DCA buys this Loan.

**Georgia Dream Homeownership Program
Reservation Cancellation**

**Send to our office by clicking on the envelope at the top of this screen, then click
“send copy”. Enter email address: DCAReservations@dca.ga.gov**

Lender Name _____

Contact Name _____

Email Address _____

Georgia Dream First Mortgage Reservation # _____

Georgia Dream Second Mortgage Reservation # _____

Borrower Name _____

Reason for Cancellation by Lender – check all that apply

- | | |
|---|--|
| <input type="checkbox"/> Unable to meet credit overlays for <640 | <input type="checkbox"/> Property/seller issues |
| <input type="checkbox"/> Unable to meet ratio requirements <659 | <input type="checkbox"/> Title issues |
| <input type="checkbox"/> Ratio exceeds guidelines | <input type="checkbox"/> No rental information available |
| <input type="checkbox"/> Credit score below required threshold | <input type="checkbox"/> HH income exceeds limit |
| <input type="checkbox"/> Appraisal/Comparables do not support value | <input type="checkbox"/> Short funds to close |

Other:

Submitted by: _____

Reason for Cancellation by DCA

- Underwriting Package Not Received by Deadline
- Expired Commitment

The cancellation of the above referenced Loan will be effective on _____
unless you contact us prior to this date.

Issued by: _____ Date: _____

Georgia Dream Homeownership Program Reservation Change Form

(Email to: DCAreservations@dca.ga.gov)

Lender Name _____

Requested by _____

Phone # _____ Email _____

Georgia Dream First Mortgage Reservation # _____

Georgia Dream Second Mortgage Reservation # _____

Please change the information on the above reference reservation to the following (only mark the information that changed):

Borrower's Name _____ Borrower's SS # _____

Co-Borrower's Name _____ Co-Borrower's SS # _____

Property Address _____

City _____ Zip _____ County _____

New Existing Target Non-Target

Loan Type FHA VA Conventional RD Guaranteed RD Leveraged

Purchase Price \$ _____

First Mortgage Loan Amount \$ _____ Second Mortgage Loan Amount \$ _____

Loan Type: Standard PEN Choice

Persons in Household _____ # of Persons Employed _____

Borrower's Gross Annual Income \$ _____

Co-Borrower's Gross Annual income \$ _____

Borrower's Age _____ # of Dependents _____

Ethnicity White Black Hispanic Asian/Islander Native American

Prior Homeowner Yes No

Household Type Single/Non-Elderly Elderly Related/Single Parent

Related/Two Parent Other

DCA Use:

Changed By: _____

Date: _____

Georgia Dream Homeownership Program
Loan Applicant Profile
 (Submit with the Underwriting Package)

| | |
|---------------------------------|--|
| First Mtg. Reservation # _____ | DCA Use Only Received _____ |
| Second Mtg. Reservation # _____ | Reservation/Commitment Expiration _____ |
| Lender _____ | |
| Loan Originator _____ | Phone # (____) _____ Fax # (____) _____ |
| Email Address _____ | |
| Loan Processor _____ | Phone # (____) _____ Fax # (____) _____ |
| Email Address: _____ | |

Person to Receive Underwriting Decision _____

Email Address _____ Phone # (____) _____ Fax # (____) _____

Applicant's Name _____ Co-Applicant's Name _____

Last _____ First _____ Last _____ First _____

Property Address
 Number and Street: _____

City: _____ Zip Code: _____ County: _____

| | | | | | | | |
|---|-------------------------------------|------------------------------|---------------------------------|------------------------------|----------------------------------|------------------------------|---|
| Down Payment Programs | <input type="checkbox"/> Standard | <input type="checkbox"/> PEN | <input type="checkbox"/> CHOICE | <input type="checkbox"/> SFD | <input type="checkbox"/> Habitat | <input type="checkbox"/> HCV | <input type="checkbox"/> Communities of Opportunity |
| Target or Non Target _____ | Census Tract or Block # _____ | | | | | | |
| New or Existing _____ | Year Built _____ | | | | | | |
| First Mortgage Loan Type _____ | Attached/Detached/Condo _____ | | | | | | |
| Purchase Price _____ | Number of Rooms _____ | | | | | | |
| Appraised Value _____ | Number of Bedrooms _____ | | | | | | |
| First Mortgage Loan Amount _____ | Number of Bathrooms _____ | | | | | | |
| Conventional First Mortgage LTV _____ | Total Square Feet _____ | | | | | | |
| Term of the Loan in Months _____ | Home Buyer Education Provider _____ | | | | | | |
| Buy down <input type="checkbox"/> Yes <input type="checkbox"/> No | _____ | | | | | | |
| Interest Rate _____ | Automated Underwriting System _____ | | | | | | |
| Second Mortgage Loan Amount _____ | Credit Score Used _____ | | | | | | |
| Household Annual Income _____ | Ratios _____% _____% | | | | | | |

| | | |
|--|---|---|
| Ethnicity: | <input type="checkbox"/> Hispanic or Latino | <input type="checkbox"/> Non Hispanic or Latino |
| Race: | <input type="checkbox"/> White | <input type="checkbox"/> Black / African-American |
| <input type="checkbox"/> American Indian / Alaskan Native | <input type="checkbox"/> Native Hawaiian / Other Pacific | <input type="checkbox"/> Asian |
| <input type="checkbox"/> American Indian/Alaskan Native & White | <input type="checkbox"/> Black / African-American & White | <input type="checkbox"/> Asian & White |
| <input type="checkbox"/> American Indian/Alaskan Native & Black/African-American | | <input type="checkbox"/> Other Multi-Racial |

Georgia Dream Homeownership Program
Application Affidavit
(Submit with Underwriting Package)

Georgia Dream
First Mortgage _____
Loan Number: _____

Georgia Dream
Second _____
Mortgage _____
Loan Number: _____

Applicant: _____

Co-Applicant: _____

Subject Property Address: _____

The Georgia Department of Community Affairs (“DCA”) offers two programs for low and moderate income home buyers. The Georgia Dream First Mortgage Program offers low interest mortgage loans that are funded from bonds issued by the Georgia Housing and Finance Authority (“GHFA”). The Georgia Dream Second Mortgage Program offers a loan for a portion of your down payment, closing costs and prepaid expenses. GHFA is a public corporation and instrumentality of the State of Georgia whose funding is administered by DCA. In administering GHFA funds, DCA acts on behalf of GHFA with respect to any loan you might receive under the Program. Federal law, State law, GHFA’s regulations, and DCA’s regulations impose a number of requirements upon recipients of these loans. In this document, “Program” means the Georgia Dream First Mortgage Program and/or the Georgia Dream Second Mortgage Program, as applicable.

The Georgia Dream Second Mortgage Program is not a grant. It is a Loan. No payments are due until you (1) sell or transfer your home, (2) refinance your first mortgage, or (3) if, you no longer occupy your home as your principal residence. No interest is charged while you have the Georgia Dream Second Mortgage Loan.

PROGRAM REQUIREMENTS

1. Your household income must be within the DCA income limits. If your loan application is approved, at the loan closing you will be required to certify that your household income remains within the DCA income limits. If your income changes before loan closing and exceeds the DCA income limits, you will be disqualified from the Program(s) and you will not be entitled to receive a mortgage loan through DCA’s Program(s).

Household Annual Income includes, but is not limited to the list below. Your lender can describe the exclusions from household income.

- a) full amount, before any payroll deductions, of wages and salaries, overtime, commissions, fees, tips, bonuses and other compensation for personal services (including raises expected to take effect prior to closing);
- b) net income from operation of a business or profession;
- c) income from trusts, investments, interest, dividends, royalties, net rental income and other net income from real or personal property;
- d) periodic payments from Social Security (including that received on behalf of children), annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic payments;
- e) payments in lieu of earnings, such as unemployment and disability compensation, worker’s compensation and severance pay;
- f) Welfare Assistance, where payments include amounts specifically designated for shelter and utilities; periodic and determinable allowances such as alimony and child support, and regular contributions or gifts received from organizations or persons not residing in the dwelling;
- g) all housing allowances and similar allowances which are not reimbursement for job-related expenses;
- h) all regular and special pay, and allowances of members of the Armed Forces (whether or not living in the dwelling) who are the head of the family or spouse;
- i) relocation payments; undocumented non-payroll deposits to bank accounts, extrapolated to an annualized amount;
- j) earnings up to \$480 annually for each full-time student 18 years or older (excluding the head of household and spouse); and
- k) adoption assistance payments up to \$480 annually per adopted child.

2. If you have owned or had an ownership interest in a principal residence within the last 3 years, you are not eligible for DCA's Programs, unless you qualify for specific exceptions that your lender can describe. You will be required to provide copies of your federal tax returns for the last 3 years and information about the location and type of your residence during the last 3 years, unless you qualify for these exceptions.
3. You will be required to certify that you intend to use the house for which you are applying for a loan as your principal place of residence. The First Mortgage loan cannot be used to finance the cost of additional land, rental property, a second home, or the expenses of a trade or business.
4. By signing this form you acknowledge and agree that the information and/or documentation submitted in connection with the DCA Programs may be subject to public disclosure.
5. The maximum purchase price of the house you are intending to buy under these Programs is restricted by law and by Program regulations.
6. Your personal assets must be modest. You must be creditworthy as determined by your lender, DCA, FHA, VA, USDA/RD, the pool insurer, and/or the private mortgage insurer, as applicable.
7. The First Mortgage loan, and in some cases the Second Mortgage loan, that you are applying for will be financed with the proceeds of certain tax-exempt bonds issued by GHFA pursuant to certain state laws and federal income tax laws. Because you are receiving a mortgage loan(s) from the proceeds of a tax-exempt bond, you are receiving the benefit of a lower interest rate than is customarily charged on other mortgage loans. If you sell or otherwise dispose of your home during the 9 years after loan closing, this benefit may be "recaptured." The recapture is accomplished by an increase in your federal income tax for the year in which you sell or otherwise dispose of your home. The recapture applies only if you sell your home at a gain and if your income increases above specified levels. The recapture tax will not apply in certain circumstances, which are explained in the Notice to Purchaser of Potential Recapture Tax on Sale of Home (Form SF-50) that you will receive at closing. Form SF-50 also contains more detailed information about the calculation of any recapture tax.
8. In the event that you receive a loan(s) under these Programs and it is subsequently discovered that you made a false statement, misrepresentation or misstatement, you may be required to make an immediate and full repayment of the loan(s) and you may also be subject to criminal prosecution.
9. **DUE ON SALE CONSENT.** If you receive a DCA loan, it is likely that when you sell your home the new purchaser will have to obtain new financing. (Land contracts are prohibited.) Your mortgage provides that you cannot sell your home to a person ineligible for assistance from DCA, unless you pay your loan in full. If you sell your home to a party ineligible for DCA's assistance and do not pay-off your loan in full, DCA may demand immediate and full repayment of the loan. This could result in foreclosure of your mortgage and repossession of the property. In addition, if you rent the property or committed fraud or intentionally misrepresented yourself when you applied for the loan, the lender may foreclose your mortgage and repossess the property. If the lender takes your home through foreclosure of the mortgage because of these reasons, the mortgage insurer (HUD, VA, USDA/RD, pool insurer or a private insurer) will not be able to help you.

If the money received from the foreclosure sale is not enough to pay the remaining balance you owe on the loan, DCA may obtain a deficiency judgment against you (a court ruling that you must pay whatever money is still owed on the loan after the foreclosure sale). Such judgment will be taken over by the insuring agency if DCA files an insurance claim against that agency because of the foreclosure. DCA or the insurer may bring an action against you to collect the judgment.

If you cease to use the residence as your principal residence for a period in excess of 12 months, no deduction will be allowed for mortgage interest accruing after the first day in such period in the calculation of your federal income taxes.

You may avoid such action by paying your loan in full when you sell your home, not renting your home, by occupying the property as your principal residence, by complying with all your agreements contained in this Form and by making certain that any person who assumes your loan meets the necessary qualifications established by DCA.

In order for a purchaser to be eligible to assume your DCA loan (1) the purchaser must meet income requirements, (2) the purchaser must not have held an ownership interest in a principal residence during the prior 3 years, unless the property is located within a "Targeted Area" or otherwise exempt from this requirement under federal law, (3) the purchaser must intend the home to be his or her principal residence, and (4) the sales price allowed to be paid to you must meet the purchase price requirements. Regarding the sales price restriction, the Internal Revenue Service requires that all homes are subject to the maximum sales price permitted for an "existing" home at the time of loan assumption even though the home may have been financed as "new" at the time you closed your loan.

