



Administrator’s Guidelines
 Escambia County Housing Finance Authority

Home for the Holidays
(Multi-County) First Time Homebuyer Mortgage Loan Program

FHA, VA and USDA-RD Loans ONLY

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Revisions Summarized on Page vi



I.	THE ESCAMBIA COUNTY HOUSING FINANCE AUTHORITY TEAM	1
	Escambia County Housing Finance Authority, Issuer.....	1
	Participating Lenders	1
	U.S. Bank, Master Servicer	1
	eHousingPlus, Program Administrator	1
II.	THE HOME FOR THE HOLIDAYS PROGRAM OPTION	3
	GENERAL INFORMATION	3
	First Mortgage 3	
	Down Payment/Closing Cost Assistance	3
	Current Down Payment Assistance Products	4
	• The Classic Nonforgivable DPA Option	4
	DPA Second Mortgage Disclosure Requirements	5
III.	THE HOME FOR THE HOLIDAYS PROGRAM OPTION REQUIREMENTS	6
	Eligible Areas	6
	Eligible Borrowers.....	6
	First-time Homebuyers Exceptions	6
	Veterans Exception	7
	Eligible Properties; Property Requirements	7
	Minimum (FICO) Credit Score	7
	Maximum Debt to Income Ratio	7
	Household Income Limit Calculation	8
	Household Income Limits for Home for the Holidays Program Option	8
	Acquisition Limits (Sales Price Limits)	8
	Financing Facts for Home for the Holidays Program Option	9
	• Appraisal.....	9
	• Assumptions.....	9
	• Available Assets	9
	• Buydowns and Construction to Permanent.....	9
	• Cash Back	9
	• Cosigners	9
	• Documentary Stamp Tax and Intangible Tax Recordation Requirements	9
	• Homebuyer Education	10

- Insurance Requirements..... 10
- Manufactured Homes..... 10
- Minimum Loan Amount..... 10
- Mortgagee Clause..... 10
- Prepayments 11
- Real Estate Purchase Contract 11
- Recapture Tax..... 11
- Refinance of Existing Mortgage Loans..... 11
- Remaining Reserves..... 11
- Tax Returns or Tax Transcripts 11
- Home for the Holidays Program Option Compliance Underwriting 11
 - In General..... 12
 - Hourly Employees 13
 - Salaried Employees 13
 - Business, Self-Employment..... 14
 - Regular Overtime, Bonus, Commissions 14
 - Interest, Dividends 15
 - Alimony, Child Support 15
 - Pensions, Temporary Payments 15
 - Boarder’s Income and Rental Income in One Unit Properties..... 15
- IV. SUMMARY OF THE COMPLIANCE ORIGINATION PROCESS 16
 - CLOSE THE LOAN – PRINT FORMS AND CLOSING TIPS..... 17
 - Recording The Documentary Stamp Affidavits 18
 - Ship Second Mortgage Package to Escambia HFA 18
 - ASSEMBLE COMPLIANCE FILE FOR UPLOAD TO EHP FRONTPORCH 20
 - Submit Mortgage File & Credit Package To Servicer 21
 - Final Documents 21
- V. PROGRAM TIMELINE 24
 - Timely Delivery Procedures..... 25
- VI. PROGRAM FEES..... 26
 - First Mortgage Program Fees..... 26
 - Extension Fee 26

Second Mortgage Fees	26
eHousingPlus First Mortgage Fee	26
US Bank Fees	27
Lender Fees	27
Lender Compensation.....	28
• Classic Nonforgivable DPA.....	28
VII. PROGRAM FORMS	29
Who Signs the Program Forms?	29
Originating Compliance Forms	30
• Real Estate Purchase Contact.....	30
• Final Typed Loan Application (1003).....	30
• Closing Disclosure (CD).....	30
• Warranty Deed	30
• Discharge or Release Papers.....	30
EXHIBIT A	31
• Instructions For Completing First Mortgage Affidavit For Exemption From Documentary Stamp Tax.	31
• Instructions For Completing Second Mortgage Affidavit For Exemption From Documentary Stamp Tax	33
EXHIBIT B	35
• Second Mortgage File Delivery Checklist.....	35

REVISION TABLE

DATE	
3/17/20	Substantial revision in connection with implementation of new 2020 Governmental Program Option to include both Nonforgivable and, if available, 5-Year Forgivable Second Mortgage Loan DPA options.
4/6/20	Removed Donna Haag from Guidelines.
5/1/20	Effective May 1, 2020 the Governmental 5-Year Forgivable Second Mortgage is available. Page 9, Updated Income and Purchase Price Limits.
8/19/20	Page 3 & 7, Added Madison County and Taylor County as new Participating Counties. Page 21, Updated DPA Request information to include a Wire only option for funding. Due to Covid-19, there is a \$12.00 wire fee payable at closing to Escambia HFA, Attention: Amanda Walls, 700 South Palafox Street, Suite 310, Pensacola, FL 32502. Page 20, Updated Amanda Walls email address to Amanda.Walls@escambiahfa.com . Removed Patricia D. Lott from email distribution. Page 4, Added Ci-Co PartnerSHIP DPA Program. Page 22 & 25, DPA Document Shipping Instructions. Page 34, Added Ci-Co PartnerSHIP Lender Compensation. Effective September 1, 2020, Updated the terms of the Governmental Forgivable Second Mortgage to 10-years, throughout Guidelines. The Five-year Forgivable Second Mortgage Loan Program is being replaced by the Ten-year Forgivable Second Mortgage Loan Program.
2/10/21	Page 22, Recording Requirements: The Doc Stamp Exemption Affidavits can be recorded with their corresponding mortgage. This eliminated the “Immediately prior to” requirement.
6/1/21	Page 20, Add Kathy Johnson to email distribution. Page 30, Updating Reservation to Purchase Timeline: Reservation to Underwriter Certification: 45 days Reservation to Purchase by U.S. Bank: 60 days US Bank Borrower Authorization of Release of Private Information Form is no longer a requirement.
6/1/21 Con`t	Page 24, Submit Mortgage File & Credit Package To Escambia HFA is no longer a requirement, therefore removed.
5/6/22	Page 4, removed PartnerSHIP DPA Program and Increased Classic (Nonforgivable) DPA amount not to exceed \$10,000. Page 20, Added Diane Martinez to the email list. Page 21, DPA Wire Fee increased to \$16.00.
12/21/22	Removed Kimberly McClay from Guidelines. Page 35, Added – Who Signs the Program Forms? Chart Page 37, Added – Who Must Submit Tax Returns/Transcripts? Chart
10/09/23	Added eHP FrontPorch information, various pages Page 2, updated eHP Contact Directory
12/15/23	Governmental Program guide revised as Home for the Holidays

I. THE ESCAMBIA COUNTY HOUSING FINANCE AUTHORITY TEAM



Escambia County Housing Finance Authority, Issuer

Plans and implements programs, develops relationships with participating counties, structures the first mortgage programs and, if applicable, down payment/closing cost assistance programs, recruits lenders, sets the rate, term and points, assists with funding and financing, maintains county and lender relationships and markets the programs.

Participating Lenders

Takes applications, reserves in their own system, processes, underwrites, approves, funds, closes and sells qualified loans to the programs. Lender must check with their own company on how to reserve a Program loan rate in its own system so that funds are available for closing (companies may have their own codes). Lenders are responsible for servicing first program loan in accordance with applicable agency requirements until they are purchased by the Master Servicer.

U.S. Bank, Master Servicer

Provides training concerning underwriting information on acceptable loan products and the delivery and funding of Program loans. Receives all mortgage files, reviews mortgage files, post and notifies lenders of mortgage file exceptions, approves mortgage files, purchases first mortgage loans, pools and delivers loans, delivers certificate to Trustee or Issuer as applicable. Servicer is not obligated to purchase loans that do not comply with applicable requirements.

eHousingPlus, Program Administrator

Maintains the program reservation system and eHP Portal website; posts Administrator’s Guidelines, program forms and training materials; provides training on compliance issues and system; answers Program compliance questions, receives compliance files.

CONTACT DIRECTORY
954-217-0817 or Toll Free (888) 643-7974
Select Option #2

Question	Option #	email
Lender Training (Program & System)	Option #4	Click here
Lender User Access (Credentials, Disabled Access, etc)	Option #1	Click here
eHPay - Digital Payment of Compliance Fees	Option #3	Click here
Program Eligibility Questions - READ THIS GUIDE FIRST	Option #2	Click here
Deficiencies - To view and upload compliance file deficiencies	View compliance and Servicer defi's in eHP FrontPorch using DigitalDocs App, Deficient Compliance Files drop down menu.	
Loan Specific Questions - If you have any questions related to a specific loan already reserved/rate locked in the eHPortal.	Post note in Collaboration Station within eHP FrontPorch	
Credit underwriting questions, refer to their internal UW Department or US Bank	(800) 562-5165	Click here
System Errors - Technical Assistance	Option #6	Click here
DU Findings, DTI, Insurance, Collateral and Purchase of the loan questions all need to be addressed by the Servicer directly. eHousingPlus cannot assist you with questions related to these items. Shipping First or Second mortgage closed loan files Questions regarding exceptions on first and second mortgage closed loan files U.S. Bank	(800) 562-5165	Click here

II. THE HOME FOR THE HOLIDAYS PROGRAM OPTION

GENERAL INFORMATION

The Escambia County Housing Finance Authority (the “HFA”) Home for the Holidays Single Family (Multi-County) Mortgage Loan Program (the “Program”) serves many counties throughout Florida. Presently, loans may be originated through the Program in Alachua, Bay, Bradford, Escambia, Franklin, Gadsden, Gulf, Hernando, Indian River, Jackson, Jefferson, Leon, Madison, Marion, Martin, Okaloosa, Santa Rosa, St. Lucie, Taylor, Wakulla and Walton Counties.