Therefore, having read and understood the above, each of the undersigned being duly sworn, deposes and says under oath and seal, I (we) certify that :

A. HOUSEHOLD SIZE

The following people will occupy the subject property:

List all persons that will occupy the subject property after closing.

| <u>Name</u> | Last 4 digits of S.S. # | Date of Birth | |
|---|--|--------------------------|---------------------|
| Adults (18 or older): <u>Applicant:</u> _____ | _____ | ___/___/___ | |
| <u>Co-Applicant:</u> _____ | _____ | ___/___/___ | |
| <u>Non-Applicant</u> _____ | _____ | ___/___/___ | Form SF-15 Required |
| Children: _____ | _____ | ___/___/___ | |
| _____ | _____ | ___/___/___ | |
| _____ | _____ | ___/___/___ | |
| _____ | _____ | ___/___/___ | |

Total Number of Persons in Household: _____

B. CURRENT ANNUAL HOUSEHOLD INCOME

(On each line indicate the current annual income for all loan Applicants.) My (our) annual Household Income is:

| | Applicant | Co-Applicant |
|--|------------------|---------------------|
| Gross full-time salary including overtime and bonuses (including all regular and special pay and allowances of members of the Armed Forces, whether or not living in the dwelling, who are the head of the family or spouse) | \$ _____ | \$ _____ |
| Gross part-time salary | \$ _____ | \$ _____ |
| Dividends and interest; income from royalties, trusts, and investments | \$ _____ | \$ _____ |
| Net business or rental income, or other net income from real or personal property | \$ _____ | \$ _____ |
| Periodic payments from Social Security (including that received on behalf of children) annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other retirement benefits | \$ _____ | \$ _____ |
| All housing allowances and similar allowances which are not reimbursement for job-related expenses | \$ _____ | \$ _____ |
| Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay | \$ _____ | \$ _____ |
| Alimony and child support, and regular contributions or gifts from persons not residing in the household | \$ _____ | \$ _____ |
| Public assistance and welfare payments; relocation payments | \$ _____ | \$ _____ |
| Any other source of income (please specify) _____ | \$ _____ | \$ _____ |
| TOTAL ANNUAL INCOME | \$ _____ | \$ _____ |
| TOTAL ANNUAL INCOME OF ANY NON-APPLICANT HOUSEHOLD MEMBER, if applicable (From Form SF-15 for each employed household member over the age of 18 listed in section A above) | | \$ _____ |
| TOTAL HOUSEHOLD ANNUAL INCOME (addition of annual income of all adults who live in the residence) | | \$ _____ |

C. PREVIOUS PRINCIPAL RESIDENCE: (please initial all that apply)

- 1) During the past 3 years to the best of my (our) knowledge and belief, I (we) have not had an ownership interest in my (our) principal residence, including, but not limited to, interests: (a) under the terms of a trust, or (b) under the terms of any divorce decree or separation agreement, or (c) as a part of a life estate under a will. _____ / _____
Applicant **Co-Applicant**
- 2) This application is for a First Mortgage Loan in a Non-Targeted area. _____

D. During the past three (3) years, I (we) have lived as a tenant at the following addresses for the indicated periods of time:

Applicant:

Co-Applicant:

Address _____
City _____
State _____ Zip _____
Occupied From ____/____ to ____/____
Landlord _____
Address _____
City _____
State _____ Zip _____

Address _____
City _____
State _____ Zip _____
Occupied From ____/____ to ____/____
Landlord _____
Address _____
City _____
State _____ Zip _____

Address _____
City _____
State _____ Zip _____
Occupied From ____/____ to ____/____
Landlord _____
Address _____
City _____
State _____ Zip _____

Address _____
City _____
State _____ Zip _____
Occupied From ____/____ to ____/____
Landlord _____
Address _____
City _____
State _____ Zip _____

Address _____
City _____
State _____ Zip _____
Occupied From ____/____ to ____/____
Landlord _____
Address _____
City _____
State _____ Zip _____

Address _____
City _____
State _____ Zip _____
Occupied From ____/____ to ____/____
Landlord _____
Address _____
City _____
State _____ Zip _____

E. RESIDENCE REQUIREMENTS

The property is located within the State of Georgia. The property I (we) have contracted to purchase is a single family residence. I (we) will occupy the property as my (our) principal residence not later than 60 days after the date of closing of the loan. The property will be my (our) principal residence and not a vacation or second home. No portion of the property will be used as an investment property or in the conduct of a trade or business (including child care services on a regular basis for compensation) or as a recreational home or rental property. The property does not contain any buildings, portion of any buildings or excess land that will be used to produce income. At the time of this application, I (we) do not intend to rent, sell, assign, or transfer the property at any time within the foreseeable future to any other person for the term of the mortgage loan.

- F. I (we) certify that I (we) have read and understood this Application Affidavit and that I (we) have been provided a copy of this Certification along with the Form SF-16 "Acquisition Cost Certification."

G. CERTIFICATIONS

1. The statements and information set forth in this affidavit and the information submitted in conjunction with my (our) application for a loan under DCA's program, including, but not limited to, all federal income tax forms and data, are true and correct and this information does not contain an untrue statement of a material fact or omit the statement of a fact required to be stated or state any misleading facts;
2. I (we) have read and understood the definition of annual income on page 1 and that by definition, I am (we are) the sole wage earner(s) in the household as defined by DCA, unless otherwise disclosed in Section B of this affidavit and supported by a fully executed Form SF-15, "Affidavit of Non-Applicant Household Member," submitted with this affidavit;
3. I (we) fully understand that the above statements and the information set forth in this affidavit are material to the application for a mortgage loan from the Program of the Georgia Housing and Finance Authority and the Georgia Department of Community Affairs, are public information and may be subject to public disclosure and/or verification by DCA, and I (we) declare under penalty of perjury, which is a felony offense in the State of Georgia, that the above statements and information are true, correct and complete;
4. I (we) fully understand that in the event that any of the information set forth in this affidavit is no longer true at the time of the loan closing and has changed such that I (we) no longer qualify for a loan under DCA's program, then I (we) will not be entitled to obtain or close the loan;
5. I (we) fully understand that in the event that I (we) receive a mortgage loan, I (we) hereby acknowledge that any false statement, representation or misstatement made by me (us) create(s) a legal and binding obligation for me (us) to make immediate and full repayment of the mortgage loan, and may result in a fine and/or imprisonment;
6. I (we) fully understand that by financing the applied-for loan through its Program, DCA shall in no event be determined to have made any representations to me (us) with respect to the residence being financed, including, without limitation, the habitability, construction or value of the residence; and
7. I (we) fully understand that I (we) hereby release GHFA and DCA and the originating lender from any claims related in any way to my (our) application for this loan or to their verification or enforcement of the requirements of DCA's Program.

Applicant

Date

Co-Applicant

Date

Sworn to and subscribed before me this ____ day of _____,
20____.

Notary Public

My Commission expires on _____

(Notary Seal Affixed Here)

Georgia Dream Homeownership Program
Affidavit of Non-Applicant Household Member
(Submit with Underwriting Package)

This form is to be completed and sworn to by any adult (including the applicant's spouse) who will not sign the Note but will live in the property. Co-signers not intending to live in the property need not execute this form.

CURRENT ANNUAL HOUSEHOLD INCOME

Indicate the total annual income for any adult (18 years of age or older) who will live in the property, but who is not an applicant:

Name of Non-Applicant: _____

Gross full-time salary including overtime and bonuses (including all regular and special pay and allowances of members of the Armed Forces, whether or not living in the dwelling, who are the head of the family or spouse) \$ _____

Employer Name: _____

Date of Employment: From _____ To: _____

Employer Name: _____

Date of Employment: From _____ To: _____

Gross part-time salary \$ _____

Dividends and interest; income from royalties, trusts, and investments \$ _____

Net business or rental income, or other net income from real or personal property \$ _____

Periodic payments from Social Security (including that received on behalf of children) annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other retirement benefits \$ _____

All housing allowances and similar allowances which are not reimbursement for job-related expenses \$ _____

Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay \$ _____

Alimony and child support, and regular contributions or gifts from persons not residing in the household \$ _____

Public assistance and welfare payments; relocation payments \$ _____

TOTAL ANNUAL INCOME* \$ _____

* Transfer this amount to Form SF-12, "Application Affidavit," page 3.

I have reviewed all of the statements made in this Affidavit. Nothing has come to my attention that would lead me to believe that any of the statements made in this Affidavit are inaccurate or incomplete.

The undersigned being duly sworn, deposes and says under oath and seal:

By affixing my signature below, I certify that I have read and understood the definition of annual income above and have disclosed all my income.

I fully understand that the above statements and the information set forth in this Affidavit are material to the application for a mortgage loan from the Georgia Housing and Finance Authority ("GHFA") and the Georgia Department of Community Affairs ("DCA"), are public information and may be subject to public disclosure and/or verification by DCA, and I declare under penalty of perjury, which is a felony offense in the State of Georgia, that the above statements and information are true, correct and complete.

Additionally, I fully understand that:

1. In the event that the information set forth in this Affidavit is no longer true at the time of the loan closing and has changed such that the Applicant no longer qualifies for a loan under the Georgia Dream Homeownership Program, then the Applicant will not be entitled to obtain or close the loan; and
2. I hereby release GHFA, DCA and the originating lender from any claims related in any way to their verification or enforcement of the Georgia Dream Homeownership Program requirements.
3. I am a full time student : _____Yes _____No

Signature of Non-Applicant

Date

Sworn to and subscribed before me this _____
Day of _____, 20____.

Notary Public

My commission expires _____

(Notary Seal Affixed Here)

NOTE: A "fixture" is property that is affixed to real estate, which the Borrower(s) intend(s) (i): to keep so affixed during its useful life, and (ii) to be part of the real estate. Refrigerators, free-standing stoves, washer and dryers, unless actually built into the residence, are considered to be personal property and not fixtures.

NOTE: The acquisition cost of a Single Family Dwelling does not include:

- (1) Usual and reasonable settlement and financing costs; "Settlement Costs" include titling and transfer costs, title insurance, survey fees and other similar costs; and "Financing Costs" include credit reference fees, legal fees, appraisal expenses, points which are paid by the Borrower, or other costs of financing the residence. Such amounts must not exceed the usual and reasonable costs which otherwise would be paid for in a similar loan,
- (2) The imputed value of services performed by the Borrower or members of his family (which include only the Borrower's parents, brother(s) and/or sister(s) [whether by whole or half blood], spouse, ancestors and lineal descendant(s) in constructing or completing the residence, or
- (3) The cost of land which has been owned by the Borrower for at least 2 years before the date on which the construction of the structure comprising the Single Family Residence begins.

B. To the best of our knowledge, all of the land sold with this residence reasonably maintains the basic livability of the residence.

I fully understand the information set forth above is material to the Georgia Department of Community Affairs and declare under penalty of perjury, which is a felony offense in the State of Georgia that the above information is true and correct.

Subject Property Address: _____

Borrower's Signature

Date

Co-Borrower's Signature

Date

Property Seller's Signature

Date

Printed Name: _____

Property Seller's Signature

Date

Printed Name: _____

Title if not owned by individual: _____

I further certify that the real estate on which the home is located will not provide a source of income to the borrower.

Borrower's Signature

Date

Co Borrower's Signature

Date

Georgia Housing and Finance Authority
Georgia Dream Homeownership Program
Loan Funding Profile
(Submit with the Purchase Package)

**Reservation
Number(s)**

_____ (Georgia Dream First Mortgage)

_____ (Georgia Dream Second Mortgage)

First Mortgage Program: FHA VA USDA/RD Conventional

2nd Mtg. Program: Standard PEN CHOICE SFD Habitat HCV Communities of Opportunity

Lender _____

Contact _____ Phone #: (____) _____

Email: _____ Fax #: (____) _____

Applicant's Name and Address

Last _____ First _____ Middle _____

Number & Street _____

City _____ County _____ Zip Code _____

Is the Property Located in a Targeted Area? Yes No

Loan Information

First Mortgage Loan:

Second Mortgage Loan:

Closing Date (M/D/Yr.) _____ Date of Note _____

Date to which Interest Paid _____ Loan Amount \$ _____

First Payment Due Date _____

Term in Months _____

Maturity Date _____

Original Loan Amount \$ _____

Mortgage Interest Rate _____

Monthly Payment of P&I \$ _____

Buydown Yes No

Servicer: STATE HOME MORTGAGE

Seller certifies that the information contained herein is true and correct, based on normal and prudent business inquiry and that the Loan(s) issued to the Mortgagor identified herein is an (are) eligible Loan(s) in accordance with the terms of the Loan Seller Agreement and Seller Guide.

Legal Name of Seller (Lender) _____

By _____

Date _____

Name _____

Title _____

Georgia Dream Homeownership Program
State Home Mortgage
Servicing Loan Profile
(Submit with the Servicing Package)

Reservation Number(s) _____
(Georgia Dream First Mortgage) (Georgia Dream Second Mortgage)

Lender _____

Contact Name _____

Phone #: _____

Fax #: _____

Email Address: _____

Borrower's Name and Address

Last _____ First _____ Middle _____

Number & Street _____

City _____ County _____ Zip Code _____

Loan Information

Second Mortgage Loan (if applicable):

Date of Note _____

Loan Amount \$ _____

Georgia Housing and Finance Authority
Tax-Exempt Financing Rider
For Georgia Dream First Mortgage Loan Program (FHA Insured Loans Only)
(Execute at Closing and Record with GHFA First Mortgage)

THIS TAX-EXEMPT FINANCING RIDER is made this _____ day of _____, 20____, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed ("Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Note ("Note") to the _____ ("Lender") of the same date and covering the property described in the Security Instrument and located at: _____

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree to amend Paragraph 9 of the Security Instrument, entitled "Grounds for Acceleration of Debt," by adding additional grounds for acceleration as follows:

Lender, or such of its successors or assigns as may by separate instrument assume responsibility for assuring compliance by the Borrower with the provisions of this Tax-Exempt Financing Rider, may require immediate payment in full of all sums secured by this Security Instrument if:

- (a) All or part of the Property is sold or otherwise transferred by Borrower to a purchaser or other transferee:
- (i) Who cannot reasonably be expected to occupy the property as a principal residence within a reasonable time after the sale or transfer, all as provided in Section 143(c) and (i)(2) of the Internal Revenue Code; or
 - (ii) Who has had a present ownership interest in a principal residence during any part of the three-year period ending on the date of the sale or transfer, all as provided in Section 143(d) and (i)(2) of the Internal Revenue Code (except that "100 percent" shall be substituted for "95 percent or more" where the latter appears in Section 143(d)(1)) except that this requirement shall not apply to a purchaser or transferee of a residence in a targeted area; or
 - (iii) At an acquisition cost which is greater than 90 percent of the average area purchase price (greater than 110 percent for targeted area residences), all as provided in Section 143(e) and (i)(2) of the Internal Revenue Code; or
 - (iv) Who has a gross family income in excess of the applicable median family income as provided in section 143(f) and (i)(2) of the Internal Revenue Code; or
- (b) Borrower fails to occupy the property described in the Security Instrument without prior written consent of Lender or its successors or assigns described at the beginning of this Tax-Exempt Financing Rider, or
- (c) Borrower omits or misrepresents a fact that is material with respect to the provisions of Section 143 of the Internal Revenue Code in an application for the loan secured by this Security Instrument.

References are to the Internal Revenue Code as amended and in effect on the date of issuance of bonds, the proceeds of which will be used to finance the purchase of the Security Instrument and are deemed to include the implementing regulations.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Tax-Exempt Financing Rider.

Unofficial Witness

Borrower (SEAL)

Sworn to and subscribed before me this _____ Day of _____, 20____.

Co-Borrower (SEAL)

Notary Public

My Commission Expires _____
(Notary Public Seal Affixed Here)

FHA version of October 1995

Georgia Housing and Finance Authority
Addendum to Note
For Georgia Dream First Mortgage Loan Program
(VA and USDA/RD, and Conventional Loans)
(Execute at Closing)

The obligations of the Borrower under the Note to which this is attached is expressly made subject to this Addendum. In the event of any conflict between the provisions of the Addendum and the provisions of the Note, the provisions of this Addendum shall control.

1. The Borrower agrees that the Lender or its assignee may at any time and without prior notice accelerate all payments due under the Note and exercise any other remedy allowed by law, including foreclosure, for breach of the Note, and it is hereby agreed to be a breach of the Note in addition to any other provisions of the Note, if:
 - a. The Borrower rents the property without the prior written approval of the Georgia Department of Community Affairs ("DCA") on behalf of the Georgia Housing and Finance Authority ("GHFA"), 60 Executive Park South, N.E., Atlanta, Georgia 30329; rents the property for a time period longer than the time period approved by DCA; or fails to occupy the mortgaged property for a period of more than twelve (12) months; or
 - b. The Borrower fails to abide by the agreements contained in the Application Affidavit, or if the Lender or DCA finds any statement contained in the Affidavit to be untrue when made; or
 - c. The Borrower sells, assigns or transfers the property or an interest therein (including, without limitation, land contracts, wrap around financing and assumptions) without the Lender's and DCA's prior written consent. Lender and DCA shall not consent to any transaction in which the Note, and the Deed to Secure Debt and this Addendum are to be assumed by Buyer(s) who does not meet the eligibility requirements of DCA then in effect under its Georgia Dream First Mortgage Program, including, but not limited to, any applicable income limitations or requirements that the Assumptor not have owned an interest in a principal residence during the prior three (3) years, unless the property is located in a "Targeted Area," as defined by the Internal Revenue Code; where the property sold, assigned, or transferred does not meet the then applicable sales or purchase price limitations of the Georgia Dream First Mortgage Program; or where the property is not intended to be occupied by the assumptor as his or her principal residence.
2. The Borrower understands that this loan has been made from funds obtained for public purposes and that the agreements and statements of fact contained in the Application Affidavit and the conditions set forth in paragraph 1 above are necessary conditions for the granting of this loan.
3. The Borrower agrees that, for Loans guaranteed by VA, the Lender or its assignee may impose a late charge in the amount of four percent (4%) each monthly payment of principal and interest which is more than fifteen (15) days delinquent, and for conventional and USDA/RD guaranteed Loans, the Lender or its assignee may impose a late charge in the amount of five percent (5%) of each monthly payment of principal and interest which is more than fifteen (15) days delinquent.
4. The Borrower agrees that no future advances will be made under the Note without the consent of DCA.

NOTICE TO BORROWER

This document substantially modifies the terms of the Note. Do not sign it unless you read and understand it.

I hereby consent to the modification of the terms of the Note which are contained in this Addendum.

Dated this _____ day of _____, 20____.

Borrower (SEAL)

Co-Borrower (SEAL)

Georgia Housing and Finance Authority
Transfer and Assignment
(Execute and Record)

STATE OF GEORGIA
COUNTY OF _____

FOR VALUE RECEIVED, the Undersigned has this day transferred, assigned, sold, conveyed and set over to the Georgia Housing and Finance Authority, 60 Executive Park South, N.E., Atlanta, Georgia 30329, its successors, representatives and assigns, all of its right(s), title and interest(s) in and to a certain Deed to Secure Debt executed (signed, sealed and delivered) by (Borrower) _____ in favor of (Lender) _____

in the principal sum of \$ _____ dated _____ and recorded in Deed Book _____ commencing at Page _____ in the Office of the Clerk of the Superior Court of _____ County, Georgia.

The Undersigned herein specifically transfers, assigns, sells, conveys and sets over to the Georgia Housing and Finance Authority, its successors, representatives and assigns, the aforesaid Deed to Secure Debt, together with all the powers, options, privileges and immunities contained therein, the property described therein and the indebtedness secured thereby.

The Undersigned this day also has transferred, assigned and sold to the Georgia Housing and Finance Authority, its successors, representatives and assigns, the Promissory Note secured by the aforesaid Deed to Secure Debt and this transfer and assignment of such Deed to Secure Debt is made to secure Georgia Housing and Finance Authority, its successors, representatives and assigns, in the payment of said Promissory Note.

IN WITNESS THEREOF, the Undersigned, pursuant to proper corporate authority, has caused these presents to be duly and properly executed (signed, sealed and delivered) on its behalf, its corporate name to be subscribed hereto and its Corporate Seal to be affixed hereto, by its duly authorized and empowered hereinafter named corporate officers, this _____ day of _____, 20____.

(CORPORATE SEAL)

Signed, sealed and delivered in the presence of _____

(Type or print the legal name of the Lender on the above line)

Witness

By: _____

Name: _____

Title: _____

Officer

Notary Public

Attest: _____

My Commission Expires _____

Name: _____

Title: _____

Officer

(Notary Public Seal Affixed Here)

**Georgia Housing and Finance Authority
Notice To Purchaser Of Potential
Recapture Tax On Sale Of Home**

Form of Notice to be Delivered to Each Purchaser on the Closing Date
Regarding Potential Recapture Tax on Sale of Home

To: Purchaser

The Georgia Dream First Mortgage and/or Georgia Dream Second Mortgage loan(s) being made to you today (the "Mortgage Loan") have been financed with the proceeds of certain tax-exempt bonds issued by the Georgia Housing and Finance Authority (the "Issuer") pursuant to certain state laws and federal income tax laws.

Because you are receiving mortgage loan(s) from the proceeds of a tax-exempt bond, you are receiving the benefit of a lower interest rate than is customarily charged on other mortgage loans. If you sell or otherwise dispose of your home during the next 9 years, this benefit may be "recaptured." The recapture is accomplished by an increase in your federal income tax for the year in which you sell or otherwise dispose of your home. The recapture only applies, however, if you sell or dispose of your home at a gain and if your income increases above specified levels. The recapture tax will not apply in certain circumstances, which are explained in the following pages.

You may wish to consult a tax advisor or the local office of the Internal Revenue Service at the time you sell or otherwise dispose of your home to determine the amount, if any, of the recapture tax. In the pages that follow, you will be given additional information that will be needed to calculate the recapture tax. The additional information begins on the next page and is entitled "Notice Under Code Section 143(m) (7) (B)."

This Notice is being given to you on behalf of the Issuer in compliance with section 143(m)(7)(A) and section 143(m)(7)(B) of the Internal Revenue Code.

Please sign below to acknowledge your receipt of all 8 pages of this Notice and that you are aware of the potential recapture tax discussed in this Notice.

Date

Purchaser's Signature

Purchaser's Signature

**This Notice must be executed in duplicate.
One copy for Purchasers and original for Lender to send to DCA.**

Notice Under Code Section 143(m)(7)(B)

Form of Notice to be Delivered to Each Purchaser on the Closing Date
of Maximum Recapture Tax of Method to Compute Recapture Tax on Sale of Home

- A. General Information.** When you sell your home, you may have to pay a recapture tax as calculated below. The recapture tax may also apply if you dispose of your home in some other way. Any reference in this notice to the “sale” of your home also includes other ways of disposing of your home. For instance, you may owe the recapture tax if you give your home to a relative.
- B. Exceptions.** In the following situations, no recapture tax is due and you do not need to do the calculations:
1. You dispose of your home later than 9 years after you close your GHFA mortgage loan(s);
 2. Your home is disposed of as a result of your death;
 3. You transfer your home either to your spouse or to your former spouse incident to divorce and you have no gain or loss included in your income under Section 1041 of the Internal Revenue Code; or
 4. You dispose of your home at a loss.
- C. Information You Will Need in Order to Complete Your Tax Forms.** In order to complete your income tax forms in the year you sell your home, you will need the following information:

Address of property:

Street Address

City, County, State, Zip

Type of Federal subsidy:

Mortgage loan (s) from the proceeds of a tax-exempt bond.

Name of bond issuer:

Georgia Housing and Finance Authority

Lending Institution:

Name of Lending Institution

Street Address

City, State, Zip

Loan Closing Date:

Federally Subsidized Amount:

Original First Mortgage Loan Amount X .0625 = _____

Original Second Mortgage Loan Amount X .0625 = _____

- D. Targeted Census Tract or other Targeted Area:** Is the subject property located in, Barrow, Baldwin, Ben Hill, Bibb, Carroll, Chatham, Clarke, Clayton, Cobb, DeKalb, Dooly, Dougherty, Early, Echols, Emanuel, Floyd, Fulton, Glynn, Hall, Hancock, Houston,, Laurens, Liberty, Lowndes, Miller, Muscogee, Polk, Putnam, Randolph, Richmond, Screvens, Stephens, , Spalding, Taliaferro, Terrell, Thomas, Tift, Troup, Twiggs, Upson, Walker, Ware, Whitfield or Wilcox counties?

_____ **Yes** (please check box 1 or 2 below) _____ **No** (proceed to section E),

1. Property **is** located in a targeted census tract or other targeted area listed in Appendix III, page 2-9, of the Seller Guide.
2. Property **is not** located in a targeted census tract or other targeted area listed in Appendix III, page 2-9, of the Seller Guide.

E. Maximum Recapture Tax. The maximum recapture tax that you may be required to pay as an addition to your federal income tax is stated on page 2 of this notice as “Federally Subsidized Amount.” This amount is 6.25% of the original mortgage loan amount and is your Federally Subsidized Amount with respect to the loan.

F. Actual Recapture Tax. The actual recapture tax, if any, can only be determined when you sell your home. It is the lesser of:

1. 50 percent of your gain on the sale of your home, regardless of whether you have to include the gain in your income for federal income tax purposes, or
2. your Recapture Amount determined by multiplying the following three numbers:
 - a. Your Federally Subsidized Amount (see page 2 of this Notice) *times*
 - b. The Holding Period Percentage, as shown in paragraph F below *times*
 - c. The Income Percentage, as described in paragraph G below.

G. Holding Period Percentage. You can find your Holding Period Percentage in this chart:

| <u>Date That You Sell Your Home</u> | <u>Holding Period Percentage</u> |
|--|----------------------------------|
| Before the first anniversary of closing (“closing” means the closing date for your loan) (1st year) | 20% |
| On or after the first anniversary of closing, but before the second anniversary of closing (2nd year) | 40% |
| On or after the second anniversary of closing, but before the third anniversary of closing (3rd year) | 60% |
| On or after the third anniversary of closing, but before the fourth anniversary of closing (4th year) | 80% |
| On or after the fourth anniversary of closing, but before the fifth anniversary of closing (5th year) | 100% |
| On or after the fifth anniversary of closing, but before the sixth anniversary of closing (6th year) | 80% |
| On or after the sixth anniversary of closing, but before the seventh anniversary of closing (7th year) | 60% |
| On or after the seventh anniversary of closing, but before the eighth anniversary of closing (8th year) | 40% |
| On or after the eighth anniversary of closing, but before the ninth anniversary of closing (9th year) | 20% |

H. Income Percentage. You calculate the Income Percentage as follows:

1. Subtract the applicable Adjusted Qualifying Income in the taxable year in which you sell your home (as listed on Table I) from your Modified Adjusted Gross Income in the taxable year in which you sell your home. To find your Adjusted Qualifying Income, first find the county in which your home is located. If Table I shows “targeted” and “non-targeted” for your county, check page 2 of this Notice to see in which area your home is located. Then read across Table I to find the appropriate year (which should be the same year as used to select your Holding Period Percentage) and select the number from the column for your household size. Household size means the number of family members living in your home at the time of sale.

Your Modified Adjusted Gross Income means your Adjusted Gross Income shown on your federal income tax return for the taxable year in which you sell your home, with the following two adjustments: (a) your Adjusted Gross Income must be increased by the amount of any interest that you receive or accrue in the taxable year from tax-exempt bonds that is excluded from your gross income (under section 103 of the Internal Revenue Code); and (b) your Adjusted Gross Income must be decreased by the amount of any gain included in your gross income by reason of the sale of your home.