To qualify to be funded under the Home for the Holidays Program Option, all loans must be insured or guaranteed by FHA, VA or USDA-RD. Conventional loans are not available with the Home for the Holidays program option.

Borrowers qualifying for a first mortgage under the Home for the Holidays Option may choose to utilize the down payment and closing cost assistance products described herein offered by the HFA (“DPA”).

PLEASE NOTE THAT THE FIRST MORTGAGE INTEREST RATE AND THE AMOUNT AND TERMS ON THE DOWN PAYMENT ASSISTANCE MAY CHANGE AT ANY TIME WITHOUT NOTICE.

First Mortgage

The current interest rates available for the First Mortgage are available on the eHousingPlus web page for the HFA Program. The interest rate for a loan is only guaranteed at the time the loan is reserved on the eHPortal. Qualified borrowers will receive a 30-year, fixed rate, fully amortizing first mortgage loan with 360 level monthly payments. **Please note that the interest rate available for the First Mortgage depends on the type and amount of DPA assistance requested by the homebuyer.**

First mortgages and notes are exempt from Florida Documentary stamp tax if the required affidavit is recorded with the first mortgage. This legend must appear on all first mortgages:

“THIS MORTGAGE IS EXECUTED AND DELIVERED IN CONNECTION WITH A LOAN MADE BY OR ON BEHALF OF A HOUSING FINANCE AUTHORITY. IT IS EXEMPT FROM THE DOCUMENTARY STAMP TAX PURSUANT TO THE PROVISIONS OF SECTION 159.621(2), FLORIDA STATUTES UPON THE FILING OF THE ATTACHED AFFIDAVIT.”

The first mortgage and note are NOT exempt from Intangible Tax. Please note that **DEEDS ARE NOT EXEMPT from the Florida documentary stamp tax or intangible tax.**

Down Payment/Closing Cost Assistance

In order to enhance the efficiency of the Program, the HFA provides down payment and closing cost assistance to first time homebuyers through loans and/or grants to assist in the purchase of residences.

PLEASE NOTE THAT THE TYPE, AMOUNT AND TERMS OF THE DOWN PAYMENT ASSISTANCE MAY CHANGE AT ANY TIME WITHOUT NOTICE.

Down Payment Assistance Product

The down payment assistance (“DPA”) currently being offered under the ECHFA Home for the Holidays Program Option is as follows:

- **The Classic Non-forgivable DPA Option**

A non-amortizing, deferred NONFORGIVABLE loan (the “Nonforgivable DPA Loan”) secured by a second mortgage (the “Nonforgivable DPA Second Mortgage”). The Nonforgivable DPA Second Mortgage may ONLY be used with the HFA’s first mortgage. If a borrower qualifies for the HFA’s first mortgage, they automatically qualify for up to \$10,000, 0%, 30-year deferred DPA Loan (due upon sale, refinancing, transfer of title, or rental of the home if done within first 30 years) secured by a second mortgage. **The Nonforgivable DPA Loan is never forgiven.** Until otherwise notified the HFA will fund the **Nonforgivable** DPA Loan at closing and will service the **Nonforgivable** DPA Second Mortgage. The proceeds of the **Nonforgivable** DPA Loan may not be used to pay off debt, nor any surplus proceeds be paid to the homebuyer over and above any reimbursement of fees paid prior to the close of escrow (i.e. Mortgage Lender may not use the **Nonforgivable** DPA Loan proceeds for a principal reduction of the First Mortgage). **There is no “cash back” to the borrower.**

The Non-forgivable DPA loan is herein referred to collectively as the DPA Loan.

DPA Loan proceeds may be applied for any eligible use associated with the Mortgage Loan closing process, including but not limited to a borrower’s required down payment, closing costs, Lender fees, Servicer fees, prepaids, mortgage insurance premiums, discounts, and the reimbursement of earnest money and pre-close fees, such as credit report and appraisal fees (“Eligible DPA Uses”). With the HFA as the mortgagee, the funds may be used to fulfill any required borrower minimum contribution.

The first mortgage and note are NOT exempt from Intangible Tax. However, the second mortgage and note pursuant to section 199.183, Florida Statutes, are exempt from intangible tax.

The second mortgage and note are exempt from documentary stamp tax if the required affidavit is recorded with the second mortgage. This legend must appear on the second mortgage:

“THIS MORTGAGE IS EXECUTED AND DELIVERED IN CONNECTION WITH A LOAN MADE BY OR ON BEHALF OF A HOUSING FINANCE AUTHORITY. IT IS EXEMPT FROM FLORIDA INTANGIBLE TAX PURSUANT TO THE PROVISIONS OF SECTION 199.183(1), FLORIDA STATUTES AND IS EXEMPT FROM THE DOCUMENTARY STAMP TAX PURSUANT TO THE PROVISIONS OF SECTION 159.621(2), FLORIDA STATUTES UPON THE FILING OF THE ATTACHED AFFIDAVIT.”

DPA Second Mortgage Disclosure Requirements

The determination has been made that the Escambia County HFA DPA Second Mortgage IS NOT SUBJECT TO TILA or RESPA and lenders may NOT use the new TRID forms (Loan Estimate and Closing Disclosure) for these loans. Instead, a required DPA Loan Disclosure Form has been created to further clarify the terms of the DPA Second Mortgage for the borrower. This disclosure is generated from the eHPortal and is signed at closing by the borrower.

Please note that the only fees that are permitted to be charged at origination of an Escambia County HFA DPA loan are (i) governmental recording fees; and (ii) a bona fide and reasonable lender application fee that may not exceed 1% of the DPA loan. The amount of these fees must be shown on the required DPA Loan Disclosure Form.

Classic Non-Forgivable DPA Option: If there is less than \$500 in remaining DPA Loan proceeds available at the close of escrow, the Lender MUST use such proceeds to reduce the DPA Loan principal balance. If the remaining DPA Loan proceeds is \$500 or greater, the DPA Loan amount must be recalculated and reduced before settlement and the Lender should draw new DPA Loan documents and disclosures. It is the Lender's responsibility to assure that DPA Loans close in compliance with these requirements.

See “Process Guidelines for Requesting Down Payment Assistance Funds” in this Guide.

The remainder of this page is intended to be blank.

III. THE HOME FOR THE HOLIDAYS PROGRAM OPTION REQUIREMENTS

Eligible Areas

Presently, loans may be originated under the Program in Alachua, Bay, Bradford, Escambia, Franklin, Gadsden, Gulf, Hernando, Indian River, Jackson, Jefferson, Leon, Madison, Marion, Martin, Okaloosa, Santa Rosa, St. Lucie, Taylor, Wakulla and Walton Counties.

Eligible Borrowers

- Unless a First-Time Homebuyer Exception applies, Buyers and their spouses (occupant and non-occupant) must be first-time homebuyers and must be able to permanently reside in the US. “First-time Homebuyer” means a taxpayer who has not owned a principal residence at any time during the three years prior to the date of purchase of a home through the Home for the Holidays Program Option.
- Please contact the Compliance office with questions regarding permanent residency.
- Follow Agency (FHA, VA, USDA-RD) and U.S. Bank guidelines for non-citizens.
- Buyers must live in the property they purchase as their principal residence.
- All applicants must be considered irrespective of age, race, color, religion, national origin, sex, marital status, military status or physical handicap.
- Buyers must occupy the property purchased within 60 days of closing.
- The past three years federal income tax transcripts are required for all borrowers and their spouses (NOT required for those meeting a First-Time Homebuyer Exception).

First-time Homebuyers Exceptions

- It is not necessary to be a first-time homebuyer if the home is located in a federally designated Targeted Area.
- It is not necessary to be a first-time homebuyer if the homebuyer is a single parent who has only owned with a former spouse while married.
- It is not necessary to be a first-time homebuyer if the individual is a displaced homemaker and has only owned with a spouse.
- It is not necessary to be a first-time homebuyer if the individual has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations.
- It is not necessary to be a first-time homebuyer if the individual has only owned a property that was not in compliance with state, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a

permanent structure.

- It is not necessary to be a first-time homebuyer if the Veterans Exception applies.

Veterans Exception

For the Veterans Exception, a “veteran” is defined as "a person who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable." The Mortgagor Affidavit has a checkbox that states: “*Mortgagor (Co-mortgagor) meets the requirements to qualify as a “veteran” as defined in 38 U.S.C. Section 101 and has not previously obtained a loan financed by single family mortgage revenue bonds utilizing the veteran exception to the first-time homebuyer requirement set forth in Section 416 of the Tax Relief and Health Care Act of 2006. Attached hereto are true and correct copies of my discharge or release papers, which demonstrate that such discharge or release was other than dishonorable.*” This exception may only be used once with the Home for the Holidays Program Option.

Eligible Properties; Property Requirements

- New or existing, one unit (**no 2-4 units**), detached or attached, condos, town homes that meet servicer/insurer/guarantor requirements. Homes are considered new if never previously occupied.
- Mobile, manufactured, recreational, seasonal, or other types of vacation or non-permanent homes are not permitted.
- Land may not exceed the size required to maintain basic livability.
- Properties purchased must be residential units.
- No more than 15% of the square footage of the home being purchased may be used in connection with a trade or business including Child Care services.

Minimum (FICO) Credit Score

Borrowers must have a minimum FICO credit score of 640 for FHA, USDA-RD and VA Loans for **all** borrowers on the **application**. For FHA Loans with a FICO below 660, 1-month reserves and 6-months current employment history required. See U.S. Bank SEL-2020-026: Updated Credit Overlays for FHA.

With regard to non-traditional credit, please refer to U.S. Bank Bulletin 2015-07. **If a tri-merged credit report is used, the middle score must be 640, or higher. If your internal requirements dictate a higher minimum credit score, you must adhere to your lending guidelines.** Contact US Bank HFA Division with any questions regarding acceptable AUS, 800-562-5165.

Please note that as of January 2020, U.S. Bank limits the number of allowable loans with credit scores under 660. The HFA has sufficient allocation to permit loans with credit scores between 640 and 660 at this time; however, it may be necessary at a later date to advise lenders that the minimum FICO score must be revised to 660.

Maximum Debt to Income Ratio

The maximum debt to income ratio for loans reserved is 45%.

Household Income Limit Calculation

Include income of borrower(s) and spouse (occupants and non-occupants) and any person who will live in the household who is 18 years of age or older. Include all income, even income not used for credit underwriting purposes. For the Home for the Holidays Option, program income is not averaged; it is annualized. That's different from income used for credit underwriting. More detailed guidelines for calculating program income are located in this guide under "Home for the Holidays Program Option Compliance Underwriting".

Household Income Limits for Home for the Holidays Program Option

Maximum Current Annual Household Income limits are updated annually from applicable median income figures published by the United States Department of Housing and Urban Development. *These limits are set forth on our website and are also provided to the Master Servicer and Program Administrator for dissemination to Participating Lenders. Please note that different limits are established for each Participating County and for each Program Option.* See <https://escambiahfa.com/homebuyers/income-and-purchase-price-limits>.

Acquisition Limits (Sales Price Limits)

Program Purchase Price limits are updated annually from "Safe Harbor" average area purchase prices published from time to time by the United States Treasury Department or from surveys or other compilations of acquisition prices that in the opinion of recognized counsel represent acceptable methods for determination of such average acquisition prices for purposes of Section 143 of the Code and in compliance with any requirements for the County. Acquisition Price limits are also **subject to the applicable FHA/VA/RD limits** for the applicable Participating County. No Participating Lender may impose a requirement for a minimum loan amount. *These limits are set forth on our website and are also provided to the Master Servicer and Program Administrator for dissemination to Participating Lenders.*

See <http://escambiahfa.com/homebuyers/income-and-purchase-price-limits>.

The following census tracts constitute the federally designated targeted areas that may affect the Acquisition Limits for the Home for the Holidays Program Option:

Alachua County:	0002.00, 0006.00, 0008.09, 0009.01, 0009.02, 0015.16, 0015.17, 0015.20, 0019.02, 0022.19
Bay County:	0016.00
Escambia County:	0004.00, 0015.00, 0017.00, 0018.00, 0019.00, 0020.00, 0021.00, 0027.03
Indian River County:	0504.01
Leon County:	0003.03, 0005.00, 0010.01, 0011.01, 0014.02, 0020.03, 0020.04, 0020.05, 0021.03, 0021.04, 0025.09
Marion County:	0005.02, 0017.00
St. Lucie County:	3801.00, 3802.00, 3803.00, 3804.00

Financing Facts for Home for the Holidays Program Option

It's expected that lenders have reviewed some **preliminary documentation and believe that applicants will also qualify for credit. Excessive cancellations will be reviewed** to assure that reservations are not being utilized **inappropriately**.

- **Appraisal**

The appraisal must indicate that the home has at least a 30-year remaining useful life.

- **Assumptions**

First mortgage loans may be assumed by a qualified borrower meeting qualifying requirements, income and acquisition price restrictions in place at the time of the assumption. Such loans must continue to fully comply and be insured or guaranteed by the insurer/guarantor.

The Second Mortgage and Promissory Note second mortgage loans cannot be assumed, except that a transfer to a person who is an heir or devisee of the Mortgagor, upon the death of the Mortgagor, is permissible provided that the Second Mortgage and Promissory Note are not then in default and that said person: (a) occupies the Property as their principal place of residence; (b) qualifies under the income eligibility requirements set forth in the applicable Program; and (c) executes such documents (including, without limitation, an agreement assuming the obligations under the Second Mortgage and Promissory Note) and pays such fees and charges as the Authority may reasonably require.

- **Available Assets**

All **available assets** are not required to be used in this program.

- **Buydowns and Construction to Permanent**

Not permitted.

- **Cash Back**

Cash Back to the borrower is not permitted. However, borrowers are permitted a reimbursement of prepaids and reimbursement of overage of earnest money deposit to the extent any minimum contribution has been satisfied and permitted by Agency guidelines.

- **Cosigners**

Permitted for FHA loans under very specific conditions. Follow FHA guidelines for credit purposes only. Treat cosigner credit/income as directed by FHA. Cosigners are allowable in an FHA transaction when meeting the following conditions: (1) a cosigner cannot have any ownership interest in the property (they cannot be on the Mortgage/Deed) and (2) the cosigner cannot reside in the property being purchased. A cosigner's income is not considered for program purposes, tax transcripts are not required from the cosigner, and cosigners do not sign any Program documents.

- **Documentary Stamp Tax and Intangible Tax Recordation Requirements**

First and second mortgages are exempt from documentary stamp tax, so long as the First and Second Mortgage Doc Stamp Exemption affidavits, available from the eHousingPlus Lender Portal, are recorded with the mortgages. (See Exhibit A hereto for forms of Affidavits and instructions for completing them.)

This legend must appear on the first mortgage:

“THIS MORTGAGE IS EXECUTED AND DELIVERED IN CONNECTION WITH A LOAN MADE BY OR ON BEHALF OF A HOUSING FINANCE AUTHORITY. IT IS EXEMPT FROM THE DOCUMENTARY STAMP TAX PURSUANT TO THE PROVISIONS OF SECTION 159.621(2), FLORIDA STATUTES UPON THE FILING OF THE ATTACHED AFFIDAVIT.”

The first mortgage and note are NOT exempt from Intangible Tax. However, the second mortgage and note pursuant to section 199.183, Florida Statutes, are exempt from intangible tax. This legend must appear on the second mortgage:

“THIS MORTGAGE IS EXECUTED AND DELIVERED IN CONNECTION WITH A LOAN MADE BY OR ON BEHALF OF A HOUSING FINANCE AUTHORITY. IT IS EXEMPT FROM FLORIDA INTANGIBLE TAX PURSUANT TO THE PROVISIONS OF SECTION 199.183(1), FLORIDA STATUTES AND IS EXEMPT FROM THE DOCUMENTARY STAMP TAX PURSUANT TO THE PROVISIONS OF SECTION 159.621(2), FLORIDA STATUTES UPON THE FILING OF THE ATTACHED AFFIDAVIT.”

- **Homebuyer Education**

Although homebuyer education is strongly recommended, it is not required by the Escambia HFA in connection with the Home for the Holidays Program Option.

- **Insurance Requirements**

The hazard insurance policy, when issued, must name the Escambia County Housing Finance Authority as an insured second mortgagee. The mortgage title insurance policy, when issued, must include the second mortgage as a valid lien against the property subordinate only to the first mortgage.

- **Manufactured Homes**

As of December 1, 2015, U. S. Bank will not purchase loans for manufactured housing. U.S. Bank considers manufactured housing a mobile home built entirely offsite on a permanent chassis that is pulled on the highway to a permanent location. Modular, panelized or prefabricated homes are not considered manufactured housing.

- **Minimum Loan Amount**

There is **no minimum loan amount** in the Home for the Holidays Program Option.

- **Mortgagee Clause**

Mortgagee Clause for First Mortgage is:

US Bank National Association
Its Successors and Assigns as Their Interest May Appear
C/O US Bank Home Mortgage
PO Box 961045
Fort Worth, TX 76161-0045

Mortgage Clause for Second Mortgage is:

Escambia County Housing Finance Authority
700 South Palafox Street, Suite 310
Pensacola, FL 32502

- **Prepayments**

The first and second mortgages may be prepaid in whole or in part at any time without penalty.