2. If the amount calculated in (1) above is zero or less, you owe no recapture tax and do not need to make any more calculations. If the amount calculated is \$5,000 or more, your Income Percentage is 100 percent. If the amount calculated is greater than zero, but less than \$5,000, it must be divided by \$5,000. This fraction, expressed as a percentage, represents your Income Percentage. For example, if the fraction is \$1,000/\$5,000, your Income Percentage is 20 percent.

I. Limitations and Special Rules on Recapture Tax

1. If you give away your home (other than to your spouse or ex-spouse incident to divorce), you must determine your actual recapture tax as if you had sold your home for its fair market value.
2. If your home is destroyed by fire, storm, flood, or other casualty, there generally is no recapture tax if, within two years, you purchase additional property for use as your principal residence on the site of the home financed with your original subsidized mortgage loan.
3. In general, except as provided in future regulations, if two or more persons own a home and are jointly liable for the subsidized mortgage loan, the actual recapture tax is determined separately for them based on their interests in the home.
4. If you repay your loan in full during the 9 year recapture period and you sell your home during this period, your Holding Period Percentage may be reduced under the special rule in Section 143(m)(4)(C)(ii) of the Internal Revenue Code.
5. Other special rules may apply in particular circumstances. You may wish to consult with a tax advisor or the local office of the Internal Revenue Service when you sell or otherwise dispose of your home to determine the amount, if any, of your actual recapture tax. See Section 143(m) of the Internal Revenue Code generally.

Table I Adjusted Qualifying Income

| Household Size | 1st Year | | 2nd Year | | 3rd Year | | 4th Year | | 5th Year | | 6th Year | | 7th Year | | 8th Year | | 9th Year | | |
|----------------|--------------|-----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 1 to 2 | 3 or more | 1 to 2 | 3 or more | 1 to 2 | 3 or more | 1 to 2 | 3 or more | 1 to 2 | 3 or more | 1 to 2 | 3 or more | 1 to 2 | 3 or more | 1 to 2 | 3 or more | 1 to 2 | 3 or more | |
| Appling | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Atkinson | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Bacon | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Baker | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Baldwin | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| | non-targeted | \$59,800 | \$68,770 | \$62,790 | \$72,208 | \$65,929 | \$75,819 | \$69,226 | \$79,610 | \$72,687 | \$83,590 | \$76,322 | \$87,770 | \$80,138 | \$92,158 | \$84,145 | \$96,766 | \$88,352 | \$101,605 |
| Banks | | \$59,700 | \$68,655 | \$62,685 | \$72,088 | \$65,819 | \$75,692 | \$69,110 | \$79,477 | \$72,566 | \$83,451 | \$76,194 | \$87,623 | \$80,004 | \$92,004 | \$84,004 | \$96,604 | \$88,204 | \$101,435 |
| Barrow | targeted | \$81,840 | \$95,480 | \$85,932 | \$100,254 | \$90,229 | \$105,267 | \$94,740 | \$110,530 | \$99,477 | \$116,057 | \$104,451 | \$121,859 | \$109,673 | \$127,952 | \$115,157 | \$134,350 | \$120,915 | \$141,067 |
| | non-targeted | \$75,041 | \$86,297 | \$78,793 | \$90,612 | \$82,732 | \$95,142 | \$86,869 | \$99,899 | \$91,213 | \$104,894 | \$95,773 | \$110,139 | \$100,562 | \$115,646 | \$105,590 | \$121,428 | \$110,869 | \$127,500 |
| Bartow | | \$75,041 | \$86,297 | \$78,793 | \$90,612 | \$82,732 | \$95,142 | \$86,869 | \$99,899 | \$91,213 | \$104,894 | \$95,773 | \$110,139 | \$100,562 | \$115,646 | \$105,590 | \$121,428 | \$110,869 | \$127,500 |
| Ben Hill | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Berrien | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Bibb | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| | non-targeted | \$59,700 | \$68,655 | \$62,685 | \$72,088 | \$65,819 | \$75,692 | \$69,110 | \$79,477 | \$72,566 | \$83,451 | \$76,194 | \$87,623 | \$80,004 | \$92,004 | \$84,004 | \$96,604 | \$88,204 | \$101,435 |
| Bleckley | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Brantley | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Brooks | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Bryan | | \$61,300 | \$70,495 | \$64,365 | \$74,020 | \$67,583 | \$77,721 | \$70,962 | \$81,607 | \$74,511 | \$85,687 | \$78,236 | \$89,971 | \$82,148 | \$94,470 | \$86,255 | \$99,194 | \$90,568 | \$104,153 |
| Bulloch | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Burke | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Butts | | \$75,741 | \$87,102 | \$79,528 | \$91,457 | \$83,504 | \$96,030 | \$87,679 | \$100,831 | \$92,063 | \$105,873 | \$96,667 | \$111,167 | \$101,500 | \$116,725 | \$106,575 | \$122,561 | \$111,904 | \$128,689 |
| Calhoun | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Camden | | \$65,400 | \$75,210 | \$68,670 | \$78,971 | \$72,104 | \$82,919 | \$75,709 | \$87,065 | \$79,494 | \$91,418 | \$83,469 | \$95,989 | \$87,642 | \$100,789 | \$92,024 | \$105,828 | \$96,626 | \$111,119 |
| Candler | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| | non-targeted | \$59,700 | \$68,655 | \$62,685 | \$72,088 | \$65,819 | \$75,692 | \$69,110 | \$79,477 | \$72,566 | \$83,451 | \$76,194 | \$87,623 | \$80,004 | \$92,004 | \$84,004 | \$96,604 | \$88,204 | \$101,435 |
| Carroll | targeted | \$81,840 | \$95,480 | \$85,932 | \$100,254 | \$90,229 | \$105,267 | \$94,740 | \$110,530 | \$99,477 | \$116,057 | \$104,451 | \$121,859 | \$109,673 | \$127,952 | \$115,157 | \$134,350 | \$120,915 | \$141,067 |
| | non-targeted | \$75,041 | \$86,297 | \$78,793 | \$90,612 | \$82,732 | \$95,142 | \$86,869 | \$99,899 | \$91,213 | \$104,894 | \$95,773 | \$110,139 | \$100,562 | \$115,646 | \$105,590 | \$121,428 | \$110,869 | \$127,500 |
| Catoosa | | \$59,700 | \$68,655 | \$62,685 | \$72,088 | \$65,819 | \$75,692 | \$69,110 | \$79,477 | \$72,566 | \$83,451 | \$76,194 | \$87,623 | \$80,004 | \$92,004 | \$84,004 | \$96,604 | \$88,204 | \$101,435 |
| Charlton | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Chatham | targeted | \$73,560 | \$85,820 | \$77,238 | \$90,111 | \$81,100 | \$94,617 | \$85,155 | \$99,347 | \$89,413 | \$104,315 | \$93,883 | \$109,530 | \$98,577 | \$115,007 | \$103,506 | \$120,757 | \$108,682 | \$126,795 |
| | non-targeted | \$61,300 | \$70,495 | \$64,365 | \$74,020 | \$67,583 | \$77,721 | \$70,962 | \$81,607 | \$74,511 | \$85,687 | \$78,236 | \$89,971 | \$82,148 | \$94,470 | \$86,255 | \$99,194 | \$90,568 | \$104,153 |
| Chattahoochee | | \$64,192 | \$73,821 | \$67,401 | \$77,512 | \$70,771 | \$81,387 | \$74,310 | \$85,456 | \$78,025 | \$89,729 | \$81,927 | \$94,216 | \$86,023 | \$98,927 | \$90,324 | \$103,873 | \$94,840 | \$109,067 |
| Chattoog | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Cherokee | | \$75,041 | \$86,297 | \$78,793 | \$90,612 | \$82,732 | \$95,142 | \$86,869 | \$99,899 | \$91,213 | \$104,894 | \$95,773 | \$110,139 | \$100,562 | \$115,646 | \$105,590 | \$121,428 | \$110,869 | \$127,500 |
| Clarke | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| | non-targeted | \$67,920 | \$79,240 | \$71,316 | \$83,202 | \$74,882 | \$87,362 | \$78,626 | \$91,730 | \$82,557 | \$96,317 | \$86,685 | \$101,133 | \$91,019 | \$106,189 | \$95,570 | \$111,499 | \$100,349 | \$117,074 |
| Clay | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Clayton | targeted | \$81,840 | \$95,480 | \$85,932 | \$100,254 | \$90,229 | \$105,267 | \$94,740 | \$110,530 | \$99,477 | \$116,057 | \$104,451 | \$121,859 | \$109,673 | \$127,952 | \$115,157 | \$134,350 | \$120,915 | \$141,067 |
| | non-targeted | \$75,041 | \$86,297 | \$78,793 | \$90,612 | \$82,732 | \$95,142 | \$86,869 | \$99,899 | \$91,213 | \$104,894 | \$95,773 | \$110,139 | \$100,562 | \$115,646 | \$105,590 | \$121,428 | \$110,869 | \$127,500 |
| Clinch | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Cobb | targeted | \$81,840 | \$95,480 | \$85,932 | \$100,254 | \$90,229 | \$105,267 | \$94,740 | \$110,530 | \$99,477 | \$116,057 | \$104,451 | \$121,859 | \$109,673 | \$127,952 | \$115,157 | \$134,350 | \$120,915 | \$141,067 |
| | non-targeted | \$75,041 | \$86,297 | \$78,793 | \$90,612 | \$82,732 | \$95,142 | \$86,869 | \$99,899 | \$91,213 | \$104,894 | \$95,773 | \$110,139 | \$100,562 | \$115,646 | \$105,590 | \$121,428 | \$110,869 | \$127,500 |
| Coffee | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Colquitt | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Columbia | | \$59,700 | \$68,655 | \$62,685 | \$72,088 | \$65,819 | \$75,692 | \$69,110 | \$79,477 | \$72,566 | \$83,451 | \$76,194 | \$87,623 | \$80,004 | \$92,004 | \$84,004 | \$96,604 | \$88,204 | \$101,435 |
| Cook | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Coweta | targeted | \$81,840 | \$95,480 | \$85,932 | \$100,254 | \$90,229 | \$105,267 | \$94,740 | \$110,530 | \$99,477 | \$116,057 | \$104,451 | \$121,859 | \$109,673 | \$127,952 | \$115,157 | \$134,350 | \$120,915 | \$141,067 |
| Crawford | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |

Table I Adjusted Qualifying Income

| Household Size | | 1st Year | | 2nd Year | | 3rd Year | | 4th Year | | 5th Year | | 6th Year | | 7th Year | | 8th Year | | 9th Year | |
|----------------|--------------|----------|-----------|----------|-----------|----------|-----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | 1 to 2 | 3 or more | 1 to 2 | 3 or more | 1 to 2 | 3 or more | 1 to 2 | 3 or more | 1 to 2 | 3 or more | 1 to 2 | 3 or more |
| Crisp | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Dade | | \$59,700 | \$68,655 | \$62,685 | \$72,088 | \$65,819 | \$75,692 | \$69,110 | \$79,477 | \$72,566 | \$83,451 | \$76,194 | \$87,623 | \$80,004 | \$92,004 | \$84,004 | \$96,604 | \$88,204 | \$101,435 |
| Dawson | | \$75,041 | \$86,297 | \$78,793 | \$90,612 | \$82,732 | \$95,142 | \$86,869 | \$99,899 | \$91,213 | \$104,894 | \$95,773 | \$110,139 | \$100,562 | \$115,646 | \$105,590 | \$121,428 | \$110,869 | \$127,500 |
| Decatur | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| DeKalb | targeted | \$81,840 | \$95,480 | \$85,932 | \$100,254 | \$90,229 | \$105,267 | \$94,740 | \$110,530 | \$99,477 | \$116,057 | \$104,451 | \$121,859 | \$109,673 | \$127,952 | \$115,157 | \$134,350 | \$120,915 | \$141,067 |
| | non-targeted | \$75,041 | \$86,297 | \$78,793 | \$90,612 | \$82,732 | \$95,142 | \$86,869 | \$99,899 | \$91,213 | \$104,894 | \$95,773 | \$110,139 | \$100,562 | \$115,646 | \$105,590 | \$121,428 | \$110,869 | \$127,500 |
| Dodge | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Dooly | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Doughert | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Douglas | | \$75,041 | \$86,297 | \$78,793 | \$90,612 | \$82,732 | \$95,142 | \$86,869 | \$99,899 | \$91,213 | \$104,894 | \$95,773 | \$110,139 | \$100,562 | \$115,646 | \$105,590 | \$121,428 | \$110,869 | \$127,500 |
| Early | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Echols | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Effingham | | \$61,300 | \$70,495 | \$64,365 | \$74,020 | \$67,583 | \$77,721 | \$70,962 | \$81,607 | \$74,511 | \$85,687 | \$78,236 | \$89,971 | \$82,148 | \$94,470 | \$86,255 | \$99,194 | \$90,568 | \$104,153 |
| Elbert | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Emanuel | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Evans | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Fannin | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Fayette | | \$75,041 | \$86,297 | \$78,793 | \$90,612 | \$82,732 | \$95,142 | \$86,869 | \$99,899 | \$91,213 | \$104,894 | \$95,773 | \$110,139 | \$100,562 | \$115,646 | \$105,590 | \$121,428 | \$110,869 | \$127,500 |
| Floyd | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| | non-targeted | \$59,760 | \$69,207 | \$62,748 | \$72,667 | \$65,885 | \$76,301 | \$69,180 | \$80,116 | \$72,639 | \$84,122 | \$76,271 | \$88,328 | \$80,084 | \$92,744 | \$84,088 | \$97,381 | \$88,293 | \$102,250 |
| Forsyth | | \$75,041 | \$86,297 | \$78,793 | \$90,612 | \$82,732 | \$95,142 | \$86,869 | \$99,899 | \$91,213 | \$104,894 | \$95,773 | \$110,139 | \$100,562 | \$115,646 | \$105,590 | \$121,428 | \$110,869 | \$127,500 |
| Franklin | | \$59,700 | \$68,655 | \$62,685 | \$72,088 | \$65,819 | \$75,692 | \$69,110 | \$79,477 | \$72,566 | \$83,451 | \$76,194 | \$87,623 | \$80,004 | \$92,004 | \$84,004 | \$96,604 | \$88,204 | \$101,435 |
| Fulton | targeted | \$81,840 | \$95,480 | \$85,932 | \$100,254 | \$90,229 | \$105,267 | \$94,740 | \$110,530 | \$99,477 | \$116,057 | \$104,451 | \$121,859 | \$109,673 | \$127,952 | \$115,157 | \$134,350 | \$120,915 | \$141,067 |
| | non-targeted | \$75,041 | \$86,297 | \$78,793 | \$90,612 | \$82,732 | \$95,142 | \$86,869 | \$99,899 | \$91,213 | \$104,894 | \$95,773 | \$110,139 | \$100,562 | \$115,646 | \$105,590 | \$121,428 | \$110,869 | \$127,500 |
| Gilmer | | \$59,700 | \$68,655 | \$62,685 | \$72,088 | \$65,819 | \$75,692 | \$69,110 | \$79,477 | \$72,566 | \$83,451 | \$76,194 | \$87,623 | \$80,004 | \$92,004 | \$84,004 | \$96,604 | \$88,204 | \$101,435 |
| Glascocock | | \$59,880 | \$68,862 | \$62,874 | \$72,305 | \$66,018 | \$75,920 | \$69,319 | \$79,716 | \$72,784 | \$83,702 | \$76,424 | \$87,887 | \$80,245 | \$92,282 | \$84,257 | \$96,896 | \$88,470 | \$101,741 |
| Glynn | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| | non-targeted | \$59,700 | \$68,655 | \$62,685 | \$72,088 | \$65,819 | \$75,692 | \$69,110 | \$79,477 | \$72,566 | \$83,451 | \$76,194 | \$87,623 | \$80,004 | \$92,004 | \$84,004 | \$96,604 | \$88,204 | \$101,435 |
| Gordon | | \$59,880 | \$68,862 | \$62,874 | \$72,305 | \$66,018 | \$75,920 | \$69,319 | \$79,716 | \$72,784 | \$83,702 | \$76,424 | \$87,887 | \$80,245 | \$92,282 | \$84,257 | \$96,896 | \$88,470 | \$101,741 |
| Grady | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Greene | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Gwinnett | targeted | \$81,840 | \$95,480 | \$85,932 | \$100,254 | \$90,229 | \$105,267 | \$94,740 | \$110,530 | \$99,477 | \$116,057 | \$104,451 | \$121,859 | \$109,673 | \$127,952 | \$115,157 | \$134,350 | \$120,915 | \$141,067 |
| | non-targeted | \$75,041 | \$86,297 | \$78,793 | \$90,612 | \$82,732 | \$95,142 | \$86,869 | \$99,899 | \$91,213 | \$104,894 | \$95,773 | \$110,139 | \$100,562 | \$115,646 | \$105,590 | \$121,428 | \$110,869 | \$127,500 |
| Habersham | | \$59,700 | \$68,655 | \$62,685 | \$72,088 | \$65,819 | \$75,692 | \$69,110 | \$79,477 | \$72,566 | \$83,451 | \$76,194 | \$87,623 | \$80,004 | \$92,004 | \$84,004 | \$96,604 | \$88,204 | \$101,435 |
| Hall | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| | non-targeted | \$59,700 | \$68,655 | \$62,685 | \$72,088 | \$65,819 | \$75,692 | \$69,110 | \$79,477 | \$72,566 | \$83,451 | \$76,194 | \$87,623 | \$80,004 | \$92,004 | \$84,004 | \$96,604 | \$88,204 | \$101,435 |
| Hancock | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Haralson | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Harris | | \$64,192 | \$73,821 | \$67,401 | \$77,512 | \$70,771 | \$81,387 | \$74,310 | \$85,456 | \$78,025 | \$89,729 | \$81,927 | \$94,216 | \$86,023 | \$98,927 | \$90,324 | \$103,873 | \$94,840 | \$109,067 |
| Hart | | \$59,700 | \$68,655 | \$62,685 | \$72,088 | \$65,819 | \$75,692 | \$69,110 | \$79,477 | \$72,566 | \$83,451 | \$76,194 | \$87,623 | \$80,004 | \$92,004 | \$84,004 | \$96,604 | \$88,204 | \$101,435 |
| Heard | targeted | \$81,840 | \$95,480 | \$85,932 | \$100,254 | \$90,229 | \$105,267 | \$94,740 | \$110,530 | \$99,477 | \$116,057 | \$104,451 | \$121,859 | \$109,673 | \$127,952 | \$115,157 | \$134,350 | \$120,915 | \$141,067 |
| Henry | | \$75,041 | \$86,297 | \$78,793 | \$90,612 | \$82,732 | \$95,142 | \$86,869 | \$99,899 | \$91,213 | \$104,894 | \$95,773 | \$110,139 | \$100,562 | \$115,646 | \$105,590 | \$121,428 | \$110,869 | \$127,500 |
| Houston | targeted | \$82,920 | \$96,740 | \$87,066 | \$101,577 | \$91,419 | \$106,656 | \$95,990 | \$111,989 | \$100,790 | \$117,588 | \$105,829 | \$123,467 | \$111,121 | \$129,641 | \$116,677 | \$136,123 | \$122,511 | \$142,929 |
| | non-targeted | \$69,100 | \$79,465 | \$72,555 | \$83,438 | \$76,183 | \$87,610 | \$79,992 | \$91,991 | \$83,991 | \$96,590 | \$88,191 | \$101,420 | \$92,601 | \$106,491 | \$97,231 | \$111,815 | \$102,092 | \$117,406 |
| Irwin | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Jackson | | \$62,300 | \$71,645 | \$65,415 | \$75,227 | \$68,686 | \$78,989 | \$72,120 | \$82,938 | \$75,726 | \$87,085 | \$79,512 | \$91,439 | \$83,488 | \$96,011 | \$87,662 | \$100,812 | \$92,045 | \$105,852 |

Table I Adjusted Qualifying Income

| Household Size | | 1st Year | | 2nd Year | | 3rd Year | | 4th Year | | 5th Year | | 6th Year | | 7th Year | | 8th Year | | 9th Year | |
|----------------|--------------|----------|-----------|----------|-----------|----------|-----------|----------|-----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | 1 to 2 | 3 or more | 1 to 2 | 3 or more | 1 to 2 | 3 or more | 1 to 2 | 3 or more | 1 to 2 | 3 or more |
| Jasper | targeted | \$81,840 | \$95,480 | \$85,932 | \$100,254 | \$90,229 | \$105,267 | \$94,740 | \$110,530 | \$99,477 | \$116,057 | \$104,451 | \$121,859 | \$109,673 | \$127,952 | \$115,157 | \$134,350 | \$120,915 | \$141,067 |
| Jeff Davis | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| | non-targeted | \$59,700 | \$68,655 | \$62,685 | \$72,088 | \$65,819 | \$75,692 | \$69,110 | \$79,477 | \$72,566 | \$83,451 | \$76,194 | \$87,623 | \$80,004 | \$92,004 | \$84,004 | \$96,604 | \$88,204 | \$101,435 |
| Jefferson | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Jenkins | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Johnson | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Jones | | \$59,700 | \$68,655 | \$62,685 | \$72,088 | \$65,819 | \$75,692 | \$69,110 | \$79,477 | \$72,566 | \$83,451 | \$76,194 | \$87,623 | \$80,004 | \$92,004 | \$84,004 | \$96,604 | \$88,204 | \$101,435 |
| Lamar | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Lanier | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Laurens | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Lee | | \$59,700 | \$68,655 | \$62,685 | \$72,088 | \$65,819 | \$75,692 | \$69,110 | \$79,477 | \$72,566 | \$83,451 | \$76,194 | \$87,623 | \$80,004 | \$92,004 | \$84,004 | \$96,604 | \$88,204 | \$101,435 |
| Liberty | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| | non-targeted | \$59,700 | \$68,655 | \$62,685 | \$72,088 | \$65,819 | \$75,692 | \$69,110 | \$79,477 | \$72,566 | \$83,451 | \$76,194 | \$87,623 | \$80,004 | \$92,004 | \$84,004 | \$96,604 | \$88,204 | \$101,435 |
| Lincoln | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Long | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Lowndes | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Lumpkin | | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Macon | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Madison | | \$67,920 | \$79,240 | \$71,316 | \$83,202 | \$74,882 | \$87,362 | \$78,626 | \$91,730 | \$82,557 | \$96,317 | \$86,685 | \$101,133 | \$91,019 | \$106,189 | \$95,570 | \$111,499 | \$100,349 | \$117,074 |
| Marion | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| McDuffie | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| McIntosh | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Meriweth | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Miller | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Mitchell | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Monroe | | \$61,400 | \$70,610 | \$64,470 | \$74,141 | \$67,694 | \$77,848 | \$71,078 | \$81,740 | \$74,632 | \$85,827 | \$78,364 | \$90,118 | \$82,282 | \$94,624 | \$86,396 | \$99,355 | \$90,716 | \$104,323 |
| Montgom | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Morgan | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Murray | | \$59,700 | \$68,655 | \$62,685 | \$72,088 | \$65,819 | \$75,692 | \$69,110 | \$79,477 | \$72,566 | \$83,451 | \$76,194 | \$87,623 | \$80,004 | \$92,004 | \$84,004 | \$96,604 | \$88,204 | \$101,435 |
| Muscogee | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| | non-targeted | \$64,192 | \$73,821 | \$67,401 | \$77,512 | \$70,771 | \$81,387 | \$74,310 | \$85,456 | \$78,025 | \$89,729 | \$81,927 | \$94,216 | \$86,023 | \$98,927 | \$90,324 | \$103,873 | \$94,840 | \$109,067 |
| Newton | targeted | \$81,840 | \$95,480 | \$85,932 | \$100,254 | \$90,229 | \$105,267 | \$94,740 | \$110,530 | \$99,477 | \$116,057 | \$104,451 | \$121,859 | \$109,673 | \$127,952 | \$115,157 | \$134,350 | \$120,915 | \$141,067 |
| Oconee | | \$67,920 | \$79,240 | \$71,316 | \$83,202 | \$74,882 | \$87,362 | \$78,626 | \$91,730 | \$82,557 | \$96,317 | \$86,685 | \$101,133 | \$91,019 | \$106,189 | \$95,570 | \$111,499 | \$100,349 | \$117,074 |
| Oglethorpe | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Paulding | | \$81,840 | \$95,480 | \$85,932 | \$100,254 | \$90,229 | \$105,267 | \$94,740 | \$110,530 | \$99,477 | \$116,057 | \$104,451 | \$121,859 | \$109,673 | \$127,952 | \$115,157 | \$134,350 | \$120,915 | \$141,067 |
| Peach | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Pickens | | \$75,041 | \$86,297 | \$78,793 | \$90,612 | \$82,732 | \$95,142 | \$86,869 | \$99,899 | \$91,213 | \$104,894 | \$95,773 | \$110,139 | \$100,562 | \$115,646 | \$105,590 | \$121,428 | \$110,869 | \$127,500 |
| Pierce | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Pike | | \$75,041 | \$86,297 | \$78,793 | \$90,612 | \$82,732 | \$95,142 | \$86,869 | \$99,899 | \$91,213 | \$104,894 | \$95,773 | \$110,139 | \$100,562 | \$115,646 | \$105,590 | \$121,428 | \$110,869 | \$127,500 |
| Polk | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Pulaski | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Putnam | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| | non-targeted | \$59,700 | \$68,655 | \$62,685 | \$72,088 | \$65,819 | \$75,692 | \$69,110 | \$79,477 | \$72,566 | \$83,451 | \$76,194 | \$87,623 | \$80,004 | \$92,004 | \$84,004 | \$96,604 | \$88,204 | \$101,435 |
| Quitman | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Rabun | | \$59,740 | \$68,701 | \$62,727 | \$72,136 | \$65,863 | \$75,743 | \$69,156 | \$79,530 | \$72,614 | \$83,506 | \$76,245 | \$87,682 | \$80,057 | \$92,066 | \$84,060 | \$96,669 | \$88,263 | \$101,503 |