- **Real Estate Purchase Contract**

The full address of the property, full names of all sellers and buyers, total purchase price of the property must be included. If there is not an address for new construction, a lot number and subdivision name are required. All named persons must sign. Include the name and title whenever a representative is signing for a corporation.

- **Recapture Tax**

There is no Recapture Tax liability in connection with the Home for the Holidays Program Option.

- **Refinance of Existing Mortgage Loans**

The Home for the Holidays Program Option is for new mortgage loans. Refinances are not permitted. If borrower refinances the first mortgage or ceases to occupy the home as a principal residence, the second mortgage must be repaid if within the first ten years. It can never be subordinated.

- **Remaining Reserves**

Remaining reserves are not established by this program. If any, these are determined by FHA, VA, or USDA-RD. See U.S. Bank SEL-2020-026: Updated Credit Overlays for FHA.

- **Tax Returns or Tax Transcripts**

Tax returns or tax transcripts for the three-years preceeding the date of closing the loan are required for loans made through the Home for the Holidays Program Option.

- **In General**

Underwriters should remember that calculation of program (compliance) income for the Home for the Holidays Program Option is different than calculation of income for credit purposes. The HFA's Home for the Holidays Program Option requires that underwriters consider the income of borrowers and their spouses (regardless of their address) and all household members 18 years of age or older (related or unrelated). Use the information below as a general guide. Because each case is different, please contact the Program Administrator by selecting [Click here](#) if you have questions. Please note that U.S. Bank HFA Division will not accept FHA Manually Underwritten loans.

Unlike income that is averaged for credit underwriting, the Home for the Holidays Program Option is concerned with actual current income. You should be reviewing the YTD income, the income of the last 4 months and the income shown on previous tax returns for consistency. You should not be averaging income. If there are not inconsistencies in earnings, use the guidelines for each loan type to determine current gross monthly income. Current gross monthly income is multiplied by remaining months in the year to determine "total current annualized income".

For the tax year in which the closing occurs, consider YTD income. Then establish current base income for the balance of the year using the guidelines for each type of income. Then consider any additional income. For assistance, contact the eHP Compliance Office.

Gross monthly income is the sum of monthly gross pay; any additional income from overtime, part-time employment, bonuses, income from self-employment, dividends, interest, royalties, pensions, VA compensation and net rental income, other income such as: alimony, child support, public assistance, sick pay, social security benefits, unemployment compensation, income received from trusts, and income received from business activities or investments, continuation of which is probable based on foreseeable economic circumstances based upon the Mortgagor's Affidavit (to such effect), all as computed at the time of application for a mortgage loan and confirmed at the time of closing. We will check information with respect to gross monthly income obtained from the reservation form, Underwriter's Certification and applicable certificates and affidavits executed the date of the Closing of the Mortgage Loan, provided that any gross monthly income not included for credit underwriting purposes must be included in determining gross monthly income. Include the income of non-borrower co-habitants who will reside in the property. However, do not include (1) dependents that are claimed on tax returns but who will not permanently reside in the home the majority of the time and (2) co-signers. The Affidavit, executed by the borrower(s), and certified by the lender, must include the total verified annual household income.

The Home for the Holidays Program Option considers household income, not only income of the borrower. Household income includes the income of borrower, spouse, and all household members 18 years of age or older (related or unrelated). Remember if persons are not divorced, they are married. The income of the spouse is counted whether they reside in the property or not. Also include the income of all who will reside in the home 18 years of age or older (such as children and parents on social security).

Questions regarding the calculation of income for Home for the Holidays Program Option purposes should be directed to the Compliance office services@ehousingplus.com. There are many variables

and the Compliance office will be pleased to assist.

“Alternate Documentation” (Alt Docs) as defined by FHA and other secondary market entities is an acceptable Lender verification for compliance purposes, provided that such documentation includes the necessary, acceptable income tax returns. The Servicer requires a credit package as indicated on the various loan delivery checklists. However, the Servicer does not re-underwrite the loans for credit purposes. See bolded paragraph below.

Although reference is made to VOE’s and VOD’s in the guidelines below, they are not required if acceptable alternate documentation is in the file. This documentation includes, but may not be limited to, current pay stubs which delineate “current period”, W-2’s, for all borrowers and all employers, and bank statements to verify assets. If W-2’s are present in the loan file, lending personnel should verify that the total of W-2’s presented equals the total income shown on borrower’s tax returns. If a VOE is in the file, the borrower does not have to provide W-2’s unless the underwriter deems this necessary for prudent underwriting. Figures shown on all documents should be consistent. See bolded paragraph below.

Because a program qualifier is “income”, even if not required for credit purposes (i.e. automated underwriting), you should be seeking the two most current paystubs with YTD. Do not include in the compliance file, keep copies for your records.

Although reference is made to the last 4 to 6 weeks income, Underwriters should be reviewing the income tax returns submitted to verify that there are no unexplained and/or unacceptable differences in current income to past income.

Examples below are not intended to serve as exclusive methodology. Please contact the eHP Compliance office 954-217-0817 with questions regarding individual cases.

Please note that the income reported for Home for the Holidays Program Option income calculation CAN NEVER BE LOWER THAN THE INCOME USED TO QUALIFY FOR CREDIT PURPOSES.

- **Hourly Employees**

1. For the tax year in which the loan is closing, use the Year to Date base income. If consistent, utilize the base to determine the balance of the year by using last 4 to 6 weeks' pay stubs. Identify hourly rate of pay and average number of regular hours worked per week. Multiply hourly rate times regular weekly hours. Multiply result times number of weeks for balance of year and add to YTD for an annualized base salary.
2. If the person has no other sources of income (for example: overtime, bonus, commissions, second jobs, interest, dividends, child support, alimony, public assistance), this will be the Current Total Annual Income.
3. Compare the total annual income in #2 above to Paystubs, VOEs, previous year’s income per W2s and tax returns. You should not find significant differences. In some cases, the Current Total Annual Income will be higher than the previous year's income. Variances should be attributable to increases/decreases in pay or number of hours worked.

- **Salaried Employees**

1. Using last 4 to 6 weeks' pay stubs, identify weekly (or other frequency) rate of pay. Multiply rate

times the number of regular pay periods in the year (52 weeks, 12 months, 24 semi-months).

2. If the person has no other sources of income (for example: overtime, bonus, commissions, second jobs, interest, dividends, child support, alimony, public assistance), this will be the Current Total Annual Income.
3. Compare the total annual income in #2 above to Paystubs, VOE's, previous year's income per W-2s and tax returns. You should not find significant differences. In some cases, the Current Total Annual Income will be higher than the previous year's income. Variances should be attributable to increases/decreases in pay or number of hours worked.

- **Business, Self-Employment**

1. Use the quarterly tax returns and financial statements to identify the current NET year to date income.
2. Divide the year to date income by the number of months during which it was earned and multiply times remaining number of months in year. Add to actual YTD. ADD DEPRECIATION.
3. If the person has no other sources of income (for example: overtime, bonus, commissions, second jobs, interest, dividends, child support, alimony, public assistance), this will be the Current Total Annual Income.
4. Compare the total annual income in #2 above to the previous year's income per W-2s and tax returns. You should not find significant differences.

Verified Termination of Overtime, Commission, Bonus, Seasonal, Periodic, One Time Overtime, Bonus, Commissions using last 4 to 6 weeks' pay stubs, identify the year to date total earnings of the borrower. Subtract the Current Total Base Income (see above) to arrive at the total year to date extraordinary income. If verification of termination of overtime, commission or bonus is provided in writing (i.e. a letter from an employer) or such termination is due to a change of employment, use the current YTD overtime, commission or bonus, do not annualize and add as a lump sum to the Current Total Annual Income.

- **Regular Overtime, Bonus, Commissions**

1. Using the last 4 to 6 weeks' pay stubs, identify the year to date total earnings of the borrower. Subtract the Current Total Base Income (see above) to arrive at the total year to date extraordinary income.
2. Divide the year to date extraordinary income by the number of pay periods during which it was earned (to obtain an average). Multiply times the appropriate factor (Balance of year weeks, months, semi-monthly, etc.) for balance of year figure and add to actual YTD extraordinary income for annual income.
3. If the person has no other sources of income (for example: second jobs, interest, dividends, child support, alimony, public assistance), this will be the Current Total Annual Income.
4. Compare the total annual income in #2 above to Paystubs, VOEs, previous year's income per W2s and tax returns. You should not find significant differences. In most cases, the Current Total Annual Income will be higher than the previous year's income. It will also generally be higher than the annualized year to date income. The variances should be attributable to increases/decreases in pay.

- **Interest, Dividends**

1. Use current earnings statements issued by the bank, investment broker or agent. Identify the year to date interest or dividend earnings. Divide by the investment term year to date (for an average) and multiply times appropriate factor to annualize the earnings.
2. If statements are not available, and the terms of the investment agreement are available, multiply the principal amount of the asset times the annual interest yield factor for a projected interest earnings amount.
3. If neither are available, use the previous year's earnings statements or tax returns to identify total annual interest and dividend income. If the assets are still invested in the same instruments, use the previous year's figure.
4. Add the result of the computation in either #1, #2 or #3 above to the Current Total Annual Income.

- **Alimony, Child Support**

1. Use the monthly amount appearing in the divorce decree, separation agreement or other support document.
2. If the borrower receives more than the amount stipulated in the agreements, use the monthly figure that the borrower declares and can be verified.
3. If the borrower receives less than the amount stipulated in the agreements and there is a verifiable history of the underpayments for at least 2 years (as evidenced by Court records), then use the historical monthly earnings for the past 2 years. If there is no such history that can be verified, use the amount stipulated in #1 above.
4. Multiply the monthly amount of alimony or child support times 12. Add to the Current Total Annual Income (plus any other income sources).

- **Pensions, Temporary Payments**

1. Use the benefits statement issued by the benefits provider (pensions, workers compensation, disability compensation, social security, AFDC, etc.) to identify the amount of the benefit, payment frequency and expected term of the benefit.
2. Multiply the amount of the benefit times the payment frequency for the balance of the year and add to actual YTD for an annualized amount. Add to the Current Total Annual Income (plus any other income sources).
3. If the benefit is absolutely not payable to the recipient beyond a given date (that means a complete and permanent stop of benefits without extensions, exceptions, waivers or other conditions) and such date is within 12 calendar months of the anticipated closing date, then calculate the benefits expected through the end of the benefits term. That will be the total annual income amount from the specific benefits source. Add to the Current Total Annual Income (plus any other income sources).

- **Boarder's Income and Rental Income in One Unit Properties**

The Boarder's wages/income and rental income paid to the borrower must be included in the 2020 Home for the Holidays Program Option calculation of income.

IV. SUMMARY OF THE COMPLIANCE ORIGINATION PROCESS

NEW LENDER ONBOARDING

Our onboarding process is designed to provide all participating lenders and their staff web-based training related to the Program, Technical and Workflow requirements of each program.

Based on your role, there are certain training requirements prior to adding a new Program and Features. These are determined based on which modules you have completed in the past, and which Programs you want to add to your Portfolio. Contact onboarding@ehpuniversity.com if your lender institution has not yet received onboarding.

LENDER TRAINING

The eHousingPlus on-demand lender training is available 24/7/365 via eHP University. Just [click on this link to register for training](#). Our training team will create a specific training program for you based on the role(s) you selected, and you will receive an email confirmation with relevant information. Upon completion, your User Credentials will be created (if you are new User) or updated (if you are a current user) and you will receive a system generated email with this notification.

QUALIFY THE BORROWER

Lenders will credit underwrite the loan using Agency guidelines and Florida Housing program requirements to qualify applicants for the program. Buyers must present an executed sales agreement before a Reservation/Rate Lock can be made in the [eHPortal](#).

Determine if the borrower qualifies for a mortgage loan (as you would with any other borrower). Then determine if they qualify for the Bond Program using the requirements in the Program.

RESERVE FIRST MORTGAGE FUNDS

To reserve funds in program's online system [click on this link](#). Log in and reserve the first mortgage. To reserve funds in the program the borrower is required to have a signed real estate purchase contract for a specific address. You will need a 1003 and the Real Estate Purchase contract in order to make a reservation. If the reservation is successful, you will receive a loan number and a message that you've completed the reservation successfully. A reservation is for a borrower with a real estate purchase contract for a specific property. If the property needs to change, the loan must be cancelled and re-reserved. The lender is responsible for cancelling the loan within the eHousingPlus Lender Portal. And then, the lender must email (services@ehousing.cc) or call the eHousingPlus Compliance office at 954-217-0817 to have the borrower permanently removed from the eHousingPlus Lender Portal. Until this process is complete, the lender will not be able to re-reserve funds for the borrower.

IMPORTANT – If the loan rate or offering needs to change, this can be done by making a [request online](#).

PRINT THE PRE-CLOSING FORM

The Notices to Buyers may be found in [eHP FrontPorch using the eHProforms app](#).

RESERVE ASSISTANCE FUNDS

Immediately following reservation of the first mortgage loan, click on the “Add DPA” button found on the main menu to reserve the second mortgage funds. Then click “Start DPA” from the Main Menu. The DPA loan amount will automatically default to \$10,000. Check over the information on the screen and then click on Submit DPA from the Main Menu. You will receive a notice on the screen the DPA was added successfully.

The Down Payment Assistance (DPA) loan is table funded by the Escambia County Housing Finance Authority at closing.

Within a minimum of three (3) business days (no later than 2:00 p.m. CT) prior to closing AND AFTER the Underwriter’s Certification is submitted:

- 1) Print, complete and scan the DPA Funding Request, Underwriter’s Certification Form or Loan Confirmation, and DPA Loan Disclosure Form located in [eHP FrontPorch via the eHProForms app](#). Email the DPA Request with all required forms described in paragraph 1 to:
fran.jones@escambiahfa.com
lisa.bernau@escambiahfa.com
amanda.walls@escambiahfa.com
kathy.johnson@escambiahfa.com
diane.martinez@escambiahfa.com

The HFA'S goal is to facilitate this process and to provide Lenders the assistance needed to ensure the DPA Funds are available at each closing. Please make sure that eHousingPlus and the email addresses above are added to your whitelists/contacts as both systems generate emails related to the DPA Program.

The DPA Funding Request is reviewed and approved by the HFA. Following HFA’s review and approval, funds are sent directly to the Closing Agent/Title Company via ACH or Wire transfer. If a wire is requested, there is a \$16.00 wire fee payable at closing to Escambia HFA, Attention: Amanda Walls, 700 South Palafox Street, Suite 310, Pensacola, FL 32502.

IF THE CLOSING AGENT/TITLE COMPANY IS NOT SET UP WITH THEIR BANK TO RECEIVE ACHs or WIRES AND THEY NEED ASSISTANCE, PLEASE HAVE THEM CONTACT KATHY JOHNSON OR AMANDA WALLS AT 850-432-7077 FOR ASSISTANCE.

CLOSE THE LOAN – PRINT FORMS AND CLOSING TIPS

It is the lender’s responsibility to ensure that proper instructions are provided to internal processor/closer and to the title company/closing agent. All program documents (except DPA documents) must be returned to you. The Program forms may only be found within the eHPortal. Forms generated from any other source may void the loan making it not purchasable in the program. A lender will need user credentials for [eHP FrontPorch via the eHProForms app](#). to access the forms.

Provide the borrower(s) with the following forms that need to be signed at closing:

Escambia County HFA Home for the Holidays
Affidavit/Certification
DPA – Second Mortgage Pkg. (to Escambia) <ul style="list-style-type: none"> • Document Checklist • Second Mortgage; and • Doc Stamp Affidavit; and • Promissory Note
DPA HUD Gift Letter
DPA Loan Disclosure Form
First Mortgage Doc Stamp Affidavit

Recording The Documentary Stamp Affidavits

There will be two (2) Documentary Stamp Affidavits to be recorded.

- 1) Escambia County HFA First Mortgage Documentary Stamp Affidavit. This affidavit should be recorded with the first mortgage.

- 2) Escambia County HFA Second Mortgage Documentary Stamp Affidavit. This affidavit should be recorded with the second mortgage. The forms may be found in [eHP FrontPorch via the eHProForms app.](#)

Ship Second Mortgage Package to Escambia HFA

The original Second Mortgage Doc Stamp Exemption Affidavit, Second Mortgage and Promissory Note must be recorded as ONE DOCUMENT in the official records of the applicable County and sent overnight within 30 days of closing to the Escambia County Housing Finance Authority at 700 South Palafox Street, Suite 310, Pensacola, FL 32502.

If the DPA Funds are provided by a local SHIP Program, follow their respective shipping instructions.

PARTICIPATING LENDERS -- PLEASE ENSURE THE CLOSING AGENT AND/OR SHIPPER ARE GIVEN THE FOLLOWING INSTRUCTIONS:

1. **THE ORIGINAL SECOND MORTGAGE DOC STAMP EXEMPTION AFFIDAVIT, SECOND MORTGAGE AND PROMISSORY NOTE MUST BE RECORDED AS ONE DOCUMENT IN THE OFFICIAL RECORDS. PLEASE FORWARD THE ORIGINAL**

RECORDED **SECOND MORTGAGE DOC STAMP EXEMPTION AFFIDAVIT**, SECOND MORTGAGE AND PROMISSORY NOTE TO THE HFA WITHIN 30 DAYS OF CLOSING. See Exhibit B for Checklist.

2. IF THE MORTGAGE LOAN CLOSING DOES NOT OCCUR OR IF THE DPA FUNDS ARE NOT USED IN WHOLE OR IN PART, LENDER MUST NOTIFY THE HFA IMMEDIATELY AND **MUST** CAUSE THE DPA FUNDS TO BE RETURNED TO THE HFA NO LATER THAN THE CLOSE OF BUSINESS ON THE BUSINESS DAY FOLLOWING THE LOAN CLOSING DATE.

IMPORTANT! IMPORTANT! IMPORTANT! IMPORTANT!