Table I Adjusted Qualifying Income

| Household Size | 1st Year | | 2nd Year | | 3rd Year | | 4th Year | | 5th Year | | 6th Year | | 7th Year | | 8th Year | | 9th Year | | |
|----------------|--------------|-----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 1 to 2 | 3 or more | 1 to 2 | 3 or more | 1 to 2 | 3 or more | 1 to 2 | 3 or more | 1 to 2 | 3 or more | 1 to 2 | 3 or more | 1 to 2 | 3 or more | 1 to 2 | 3 or more | 1 to 2 | 3 or more | |
| Randolph | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Richmonc | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| | non-targeted | \$59,700 | \$68,655 | \$62,685 | \$72,088 | \$65,819 | \$75,692 | \$69,110 | \$79,477 | \$72,566 | \$83,451 | \$76,194 | \$87,623 | \$80,004 | \$92,004 | \$84,004 | \$96,604 | \$88,204 | \$101,435 |
| Rockdale | | \$75,041 | \$86,297 | \$78,793 | \$90,612 | \$82,732 | \$95,142 | \$86,869 | \$99,899 | \$91,213 | \$104,894 | \$95,773 | \$110,139 | \$100,562 | \$115,646 | \$105,590 | \$121,428 | \$110,869 | \$127,500 |
| Schley | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Screven | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Seminole | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| | non-targeted | \$59,700 | \$68,655 | \$62,685 | \$72,088 | \$65,819 | \$75,692 | \$69,110 | \$79,477 | \$72,566 | \$83,451 | \$76,194 | \$87,623 | \$80,004 | \$92,004 | \$84,004 | \$96,604 | \$88,204 | \$101,435 |
| Spalding | targeted | \$81,840 | \$95,480 | \$85,932 | \$100,254 | \$90,229 | \$105,267 | \$94,740 | \$110,530 | \$99,477 | \$116,057 | \$104,451 | \$121,859 | \$109,673 | \$127,952 | \$115,157 | \$134,350 | \$120,915 | \$141,067 |
| | non-targeted | \$75,041 | \$86,297 | \$78,793 | \$90,612 | \$82,732 | \$95,142 | \$86,869 | \$99,899 | \$91,213 | \$104,894 | \$95,773 | \$110,139 | \$100,562 | \$115,646 | \$105,590 | \$121,428 | \$110,869 | \$127,500 |
| Stephens | | \$59,700 | \$68,655 | \$62,685 | \$72,088 | \$65,819 | \$75,692 | \$69,110 | \$79,477 | \$72,566 | \$83,451 | \$76,194 | \$87,623 | \$80,004 | \$92,004 | \$84,004 | \$96,604 | \$88,204 | \$101,435 |
| Stewart | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Sumter | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Talbot | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Taliaferro | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Tattnall | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Taylor | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Telfair | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Terrell | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Thomas | targeted | \$59,700 | \$68,655 | \$62,685 | \$72,088 | \$65,819 | \$75,692 | \$69,110 | \$79,477 | \$72,566 | \$83,451 | \$76,194 | \$87,623 | \$80,004 | \$92,004 | \$84,004 | \$96,604 | \$88,204 | \$101,435 |
| Tift | targeted | \$59,700 | \$68,655 | \$62,685 | \$72,088 | \$65,819 | \$75,692 | \$69,110 | \$79,477 | \$72,566 | \$83,451 | \$76,194 | \$87,623 | \$80,004 | \$92,004 | \$84,004 | \$96,604 | \$88,204 | \$101,435 |
| Toombs | targeted | \$59,700 | \$68,655 | \$62,685 | \$72,088 | \$65,819 | \$75,692 | \$69,110 | \$79,477 | \$72,566 | \$83,451 | \$76,194 | \$87,623 | \$80,004 | \$92,004 | \$84,004 | \$96,604 | \$88,204 | \$101,435 |
| Towns | | \$59,700 | \$68,655 | \$62,685 | \$72,088 | \$65,819 | \$75,692 | \$69,110 | \$79,477 | \$72,566 | \$83,451 | \$76,194 | \$87,623 | \$80,004 | \$92,004 | \$84,004 | \$96,604 | \$88,204 | \$101,435 |
| Treutlen | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Troup | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| | non-targeted | \$59,760 | \$68,724 | \$62,748 | \$72,160 | \$65,885 | \$75,768 | \$69,180 | \$79,557 | \$72,639 | \$83,534 | \$76,271 | \$87,711 | \$80,084 | \$92,097 | \$84,088 | \$96,702 | \$88,293 | \$101,537 |
| Turner | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Twiggs | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Union | | \$59,880 | \$68,862 | \$62,874 | \$72,305 | \$66,018 | \$75,920 | \$69,319 | \$79,716 | \$72,784 | \$83,702 | \$76,424 | \$87,887 | \$80,245 | \$92,282 | \$84,257 | \$96,896 | \$88,470 | \$101,741 |
| Upson | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Walker | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| | non-targeted | \$59,700 | \$68,655 | \$62,685 | \$72,088 | \$65,819 | \$75,692 | \$69,110 | \$79,477 | \$72,566 | \$83,451 | \$76,194 | \$87,623 | \$80,004 | \$92,004 | \$84,004 | \$96,604 | \$88,204 | \$101,435 |
| Walton | | \$75,041 | \$86,297 | \$78,793 | \$90,612 | \$82,732 | \$95,142 | \$86,869 | \$99,899 | \$91,213 | \$104,894 | \$95,773 | \$110,139 | \$100,562 | \$115,646 | \$105,590 | \$121,428 | \$110,869 | \$127,500 |
| Ware | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Warren | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Washington | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Wayne | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Webster | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Wheeler | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| White | | \$59,700 | \$68,655 | \$62,685 | \$72,088 | \$65,819 | \$75,692 | \$69,110 | \$79,477 | \$72,566 | \$83,451 | \$76,194 | \$87,623 | \$80,004 | \$92,004 | \$84,004 | \$96,604 | \$88,204 | \$101,435 |
| Whitfield | | \$59,700 | \$68,655 | \$62,685 | \$72,088 | \$65,819 | \$75,692 | \$69,110 | \$79,477 | \$72,566 | \$83,451 | \$76,194 | \$87,623 | \$80,004 | \$92,004 | \$84,004 | \$96,604 | \$88,204 | \$101,435 |
| Wilcox | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Wilkes | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Wilkinson | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |
| Worth | targeted | \$71,640 | \$83,580 | \$75,222 | \$87,759 | \$78,983 | \$92,147 | \$82,932 | \$96,754 | \$87,079 | \$101,592 | \$91,433 | \$106,672 | \$96,004 | \$112,005 | \$100,805 | \$117,605 | \$105,845 | \$123,486 |

Georgia Housing and Finance Authority
Lender Certification

Borrower: _____

Lender: _____

Property Address: _____

_____ Closing Date: _____

I, the undersigned, DO HEREBY CERTIFY to the Georgia Housing and Finance Authority (hereinafter, "GHFA") as follows:

1. On the above-referenced Closing Date (hereinafter "Closing Date") the above-referenced Lender (hereinafter "Lender") closed one or more Loans to the above-reverenced Borrower (hereinafter, the "Borrower") in the amount(s) below to finance the purchase of a Single Family Residence located at the above-referenced Property Address (hereinafter the "Property") under GHFA's:

 Georgia Dream First Mortgage Loan \$_____ Georgia Dream Second Mortgage Loan \$_____
2. If a first mortgage, the Lender has received a mortgagee's title insurance binder, which insurance complies with the requirements of the Seller Guide, and the Lender is not aware of any fact or circumstance which would affect the delivery of the final title insurance policy in a timely manner and acceptable form.
3. The Deed(s) to Secure Debt to the Property, the assignment of the Deed(s) to Secure Debt to GHFA and all of the documents necessary for the transfer of title to the Borrower, for the granting of Deed(s) to Secure Debt to the Lender and for the assignment of such Deed(s) to Secure Debt to GHFA have been duly executed, acknowledged, delivered and recorded. With the exception of encumbrances permitted by GHFA, all payments necessary to extinguish all liens have been made.
4. The Lender has received an original hazard insurance binder or policy and, if required, an original flood insurance binder or policy which meets the requirements of the Seller Guide and is not aware of any fact or circumstance which would affect the delivery of the hazard insurance policy or, if required, the flood insurance policy, in a timely manner and acceptable form. All premiums have been paid to establish such insurance in full force and effect.
5. The Lender has, with due diligence, verified the information in the Affidavits and other forms completed by the Borrower and determined such information to be true and correct. In particular the Lender has verified that:
 - a. The current Household Annual Income does not exceed the applicable limits; and
 - b. The land being purchased by the Borrower with the proceeds of the Loan, if any, does not exceed the size necessary for basic livability;

For Georgia Dream First Mortgage Program Loans:

- a. The Borrower(s) has (have) had no present ownership interest in a principal residence within the last 3 years or the property is in a Targeted Area;
- b. The Acquisition Cost of the Property does not exceed the applicable Maximum Purchase Price;
- c. The Borrower(s) intends to occupy the Single Family Residence as a principal residence within 60 days of the date of closing the Loan;
- d. The Borrower(s) has (have) certified and agreed that the Single Family Residence is not and may not be used in a trade or business, or as an investment property or farm, or as a vacation or second home, and based upon the Lender's inspection of property and other reasonable due diligence, the Lender knows of no indication to the contrary;
- e. The Loan is not being used to refinance, acquire or replace an existing loan or mortgage of the Borrower except in the case of a construction loan or similar temporary financing with a term of 24 months or less; and
- f. The Borrower(s) has (have) certified and agreed that the Single Family Residence will be used in accordance with the terms and conditions set forth in the loan documents, the Loan Seller Agreement and the Seller Guide, and the Lender knows of no indication to the contrary.

For Georgia Dream Second Mortgage Loans:

- a. The Borrower(s) qualifies as a first-time home buyer, displaced homemaker, or single parent;
 - b. The Purchase Price of the Property does not exceed the applicable limits;
 - c. The Borrower(s) intends to occupy the Single Family Residence as a principal residence within 60 days of the date of closing the Loan; and
 - d. The Borrower(s) has (have) certified and agreed that the Single Family Residence will be used in accordance with the terms and conditions set forth in the loan documents, the Loan Seller Agreement and the Seller Guide, and the Lender knows of no indication to the contrary.
6. The Lender does hereby certify and warrant that:
- a. The Loan(s) is (are) in conformance with the provisions of the Loan Seller Agreement (which incorporates by reference the Seller Guide) and the Seller has reviewed the Borrower's application and the affidavits and other forms completed by the Borrower for conformity with the eligibility provision of the applicable Program(s);
 - b. The Loan(s) meets the terms and conditions of the Program(s) and has been made to an eligible Borrower to finance a Single Family Residence;
 - c. All information supplied by the Lender to GHFA in connection with the Loan is accurate, and the Lender knows of no material misstatement or omission in information supplied by the Borrower or the Lender in connection with the Loan;
 - d. All required hazard, flood, title and mortgage insurance has been obtained;
 - e. The lien securing the Loan(s) has been perfected by recording and has not been impermissibly satisfied, subordinated or impaired;
 - f. The Loan(s) is (are) not subject to any pledge or assignment, except the assignment to GHFA;
 - g. If a First Mortgage Loan, the Loan creates a valid first mortgage lien on the Property subject only to encumbrances created by, among other things, non-delinquent taxes or assessments, rights-of-way, and other easements and encroachments which do not materially affect the security for the Loan, and the Lender has full right and authority to carry out the sale and delivery of the Loan to GHFA;
 - h. If an Second Mortgage Loan, the Loan creates a valid subordinate mortgage lien on the Property subject only to encumbrances created by, among other things, (i) a first mortgage loan secured by the Property; (ii) a second mortgage loan secured by the Property provided such second mortgage loan has been previously approved in writing by GHFA; and (iii) non-delinquent taxes or assessments, rights-of-way, and other easements and encroachments which do not materially affect the security for the Loan, and the Lender has full right and authority to carry out the sale and delivery of the Loan to GHFA;
 - i. The Loan has been underwritten in accordance with the Seller Guide and with prudent lending practices;
 - j. In making this Loan, the Lender has complied with all applicable laws, rules and regulations; and
 - k. The Loan is properly insured in accordance with the Seller Guide.
7. I certify that the borrower(s), seller(s), realtor or any other parties to the transaction do not appear on the HUD Debarred and Suspended lists.
8. I am duly authorized and empowered to execute this certificate by and on behalf of Lender.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 20_____.

LENDER'S NAME _____

BY _____
Officer's Signature

Officer's Title

Printed or Typed Name

Borrower Name _____
Property Address _____
City, State, Zip _____

NOTICE OF ASSIGNMENT, SALE OR TRANSFER OF SERVICING RIGHTS

You are hereby notified that the servicing of your mortgage loan is being assigned, sold or transferred from _____ (Lender) to State Home Mortgage effective _____.
(Closing date)

The assignment, sale or transfer of the servicing of the mortgage loan does not affect any term or condition of the mortgage instruments, other than terms directly related to the servicing of your loan.

In accordance with the terms of the Note and Mortgage, your first monthly payment is due and payable on or before _____. The date that _____ (Lender) will stop accepting payments from you is _____ and the date that State Home Mortgage will start accepting payments from you is _____. Please send all payments due on or after this date to State Home Mortgage.