THE ORIGINAL SECOND MORTGAGE DOC STAMP EXEMPTION AFFIDAVIT, SECOND MORTGAGE, AND PROMISSORY NOTE (THE “DPA DOCUMENTS”) SHOULD BE RETURNED TO THE ESCAMBIA COUNTY HOUSING FINANCE AUTHORITY. DO NOT INCLUDE THE ORIGINAL DPA DOCUMENTS IN THE COMPLIANCE OR MORTGAGE FILE TO BE SENT TO EHOUSING OR US BANK!

THE LENDER WILL BE REQUIRED TO REPAY THE DPA TO THE HFA IF THE FIRST MORTGAGE LOAN IS NOT ULTIMATELY PURCHASED UNDER THE ECHFA PROGRAM. CONTACT HFA AT 800.388.1970 OR FRAN.JONES@ESCAMBIAHFA.COM.

ASSEMBLE COMPLIANCE FILE FOR UPLOAD TO EHP FRONTPORCH

Compliance Files and Corrections to previously submitted files with erroneous or missing required documents will be managed through **eHP FrontPorch**. This portal provides lenders with all the tools necessary to deliver the required documents for the approval of the originated loan(s) in their respective affordable homebuyer programs. **eHP FrontPorch** is a secure, easy to use and efficient way for lenders to deliver the Compliance File, Correct DEFI's and pay the required Compliance Review Fees via our **eHPay** on-line fee approval, and related tools.

To assemble the compliance file, you will need a checklist. The checklist is specific to this program and used to submit the compliance documents post-closing to eHousingPlus.

[Log-in here and use the eHProForms App](#) to download the program forms.

Compliance files should include the following:

- FINAL Signed Closing Disclosure
- FINAL Signed 1003
- Escambia County HFA - Notices to Buyers
- Escambia County HFA - Affidavit Mortgagor, Seller, Lender
- Homebuyer Education Certificate (recommended)
- Taxes for Borrower(s) & Spouse - 3 years IRS transcripts or Signed 1040
- Real Estate Purchase Contract
- Warranty Deed
- Discharge Papers (DD214) only if Veteran is qualifying under the Veteran's Exception

UPLOAD THE COMPLIANCE FILE TO EHP DIGITAL DOCS

[Log-in here and use the Digital Docs App](#) to upload the compliance file.

The Compliance File should be a PDF file uploaded upright and in a clear legible format, composed of all required documents on the Checklist. Don't upload a compliance file until everything is included in the package. The more complete the file, the quicker the review and approval, and the file AND fee must be received to start the review process. Be aware that Loans will go straight to deficient status if items are missing, or if the fee was not received or properly identified. Once you are ready to upload your documents select eHPDigital Docs and from the drop down menu click on New Upload and follow the prompts.

CLEAR A DEFICIENT COMPLIANCE FILE

LOAN DEFICIENCIES ARE NOT ACCEPTED VIA EMAIL.

Clearing files deficiencies is critical to your loan being approved and ultimately purchased. In the Deficient Compliance Files drop down, choose View/Upload Corrected DEFIs. This area will assist you in viewing what needs to be corrected, which documents are approved and complete, and you will have the ability to upload the correction and communicate with us in one simple area.

Is very helpful in resolving outstanding issues and having broader visibility for all of your post-closing staff who may need to work on resolving these discrepancies.

Please make sure that you're shipping and post-closing staff is very familiar with this area. Remember your loan cannot be approved with outstanding deficiencies.

EHP COMPLIANCE APPROVAL

Following approval of Compliance File by eHousingPlus, lenders are notified and reminded of the purchase deadline.

Submit Mortgage File & Credit Package To Servicer

The Mortgage File including Credit Package are sent to U.S. Bank. The U.S. Bank Delivery and Funding Checklist is found within the U.S. Bank web site.

To locate the U.S. Bank product guidelines and checklist [click on this link](#).

You may need to enable pop-up windows on your web browser. Please contact your IT Department for assistance with this. If you experience any technical difficulty, please contact U.S. Bank HFA Division directly at 800-562-5165.

U.S. BANK notifies lenders of Exceptions, posts exceptions online and sends a weekly summary of outstanding exceptions.

Final Documents

THE RECORDED FIRST MORTGAGE DOCUMENTS SHOULD BE SUBMITTED TO U.S. BANK.

THE RECORDED ECHFA SECOND MORTGAGE DOCUMENTS SHOULD BE RETURNED TO THE ESCAMBIA HFA, 700 SOUTH PALAFOX STREET, SUITE 310, PENSACOLA, FL 32502. SEE EXHIBIT B, SHIPPING CHECKLIST.

Welcome to the Next Generation of eHousingPlus© Solutions



eHP FrontPorch Helpful Tips

Our new eHP FrontPorch graphical menu lets you access all apps and tools with one click. These apps were designed to assist you with the program requirements and workflow. In addition, eHP FrontPorch introduces new innovative tools such as Collaboration Station, Quick Tips, the eHPlaylist, and the Alerts and Notifications area. These NextGen Lender Platform tools have been designed to help you complete your tasks quick and easy.

eHProForms

eHProForms is our newly designed forms generation app where a lender will access all program related documents. Using a search feature to quickly access the loan file, it provides all of the program forms that are required for your specific loan.

The forms are now organized by purpose leading with compliance related forms which will be part of the compliance package you sent to eHousingPlus, the closing second lien assistance and other similar forms you will submit to the servicer and their package and two additional areas for special forms and documents that may apply to your loan. The forms instantly generate from your loan record so it's essential to make sure that you review the information for accuracy.

If something needs to be updated you can log into the eHPortal, edit the loan and you come back to eHP FrontPorch and regenerate the forms. It is easy and you can create forms as many times as you need with just one click. If your loan record has not been updated, your loans will be incorrect, and your file will be placed in deficient status. Clicking the waffle menu at the top of the page is an easy way to get back to the main menu.

eHP Front Porch Helpful Tips

Collaboration Station

Collaboration Station creates a history of any issue that has been communicated regarding a specific loan and provides certain status alerts.

In collaboration station you can create a note to save to the loan file or you can send a message to anyone in our compliance team.

Click the message icon and a menu of eHousingPlus staff will appear at the top with their role for you to make the appropriate selection. You may include your team members who have user credentials to eHP FrontPorch that may assist in expediting solutions for your loans.

In Collaboration Station, you can also find the Servicer notes and exceptions that need to be addressed with them. By providing this view to you it gives you transparency to any problem that has to be resolved related to the mortgage or collateral submitted to the Servicer.

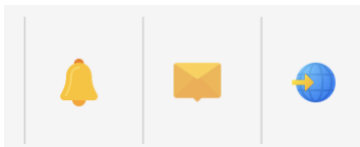
This view can be grouped, filtered, searched, and exported.

Quick Tips

Quick Tips is a library of useful tips to give you simple quick how to answers on common topics related to the process. It is a way to have short simple tips at your fingertips by roller subject where you can catch up and get you up to speed fast. These Quick Tips are a great place to search for frequent questions, concerns, or simply to educate yourself on a variety of topics.

eHPlaylist

The eHPlaylist is a newly created video platform with tutorials on where to perform tasks best practices and how-to's, all created to assist you with important information. Visual content is easy to access and understand and our playlist has a library of short concise and process-based learning topics. The video library has various categories and brief descriptions to easily build learning tools for your team. Together with Quick Tips, the eHPlaylist will provide you and your team with continuous learning resources to help you keep up to date with any platform or process changes.



Alerts and Notifications

The Alerts and Notifications area (bell and envelope icons) has been designed to provide you notifications of notes and messages related to your loans, with additional notification of status changes based on your role. When you send and receive messages using this app, you will receive a notification alert so you can easily see what's happening with your loans. The last area on the notification panel (world icon) is made available to help you navigate to any of the program pages, guidelines, eHPUniversity and to view eHP News.

V. PROGRAM TIMELINE

Buyers must have a fully executed sales contract for a specific property in order for a Lender to reserve funds for a homebuyer or place a buyer on a waiting list. The contract may be dated prior to the date of the loan application. Buyers may be pre-qualified. However, if the buyer does not have a contract on a property, program funds may not be held for the buyer until the buyer presents a valid contract.

To assure that loans are purchased, please follow the Processing, Delivery and Purchase Timetable shown below. Please do not reserve loans that cannot meet the timetable. This is particularly important with respect to new construction and short sales. Loans not purchased within the timeframe below, cannot be purchased.

Since the Program offers continuous funding and strict penalties, the Lenders are encouraged not to reserve funds until it is certain that the loan can close and be delivered within 40 days. Following this procedure will help insure timely purchase. First Mortgage Loans not delivered, cleared of all exceptions, and eligible for purchase within 60 days of the Reservation Date will be automatically cancelled unless the Participating Lender requests an extension of time in writing to the Program Administrator prior to the expiration date. Extensions of up to 20 days will be considered by the Program Administrator. A penalty in the amount of \$500 will be imposed if the extension is approved, whether or not the First Mortgage Loan is ultimately closed and presented for purchase. The penalty will be deducted from the Mortgage Loan purchase price at the time of purchase by the Master Servicer. For any First Mortgage Loan in which an extension has been approved but the First Mortgage Loan is not ultimately delivered for purchase, the Participating Lender shall be required to pay the fee penalty directly to the Issuer within 15 days from date of notice. The Participating Lender will be unable to make additional reservations in the Program until all extension penalties have been paid to the Issuer.

Timely Delivery Procedures

(60 days from Reservations to First Mortgage Loan Purchase)
Mortgage Rate is not guaranteed and/or locked until you reserve the loan on
eHousingPlus Lender Portal

IMPORTANT: YOU DO NOT NEED TO MAKE A RESERVATION UNTIL IT IS REASONABLY CERTAIN THAT THE LOAN CAN CLOSE AND BE DELIVERED WITHIN 40 DAYS. REMEMBER THIS PROGRAM INVOLVES CONTINUOUS FUNDING.

Number of Days Allowed from:

Reservation to Underwriter Certification 45 days
Reservation to Exceptions Cleared & First Mortgage Loan Purchased60 days
Late for Purchase (extension required)61+ days

VI. PROGRAM FEES

First Mortgage Program Fees

First and second mortgages are exempt from documentary stamp tax, so long as the First and Second Mortgage Doc Stamp Exemption affidavits found in eHP FrontPorch are recorded with the mortgages.

This legend must appear on the first mortgages:

“THIS MORTGAGE IS EXECUTED AND DELIVERED IN CONNECTION WITH A LOAN MADE BY OR ON BEHALF OF A HOUSING FINANCE AUTHORITY. IT IS EXEMPT FROM THE DOCUMENTARY STAMP TAX PURSUANT TO THE PROVISIONS OF SECTION 159.621(2), FLORIDA STATUTES UPON THE FILING OF THE ATTACHED AFFIDAVIT.”

The first mortgage and note are NOT exempt from Intangible Tax. However, the second mortgage and note pursuant to section 199.183, Florida Statutes, are exempt from intangible tax. This legend must appear on the second mortgage:

“THIS MORTGAGE IS EXECUTED AND DELIVERED IN CONNECTION WITH A LOAN MADE BY OR ON BEHALF OF A HOUSING FINANCE AUTHORITY. IT IS EXEMPT FROM FLORIDA INTANGIBLE TAX PURSUANT TO THE PROVISIONS OF SECTION 199.183(1), FLORIDA STATUTES AND IS EXEMPT FROM THE DOCUMENTARY STAMP TAX PURSUANT TO THE PROVISIONS OF SECTION 159.621(2), FLORIDA STATUTES UPON THE FILING OF THE ATTACHED AFFIDAVIT.”

Extension Fee

If approved, fee for extension is \$500.00 whether or not the loan is purchased.

Second Mortgage Fees

The Lender is permitted to charge a Second Mortgage Application Fee not to exceed 1% of the DPA loan. Due to changes in applicable law, the only fees that may be charged in connection with the origination of the DPA loan are (i) governmental recording fees; and (ii) a bona fide and reasonable application fee in connection with the application for the DPA loan/second mortgage that may not exceed 1% of the DPA loan. This application fee remains with the Lender.

eHousingPlus First Mortgage Fee

The program includes a first mortgage Compliance/Admin Fee and a penalty fee of \$100 for files that are chronically deficient. The Compliance/Admin Fee is submitted with the Compliance File via eHP [FrontPorch using the eHPay App](#).

Escambia County HFA Big Splash Program Loan \$300

The Compliance/Admin Fee is the fee charged by the Program Administrator/Compliance Agent to process the applicant/borrower from Origination to Compliance Approval, and to assess that the

lenders originating such loans are following Program guidelines for the benefit of the eligible borrower(s). The Program Administrator/Compliance Agent tracks the loan via its web-based system and assists the lender in processing the loan ensuring eligibility to the Program available offerings, which can include various rate options and down payment assistance.

The Compliance/Admin fee includes the review of information and documents delivered in the form of a Compliance File by the originating lender, on behalf of the borrower. Additionally, the Compliance review verifies that the lender has charged only the fees allowed by the Program. Contrary to this, approval may be denied and/or fees may have to be reimbursed to the borrower. The compliance file processing consists of required affidavits, application, closing documents, certain non-mortgage documents, tax returns where applicable and other pre-defined Program documents that are disclosed to the potential borrower(s). This is required to ultimately receive Compliance Approval. These documents can support both the first mortgage and any down payment assistance available, and are required to ensure eligibility to the Program, Federal, State and Local requirements, where applicable. The Compliance review verifies that the data and documents submitted meet all requirements, and may include those for first-time homebuyer, income limits, sales price limits, targeted areas, homebuyer education, rate, term, points, fee limits, LTV, FICO score, special state, city, county program requirements for qualified military, first responders, teachers, etc.

US Bank Fees

\$400 Funding Fee. \$84 Tax Service Fee.

These fees will be netted at time of loan purchase by U.S. Bank. Click on this link:

https://hfa.usbank.com/HFA_Division.html

To locate the U.S. Bank product guidelines and checklist [click on this link](#).

You may need to enable pop-up windows on your web browser. Please contact your IT Department for assistance with this. If you experience any technical difficulty, please contact U.S. Bank HFA Division directly at 800-562-5165.

Lender Fees

Lenders are permitted to charge reasonable and customary charges for out of pocket expenses and costs. Other financing costs such as legal fees and underwriting fees may be charged and courier fees may be charged if such fees are normally charged. Lenders may charge the usual and reasonable settlement costs. Settlement costs include titling and transfer costs, title insurance, survey fees or other similar costs. Other allowable fees include doc prep fees, notary fees, hazard, mortgage and life insurance premiums, recording or registration charges, prepaid escrow deposits and other similar charges allowable by the insurer/guarantor. "Junk" fees are not a defined term and may not be charged. Excessive fees are not permitted in the program.

For the Second Mortgage Only: Please note that the only fees that are permitted to be charged at origination of an Escambia County HFA DPA second mortgage loan are (i) governmental recording fees; and (ii) a bona fide and reasonable lender application fee that may not exceed 1% of the DPA loan. The amount of these fees must be shown on the required DPA Loan Disclosure Form.

Lender Compensation

- **Classic Nonforgivable DPA**

Lenders Net 2.75% with 1.00% Origination (Origination only – no Discount permitted) and SRP of 1.75% from US Bank for a total Lender Compensation of 2.75%. The lender may also charge reasonable and customary charges as discussed above and may also charge a bona fide and reasonable application fee in connection with the application for the DPA loan/second mortgage that may not exceed 1% of the DPA loan. This fee remains with the lender.

VII. PROGRAM FORMS

The Program forms are generated directly from eHP FrontPorch using the eHProForms App at the loan level. The Program forms MUST be printed from eHP FrontPorch ONLY. Any program forms printed anywhere other than the eHP FrontPorch will be deemed void and may cause a loan file not to be purchased.

This topic addresses the specific compliance forms required for the Program for originating, processing, closing and loan delivery.

All forms are available behind security and may be found by clicking on this [link](#). The forms are behind security so that system data is accessed when the forms are printed. Most forms auto-fill and are ready for execution. It is important that Underwriters and Closers are certain that the data in the system is correct before forms are printed.

The simple rule of who signs Program forms – if the person is named on the Mortgage/Deed or is the spouse of the Mortgagor (even if a non-borrowing spouse), they sign the compliance forms. Please remember that only those on credit, sign the 1003 and Closing Disclosure (CD).

Original, personal signatures of all borrowers and sellers are required and must match on all documents associated with the transaction.

Whenever a party is known in any of the documents by more than a single name, a Name Affidavit Will Be Required.

Powers of Attorney and/or Personal Representatives for the borrower are generally not acceptable. Exception: Active Duty Military Personnel may provide an “Alive and Well” letter.

Who Signs the Program Forms?

Form	Borrower	Co-Borrower	Non Purchasing Spouse	Co-signor
Notice to Buyers	Yes	Yes	Yes	No
Affidavit/ Certification	Yes	Yes	Yes	No
Authorized Gift Letter	Yes	Yes	Yes	No
2nd Mortgage	Yes	Yes	Yes	No
2nd Note	Yes	Yes	No	Yes

Originating Compliance Forms

In addition to all the standard disclosures, the Program has specific disclosures all contained in the Notices to Buyers. It’s auto-filled by the system and executed at a time as close as possible to loan application. The Original of the Notices to Buyers should be included in the package that goes to the Underwriter. Ultimately, it should be in the compliance file to eHousingPlus.

Who Must Submit Tax Returns/Transcripts?

Borrower	Co-Borrower	Non Purchasing Spouse	Co-signor
Yes	Yes	Yes	No

- **Real Estate Purchase Contact**

The full address of the property, full names of all sellers and buyers and total purchase price of the property must be included. If there is not an address for new construction, a lot number and subdivision name are required. All named persons must sign. Include the name and title whenever a representative is signing for a corporation.

- **Final Typed Loan Application (1003)**

The typed application signed and dated by all parties is required. Loan interviewer must complete and sign Section X of the 1003. If this not possible, then an Officer must sign in place of the interviewer. All persons taking title to the property must execute all Program documents. The income disclosed on the Affidavit must be the same or more than that shown on the 1003. The purchase price, loan amount, and other financial details must be the same as shown on all other documents.