If you have any questions about your mortgage loan or the transfer of servicing, you may contact _____ or State Home Mortgage between 8:00 a.m. and 5:00 p.m. on the following days, Monday – Friday, using the information below:

| | |
|----------------|-----------------------------|
| Company: _____ | State Home Mortgage |
| Attn: _____ | Customer Service Department |
| Phone #: _____ | 1-800-781-8346 |
| Address: _____ | 60 Executive Park South, NE |
| _____ | Atlanta, GA 30329 |

In accordance with the terms of the Note and Mortgage, your first monthly payment is due and payable on or before _____. You should receive a payment coupon book from State Home Mortgage approximately two to three weeks prior to the due date of your first payment. In the event that you do not receive your payment coupon book on or before the due date of your first monthly payment, please complete and detach the Initial Payment Coupon below and mail it to State Home Mortgage with your payment for \$[Monthly Payment Amount], the amount due as indicated in your closing documents. Mail the coupon and your payment to:

STATE HOME MORTGAGE
60 Executive Park South NE
ATLANTA, GA 30329

During the 60-day period following the effective date of the transfer of loan servicing, a loan payment received by _____ (Lender) before its due date may not be treated by State Home Mortgage as late and a late fee may not be imposed on you.

STATE HOME MORTGAGE

MAKE YOUR CHECK PAYABLE TO STATE HOME MORTGAGE

INITIAL PAYMENT COUPON

Customer Name: _____

Property Address: _____

Loan Number: _____

Payment Amount: _____

Please complete the following information if you have changed your home, work or cell phone numbers since moving into your new home.

Home Telephone # _____

Work Telephone # _____

Cell Telephone # _____

Email Address: _____

**Georgia Housing and Finance Authority
Georgia Dream Second Mortgage Loan
Truth-in-Lending Disclosure Statement**

Lender: _____

Date: _____

Lender's Address: _____

Borrowers: _____

Property: _____

| ANNUAL PERCENTAGE RATE | FINANCE CHARGE The dollar amount the credit will cost you. | Amount Finance The amount of credit provided to you or on your behalf. | Total Payments The amount you will have paid after you have made all payments as scheduled. |
|------------------------|---|---|--|
| | | | |

(Georgia Dream Second Mortgage Loan Amount)

(Georgia Dream Second Mortgage Loan Amount)

Payment Schedule:

| NUMBER OF PAYMENTS | AMOUNT OF PAYMENTS | PAYMENTS ARE DUE |
|---|--------------------|------------------|
| Due upon sale, refinance or transfer of property. | | |

Demand Feature: This loan does not have a Demand Feature.

Variable Rate Feature: N/A

Security: You are giving a security interest in the property located at: _____

Assumption: May assume, subject to lender's conditions.

Late Charges: N/A

Pre-payment: N/A

I/We hereby acknowledge reading and receiving a complete copy of this disclosure.

You are not required to complete this agreement merely because you have received this disclosure or signed a loan application.

Borrower Signature Date

Co Borrower Signature Date

**Georgia Housing and Finance Authority
Georgia Dream Second Mortgage Loan
Promissory Note**

_____, 20_____, _____ (city) _____ (State)

(Property Address)

1. **Borrower's Promise to Pay.** In return for a loan that I, _____ (the "Borrower") have received, I promise to pay U.S. \$ _____ (this amount is called "principal"), plus any other charges due hereunder, to the order of the Lender. The Lender is _____, whose address is _____, I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."
2. **Interest.** Interest will not be charged, nor will interest accrue, on the principal. However, if I default, interest on amounts paid by the Note Holder, and certain charges, may accrue and I will be obligated to pay those amounts.
3. **Payments.** There will be no required monthly or annual payments. The principal shall be due in full as provided in paragraph 1.1 of the Subordinate Security Deed (as that term is referenced in paragraph 10 hereof).
4. **Borrower's Right to Prepay.** I have the right to make a payment of principal at any time before it is due. A payment of principal is known as a "prepayment." When I make a prepayment, I will tell the Note Holder in writing that I am doing so.

I may make a full prepayment or partial prepayments without paying any prepayment charge. The Note Holder will use all of my prepayments to reduce the amount of principal that I owe under this Note. If I make a partial prepayment, there will be no change in the date on which the principal shall be due unless the Note Holder agrees in writing to those changes.
5. **Loan Charges.** If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that any interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then (i) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (ii) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the principal I owe under this Note or by making a direct payment to me. If a refund reduces principal, the reduction will be treated as a partial prepayment.
6. **Borrower's Default.**
 - (A) **Violation of Subordinate Security Deed.** If I do not comply with all the terms of the Subordinate Security Deed within the periods, if any, described therein, I will be in default.
 - (B) **Default.** If I do not repay the principal at the time required by the Subordinate Security Deed, I will be in default.
 - (C) **Notice of Default.** If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of principal. That date must be at least 30 days after the date on which the notice is delivered or mailed to me.
 - (D) **No Waiver by Note Holder.** Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so at a later time.
 - (E) **Payment of Note Holder's Costs and Expenses.** If the Note Holder has required me to pay immediately in full as described above the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorney's fees.

7. Giving of Notices. Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address. I will promptly notify the Note Holder if my mailing address should change.

Any notice that must be given to the Note Holder under this Note will be given by mailing it by first class mail to the Note Holder at the address specified on the first page hereof or a different address if I am given a notice of that different address.

8. Obligations of Persons Under this Note. If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person, who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

9. Waivers. I and any other person who has obligations under this Note waive the rights of presentment and notice of dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

10. Additional Provisions. In additions to the protections given to the Note Holder under this Note, a Subordinate Security Deed, dated the same date as this Note, (the "Subordinate Security Deed"), protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. The Subordinate Security Deed is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the First Security Deed (defined below). The Subordinate Security Deed describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. "First Security Deed" means a Security Deed dated on or about the same date of this Note, which protects the holder of the first Note made by me payable to the order of _____ (the "Senior Lien Holder") which protects the Senior Lien Holder if I do not keep the promises which I made in such first Note. Two of those conditions are described as follows:

- (A) Transfer of the Property or a Beneficial Interest in Borrower. Unless approved in writing by Note Holder (pursuant to applicable rules and regulations of Lender at such time), and except for a conveyance to the Senior Lien Holder, if all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person), Borrower shall immediately pay in full all sums secured by the Subordinate Security Deed; and
- (B) Refinancing of the Loan Secured by the First Security Deed. In the event the loan secured by the First Security Deed is refinanced, Borrower shall immediately pay in full all sums secured by the Subordinate Security Deed.

IN WITNESS WHEREOF, Borrower has signed and sealed this Note as of the day and year first above written.

BORROWER:

BORROWER:

BY: _____

BY: _____

Printed Name: _____

Printed Name: _____

BORROWER:

BY: _____

Printed Name: _____

This Instrument was prepared by:
After recording return to:

Georgia Housing and Finance Authority
Georgia Dream Second Mortgage Loan Subordinate Security Deed

THIS SUBORDINATE SECURITY DEED ("Security Instrument") is given on this _____ day of _____, 20____ by _____, an individual resident of the State of Georgia, having a mailing address of _____ ("Borrower") in favor of _____, a _____, having a mailing address of _____ ("Lender");

WITNESSETH; That,

WHEREAS, Borrower owes Lender the principal sum of _____ Dollars (U.S. \$ _____) which is evidenced by that certain Georgia Dream Second Mortgage Note made by Borrower payable to the order of Lender and dated the same date as this Security Instrument (the "Note"); and

WHEREAS, in addition to the loan secured by this Security Instrument (the "Loan"), Borrower obtained a first security deed loan (the "First Security Loan") from _____ (the "Senior Lien Holder"), which is secured by a first security deed lien (the "First Security Deed") on the Property (as such term is hereinafter defined); the First Security Deed, together with any and all other documents evidencing or securing the First Security Loan are collectively referred to herein as the "First Security Deed Loan Documents;" and

WHEREAS, as a condition to Lender's making the Loan to Borrower, Lender has requested and Borrower has agreed to execute and deliver this Security Instrument as security for the payment of the indebtedness owed by Borrower to Lender under the Note;

NOTE TO THE TAX COMMISSIONER: THE NOTE SECURED BY THIS INSTRUMENT IS DUE AND PAYABLE UPON A CONVEYANCE OR REFINANCING OF THE PROPERTY THAT SERVES AS SECURITY FOR THIS INSTRUMENT AND NOT UPON A SPECIFIC MATURITY DATE. AS A RESULT OF THE FORGOING, THE NOTE MAY BE DEEMED A LONG-TERM NOTE; THEREFORE, INTANGIBLE TAX SHALL BE DUE AND PAYABLE UPON THE RECORDATION OF THIS INSTRUMENT PURSUANT TO O.C.G.A. 48-6-61.

NOW THEREFORE, FOR AND IN CONSIDERATION of the sum of Ten and No/100 Dollars (\$10.00), and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to secure (a) the repayment of the debt evidenced by the Note, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under Section 1.9 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note (collectively, the "Indebtedness"), Borrower hereby grants, bargains, sells, warrants, conveys aliens, remises, releases, assigns and set over and confirms to Lender and Lender's successors and assigns, with power of sale, subject to the rights of the Senior Lien Holder under the First Security Deed:

ALL THOSE CERTAIN lot(s), pieces(s) or parcel(s) of improved land located at _____, _____ County, Georgia, and described on Exhibit "A" attached hereto and by this reference incorporated herein and made a part hereof;

TOGETHER WITH, all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property, and together with any and all replacements and additions thereto (hereinafter collectively referred to as the "Property").

TO HAVE AND TO HOLD the Property to the use, benefit and behoove of Lender, its successors and assigns, IN FEE SIMPLE forever.

THIS CONVEYANCE is intended to operate and is to be construed as a deed passing title to the Property to Lender and is made under those provisions of the existing laws of the State of Georgia relating to deeds to secure debt, and not as a mortgage.

Should the Indebtedness secured by this Security Instrument be paid according to the tenor and effect thereof when the same shall become due and payable, and should Borrower perform all covenants herein contained in a timely manner, then this Security Instrument shall be canceled and surrendered.

ARTICLE I
COVENANTS OF BORROWER

1.1 Payment of Principal and Charges. Borrower shall promptly pay when due the Indebtedness evidenced by the Note, and any other charges due under the Note and this Security Instrument, unless otherwise provided herein. Subject to the provisions of 24 C.F.R. 92.254 (a)(5)(ii)(A)(3), if applicable, the Indebtedness is due and payable on the earlier of (a) refinancing of the First Security Loan; (b) a sale or conveyance of the Property by the Borrower; (c) a foreclosure of the First Security Deed; or (d) a Default (either hereinafter defined or as defined in the First Security Deed), shall have occurred under the Note, this Security Deed or the First Security Deed. Should the Indebtedness not be fully satisfied after application of payment formula outlined in 24 C.F.R. 92.254 (a) (5) (ii) (A) (3) the remaining balance shall be forgiven by Lender.

1.2 Title to the Property. Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for the First Security Deed and other encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record as of the date of this Security Instrument.

1.3 Funds for Taxes and Insurance. Subject to the provisions set forth in this Section 1.3, Borrower shall pay to Lender upon Lender's request, on the first day of each month, until the Note is paid in full, a sum (the "Funds") for: (a) yearly taxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; and (d) yearly flood insurance premiums. Items (a) through (d) are collectively called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the Federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. § 2601 *et seq.* ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law. The Borrower shall not be obligated to make such payments of Funds to the Lender to the extent that the Borrower makes such payments to the Senior Lien Holder in accordance with the First Security Deed.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If, under Section 2.2, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale of the Property, as a credit against the sums secured by this Security Instrument.

If this Security Instrument is subject to any first-priority security deed (the "Prior Security Deed") encumbering the Property, including, without limitation, the First Security Deed, and such Prior Security Deed provides for the Borrower to make the payments required in this Section 1.3, then Borrower's compliance with the covenants in the Prior Security Deed shall be deemed to be in compliance with the provisions of this Section 1.3.

1.4 Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under Sections 1.1 and 1.3 hereof shall be applied: first, to amounts payable under Section 1.3; second, to interest due, if any; third, to principal due; and last, to any late charges or other fees due under the Note.

1.5 Prior Security Deed; Charges; Liens. Borrower shall perform all of the Borrower's obligations under the First Security Deed, including Borrower's covenants to make payments when due. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in Section 1.3, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Except for the lien of the First Security Deed, Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which, in the Lender's opinion, operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. Except for the lien of the First Security Deed, if Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of such notice.

1.6 Subordination. Lender and Borrower acknowledge and agree that this Security Instrument is subject and subordinate in all respects to the liens, terms, covenants and conditions of the First Security Deed and to all advances heretofore made or which may hereafter be made pursuant to the First Security Deed, including all sums advanced for the purposes of (a) protecting or further securing the lien of the first Security Deed, curing defaults by the Borrower under the First Security Deed or for any other purpose expressly permitted by the First Security Deed and/or (b) constructing, renovating, repairing, furnishing, fixturing or equipping the Property.

The terms and provisions of the First Security Deed are paramount and controlling and they supersede any other terms and provisions hereof in conflict therewith. In the event of a foreclosure or deed in lieu of foreclosure or assignment to the Secretary of Housing and Urban Development of the First Security Deed, any provisions herein or any provisions in any other collateral agreement restricting the use of the Property to low or moderate income households or otherwise restricting the Borrower's ability to sell the Property shall have no further force or effect. Any persons (including his successors or assigns) receiving title to the Property through a foreclosure or deed in lieu of foreclosure of the First Security Deed shall receive title to the Property free and clear from such restrictions.

Further, in the event a default occurs under the First Security Loan, Borrower shall provide Lender with written notice of such default. In the event the Senior Lien Holder acquires title to the Property pursuant to a deed in lieu of foreclosure, the lien of this Security Instrument shall automatically terminate upon the Senior Lien Holder's acquisition of title.