- **Closing Disclosure (CD)**

Buyer, seller and closing agent must fully execute the Closing Disclosure (CD). Borrowers on the Closing Disclosure (CD) must be all persons taking title to the property and match the Affidavit and application. Persons not taking title to the property may not appear on or sign the CD. The Funding Fee must be shown as being payable to U.S. Bank and the Compliance/Admin Fee must be shown as payable to eHousingPlus. Please do not bundle charges. Itemize all charges to the transaction. Payoffs of other debt must appear on Page 1 under Section 100 of the Closing Disclosure (CD) as part of "Settlement Costs".

- **Warranty Deed**

A copy of the Warranty Deed is required.

- **Discharge or Release Papers**

For those using the Veterans Exception a copy of their Discharge or Release Papers are required.

EXHIBIT A

- **Instructions For Completing First Mortgage Affidavit For Exemption From Documentary Stamp Tax.**

Numbered instructions concerning the information to be included in the highlighted blanks follow the body of the affidavit.

**AFFIDAVIT OF ESCAMBIA COUNTY HOUSING FINANCE AUTHORITY
REGARDING EXEMPTION FROM DOCUMENTARY STAMP TAX PURSUANT TO
SECTION 159.621(2), FLORIDA STATUTES FOR FIRST MORTGAGE**

STATE OF FLORIDA
COUNTY OF (1)

The undersigned authorized representative of the MORTGAGOR named below, hereby affirms:

1. That MORTGAGOR has been designated by the Escambia County Housing Finance Authority (the "Authority") as an agent for purposes of providing this Affidavit in accordance with Section 159.621(2), Florida Statutes for purposes of establishing that the Mortgage described herein is exempt from the excise tax on documents under Chapter 201, Florida Statutes.
2. That this Affidavit is being given in connection with that certain Mortgage dated (2) , 20 , from (3) [Names of Mortgagors] (individually or collectively the "MORTGAGOR") to (4) [Name of Lender] to secure a mortgage loan in the principal amount of \$ (5) , which loan provides financing for the acquisition of real property located in (6) [Name of County], Florida, at (7) [Street Address] which Mortgage shall be recorded immediately after this Affidavit.
3. That said Mortgage secures a loan that was made by or on behalf of the Authority under the provisions of Section 159.608(8), Florida Statutes.

Dated this day of (8) , 20 .

 (9)
Typed Name: (10)
Mortgagor

The foregoing instrument was acknowledged before me on (11) , 20 by (12) as MORTGAGOR.

_____(13)_____
Notary Public--State of Florida

Personally Known _____ Print Notary Name:

Produced Identification _____ My Commission Number is:
Type of Identification _____ My Commission Expires:

Instructions for completing First Mortgage Affidavit:

1. Type the name of the County where the affidavit is being signed
2. Type the date of the First Mortgage
3. Type the name(s) of the Mortgagor(s)
4. Type the name of the Lender
5. Type the (number) amount of the First Mortgage
6. Type the name of the County where the home being purchased is located
7. Type the street address of the home being purchased
8. Type the date that the First Mortgage Affidavit is executed
9. Have the Mortgagor(s) sign on this line
10. Type the name(s) of the Mortgagor(s)
11. The Notary should write or type the date that the First Mortgage Affidavit is signed before the Notary
12. The Notary should write or type the name(s) of the Mortgagor(s) who signed the First Mortgage Affidavit
13. The Notary should complete the notary form as normal for a notarized document

Record the First Mortgage Affidavit with the First Mortgage.

• **Instructions For Completing Second Mortgage Affidavit For Exemption From Documentary Stamp Tax**

Numbered instructions concerning the information to be included in the highlighted blanks follow the body of the affidavit.

**AFFIDAVIT OF ESCAMBIA COUNTY HOUSING FINANCE AUTHORITY
REGARDING EXEMPTION FROM DOCUMENTARY STAMP TAX PURSUANT TO
SECTION 159.621(2), FLORIDA STATUTES FOR SECOND MORTGAGE**

STATE OF FLORIDA

COUNTY OF (1)

The undersigned authorized representative of the MORTGAGOR named below, hereby affirms:

- 1. That MORTGAGOR has been designated by the Escambia County Housing Finance Authority (the “Authority”) as an agent for purposes of providing this Affidavit in accordance with Section 159.621(2), Florida Statutes for purposes of establishing that the Mortgage described herein is exempt from the excise tax on documents under Chapter 201, Florida Statutes.
- 2. That this Affidavit is being given in connection with that certain Mortgage dated (2) , 20 , from (3) [Names of Mortgagors] (individually or collectively the “MORTGAGOR”) to the Authority to secure a mortgage loan in the principal amount of \$ (4) , which loan provides financing for the acquisition of real property located in (5) [Name of County], Florida, at (6) [Street Address] which Mortgage shall be recorded immediately after this Affidavit.
- 3. That said Mortgage secures a loan that was made by or on behalf of the Authority under the provisions of Section 159.608(8), Florida Statutes.

Dated this day of (7) , 20 .

 (8)
Typed Name: (9)
Mortgagor

The foregoing instrument was acknowledged before me on (10) , 20 by (11) , as MORTGAGOR.

12
Notary Public--State of Florida

Personally Known _____ Print Notary Name:

Produced Identification _____ My Commission Number is:
Type of Identification _____ My Commission Expires:

Instructions for completing Second Mortgage Affidavit:

1. Type the name of the County where the Second Mortgage Affidavit is being signed
2. Type the date of the Second Mortgage
3. Type the name(s) of the Mortgagor(s)
4. Type the (number) amount of the Second Mortgage
5. Type the name of the County where the home being purchased is located
6. Type the street address of the home being purchased
7. Type the date that the Second Mortgage Affidavit is executed
8. Have the Mortgagor(s) sign on this line
9. Type the name(s) of the Mortgagor(s)
10. The Notary should write or type the date that the Second Mortgage Affidavit is signed before the Notary
11. The Notary should write or type the name(s) of the Mortgagor(s) who signed the Second Mortgage Affidavit
12. The Notary should complete the notary form as normal for a notarized document

Record the Second Mortgage Affidavit with the Second Mortgage.



EXHIBIT B

**ESCAMBIA COUNTY
HOUSING FINANCE AUTHORITY**
WWW.ESCAMBIAHFA.COM

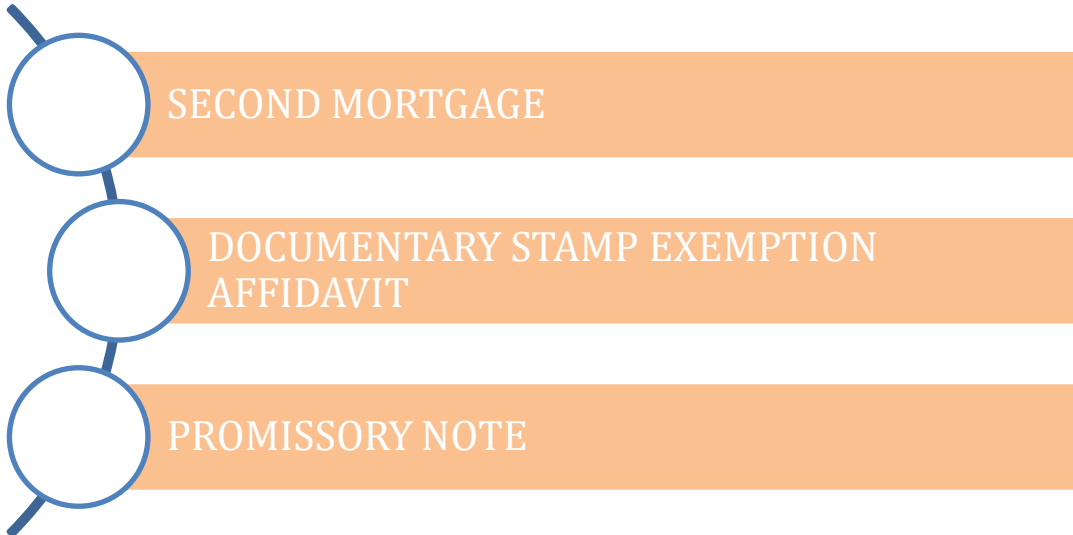
Phone: (850) 432-7077
Fax: (850) 438-5205
Toll Free: (800) 388-1970

• **Second Mortgage File Delivery
Checklist**

LOAN #:
LENDER:

MORTGAGOR NAME:
PROGRAM:

These are the required second mortgage documents for this second mortgage program. They must be recorded as one document in their respective county’s Official Records and returned to ESCAMBIA HFA, Issuer of the second mortgage funds.



SEND **ONLY ORIGINAL RECORDED SECOND MORTGAGE DOCUMENTS** TO:
ESCAMBIA COUNTY HOUSING FINANCE AUTHORITY
ATTENTION: KATHY JOHNSON
700 SOUTH PALAFOX STREET, SUITE 310
PENSACOLA, FL 32502

AS A REMINDER, DO NOT SEND THESE DOCUMENTS TO EhousingPlus, THEY ARE OUR THIRD-PARTY COMPLIANCE ADMINISTRATOR.