Further, the Borrower and the Lender agree that whenever the Note or this Security Instrument gives the Lender the right to approve or consent with respect to any matter affecting the property (or the construction of any improvements thereon) or otherwise (including the exercise of any "due on sale" clause), and right of approval or consent with regard to the same matter is also granted to the Senior Lien Holder pursuant to the First Security Deed, the Senior Lien Holder's approval or consent or failure to approve or consent, as the case may be, shall be binding on the Borrower and the Lender.

1.7 Hazard or Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's right in the Property in accordance with Section 1.9.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgagee clause. All requirements hereof pertaining to insurance shall be deemed satisfied if the Borrower complies with the insurance requirements under the First Security Deed. All original policies of insurance required pursuant to the First Security Deed shall be held by the Senior Lien Holder; provided, however, Lender may be named as a loss payee as its interest may appear and may be named as an additional insured. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier, the Senior Lien Holder and Lender. Lender may make proof of loss if not made promptly by the Senior Lien Holder or the Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied by Lender, at its option, either (a) to the reduction of the indebtedness under the Note and this Subordinate Security Deed, or (b) to the restoration or repair of the damaged Property. Any excess insurance proceeds over the amount required to pay all outstanding indebtedness under the Note and this Subordinate Security Deed shall be paid to the entity legally entitled thereto.

Any application of proceeds to principal shall not extend or postpone any due date of the payments referred to in Sections 1.1 and 1.3 or change the amount of the payments. If under Section 2.2 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

Notwithstanding the above, the Lender's right to collect and apply the insurance proceeds hereunder shall be subject and subordinate to the rights of the Senior Lien Holder to collect and apply such proceeds in accordance with the First Security Deed.

1.8 Occupancy, Preservation, Maintenance and Protection of the Property; Leasehold. Borrower shall at all times occupy, establish, and use the Property as Borrower's principal residence and shall continue to occupy the Property as Borrower's principal residence for a period of 5 years if the second mortgage is less than \$15,000.00, 10 years if the second mortgage is \$15,000.00 or more but \$40,000.00 or less, or 15 years if the second mortgage is more than \$40,000.00 from the date hereof. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

1.9 Protection of Lender's Rights in the Property. In the event a Default (as such term is hereinafter defined) occurs under this Security Instrument, or there is a legal proceeding that may affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument (including sums secured by the First Security Deed), appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this Section 1.9, Lender does not have to do so.

Any amounts disbursed by Lender under this Section 1.9 shall become additional Indebtedness of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the rate of 10% per annum and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

Prior to taking any actions under this Section 1.9, however, Lender shall notify the Senior Lien Holder of such Default in the manner provided in Section 3.4 of this Security Instrument, and shall provide the Senior lien Holder with the opportunity to cure any such Default under this Security Instrument. All amounts advanced by the Senior Lien Holder to cure a Default hereunder shall be deemed advanced by the Senior Lien Holder and shall be secured by the First Security Deed. In addition, the Lender agrees that it will not commence foreclosure proceedings or accept a deed in lieu of foreclosure, or exercise any other rights or remedies hereunder until it has given the Senior Lien Holder at least 60 days prior written notice. Any action by Lender hereunder to foreclose or accept a deed in lieu of foreclosure shall be subject to the "due on sale" provisions of the First Security Deed.

Lender and Borrower further agree that a Default hereunder may, in Senior Lien Holder's sole discretion, constitute a Default under the First Security Deed. In the event the Senior Lien Holder deems a Default hereunder to be a Default under the First Security Loan, the Senior Lien Holder shall have the right to exercise all rights and remedies under the First Security Deed.

1.10 Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for inspection.

1.11 Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender, subject to the terms of the First Security Deed.

In the event of a total taking of the Property, the proceeds shall be applied first to all amounts due and owing to the Senior Lien Holder under the First Security Loan, then to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone any due date of the payments referred to in Sections 1.1 and 1.3 or change the amount of such payments.

1.12 **Hazardous Substances.** Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances (as such term is hereinafter defined) on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law (as such term is hereinafter defined). The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Prior to taking any such remedial action, however, the Borrower shall notify the Senior Lien Holder that such remedial action is necessary and shall obtain the Senior Lien Holder's prior written consent for such remedial action. As used in this Section 1.12, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this Section 1.12, "Environmental Law" means federal laws and laws of the State of Georgia that relate to health, safety or environmental protection.

ARTICLE 2

DEFAULT AND REMEDIES

2.1 **Events of Default.** Any one or more of the following events or conditions shall constitute a "Default" under this Security Instrument:

(a) If any forfeiture action or proceeding, whether civil or criminal, is begun which in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest and Borrower has failed to cure such a default within 60 days after the date on which such action or proceeding is commenced by failing to cause the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest; provided, such 60 day grace period set forth in this subsection (a) shall not apply to any other Default expressly set forth in this Section 2.1 or to any other covenant or condition with respect to which a limitation as to time or grace period or right to cure is expressly provided herein or in the Note; or

(b) If Borrower, during the loan application process or during the term of the Loan, gave or gives materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the Loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence and representations contained in this Security Instrument; or

(c) If the second mortgage is \$15,000.00 or less and Borrower, during the five (5) year period beginning with the date of execution of the Subordinate Security deed, fails to occupy the Property as a principal residence; or

(d) If the second mortgage is more than \$15,000.00 but less than \$40,000.00 and Borrower, during the ten (10) year period beginning with the date of execution of the Subordinate Security deed, fails to occupy the Property as a principal residence; or

(e) If the second mortgage is more than \$40,000.00 and Borrower, during the fifteen (15) year period beginning with the date of execution of the Subordinate Security deed, fails to occupy the Property as a principal residence; or

(f) Except for a conveyance to the Senior Lien Holder under the First Security Deed, and unless approved in writing by Lender (pursuant to applicable rules and regulations of Lender at such time), if all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person); or

(g) If the First Security Loan, or any portion thereof, is refinanced by Borrower; or

(h) Failure by Borrower to observe or perform any of the terms, covenants, agreements or conditions contained in this Security Instrument, the Note, or any other instrument, document or agreement evidencing and/or securing the Loan.

2.2 Acceleration; Remedies.

(a) Upon the occurrence of a Default, and subject to any applicable cure periods, if any, Borrower shall immediately pay in full all sums secured by this Security Instrument, subject to the provisions of 24 C.F.R. 92.254 (a) (5) (ii) (A) (3), if applicable; provided however, this provision shall not be enforced by Lender if such provision is prohibited by federal law as of the date of execution of this Security Instrument.

(b) Lender shall give notice to Borrower and the Senior Lien Holder prior to acceleration of the indebtedness following the occurrence of any Default under this Security Agreement. The notice shall specify: (a) the Default; (b) the action required to cure the Default; (c) a date, not less than 30 days from the date the notice is given to Borrower (and with respect to the Senior Lien Holder, 60 days from the date the notice is given to the Senior Lien Holder), by which the Default must be cured; and (d) that failure to cure the Default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. If the Default is not cured on or before the date specified in the notice, and the Senior Lien Holder has not exercised its right to cure the Default, then Lender at its option may require immediate payment of the sums secured by this Security Instrument, subject to the provisions of 24 C.F.R. 92.254 (a)(5)(ii)(A)(3), if applicable, without further demand and may invoke the power of sale granted by Borrower and any other remedies permitted by applicable law.

Borrower hereby appoints Lender as its agent and attorney-in-fact for Borrower to exercise the power sale. Notwithstanding Lender's right to invoke any remedies hereunder, the Lender agrees that it will not commence foreclosure proceedings or accept a deed in lieu of foreclosure, or exercise any other rights or remedies hereunder until it has given the Senior Lien Holder at least 60 days' prior written notice. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 2.2, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

(c) If Lender invokes the power of sale, Lender shall give a copy of a notice to Borrower and to the Senior Lien holder in the manner provided in Section 3.4 and shall give notice of sale by public advertisement for the time and in the manner prescribed by applicable law. Lender, without further demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Lender determines. Lender or its designee may purchase the Property at any sale.

(d) Lender shall convey to the purchaser indefeasible title to the Property, and Borrower hereby appoints Lender Borrowers' agent and attorney-in-fact to make such conveyance and to execute any and all documents necessary to affect such conveyance. The recitals in the Lender's deed shall be prima facie evidence of the truth of the statements made therein. Borrower covenants and agrees that Lender shall apply the proceeds of the sale in the following order: (i) to all expenses of the sale, including, but not limited to, reasonable attorneys' fees; (ii) to sums secured by this Security Instrument; and, (iii) any excess to the person or persons legally entitled to it. The power and agency granted are coupled with an interest, are irrevocable by death or otherwise and are cumulative to the remedies for collection of debt as provided by law.

(e) If the Property is sold pursuant to this Section 2.2, Borrower, or any person holding possession of the Property through Borrower, shall immediately surrender possession of the Property to the purchaser at the sale. If possession is not surrendered, Borrower or such person shall be a tenant holding over and may be dispossessed in accordance with applicable law.

ARTICLE 3
MISCELLANEOUS

3.1 Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment (or otherwise modify amortization of the sums secured by this Security Instrument), by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

3.2 Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent; provided, however, that such modification or accommodation shall not be made without the prior written consent of the Senior Lien Holder.

3.3 Loan Charges. If the Loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

3.4 Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the address of the Property or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice required to be given to the Senior Lien Holder shall be given by first class mail to the following address:

or such other address as the Senior Lien Holder designates by notice to the Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this Section.

3.5 Governing Law; Severability. This Security Instrument shall be governed by federal law and the laws of the State of Georgia. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

3.6 Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument.

3.7 Sale of Note; Change of Loan Servicer. The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with Section 3.4 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payment should be made. The notice will also contain any other information required by applicable law.

3.8 No Assignment. Until the loan secured by the First Security Deed has been satisfied in full, the Lender and the Borrower agree that the Note and the Security Instrument will not be assigned without the Senior Lien Holder's prior written consent.

3.9 Release. Upon payment of all sums secured by this Security Instrument, Lender shall cancel this Security Instrument without charge to Borrower, other than the recordation costs which shall be paid by Borrower.

3.10 Modification of First Security Deed Loan Documents. The Lender consents to any agreement or arrangement in which the Senior Lien Holder waives, postpones, extends, reduces or modifies any provisions requiring the payment of money.

3.11 Waiver of Homestead. Borrower waives all rights of homestead exemption in the Property.

3.12 Assumption Not a Novation. Lender's acceptance of an assumption of the obligations of this Security Instrument and the Note, and any release of Borrower in connection therewith, shall not constitute a novation.

BORROWER HEREBY ACCEPTS AND AGREES to the terms and covenants in this Security Instrument.

IN WITNESS WHEREOF, Borrower has signed and sealed this Security Instrument as of the day and year first above written.

Signed, sealed and delivered in the presence of:

BORROWER(S)

Unofficial Witness

By: _____ (SEAL)
Printed Name:

Notary Public

By: _____ (SEAL)
Printed Name:

[NOTARY SEAL]

Georgia Dream Homeownership Program

Surviving Spouse Affidavit

I, _____, as applicant for a home mortgage loan originated by: _____, pursuant to the Georgia Dream Homeownership Program (the “Program”) of the Georgia Housing and Finance Authority (“GHFA”) and administered by the Georgia Department of Community Affairs (“DCA”), do hereby represent and warrant that I am the surviving spouse of _____, who was a military serviceman or servicewoman or a “Protector”, who was killed while on active duty or in the line of duty.

I fully understand that the above statements and the information set forth in this affidavit are material to the application for a mortgage loan from the Program are public information and may be subject to public disclosure and/or verification by GHFA and/or DCA, and I declare under penalty of perjury, which is a felony offense in the State of Georgia, that the above statements and information are true, correct and complete;

I fully understand that in the event that I receive a mortgage loan, I hereby acknowledge that any false statement, representation or misstatement made by me creates a legal and binding obligation for me to make immediate and full repayment of the mortgage loan, and may result in a fine and/or imprisonment;

I fully understand that I hereby release GHFA, DCA and the originating lender from any claims related in any way to my application for this loan or to their verification or enforcement of the requirements of the Program.

Applicant

Date

Sworn to and subscribed before me this ____ day of _____, 20__.

Notary Public

My Commission expires on _____
(Notary Seal Affixed Here)

Georgia Dream Homeownership Program

Tax Return Affidavit

I, _____, as applicant for a home mortgage loan originated by: _____, pursuant to the Georgia Dream Homeownership Program (the "Program") of the Georgia Housing and Finance Authority ("GHFA") and administered by the Georgia Department of Community Affairs ("DCA"), do hereby represent and warrant that I was not required to file a federal income tax return for the calendar year(s) _____ in accordance with section 6012 of the Internal Revenue Code.

I fully understand that the above statements and the information set forth in this affidavit are material to the application for a mortgage loan from the Program are public information and may be subject to public disclosure and/or verification by GHFA and/or DCA, and I declare under penalty of perjury, which is a felony offense in the State of Georgia, that the above statements and information are true, correct and complete;

I fully understand that in the event that I receive a mortgage loan, I hereby acknowledge that any false statement, representation or misstatement made by me creates a legal and binding obligation for me to make immediate and full repayment of the mortgage loan, and may result in a fine and/or imprisonment;

I fully understand that I hereby release GHFA, DCA and the originating lender from any claims related in any way to my application for this loan or to their verification or enforcement of the requirements of the Program.

Applicant

Date

Sworn to and subscribed before me this ____ day of _____, 20__.

Notary Public

My Commission expires on _____
(Notary Seal Affixed Here)