



**ESCAMBIA COUNTY
HOUSING FINANCE AUTHORITY**

WWW.ESCAMBIAHFA.COM

**BIG SPLASH SINGLE FAMILY (MULTI-
COUNTY) PROGRAM**

PROGRAM INVITATION AND PARAMETERS

JULY 1, 2012

(REVISED APRIL 3, 2019)

2012 SINGLE FAMILY (GOVERNMENTAL) PROGRAM
OPTION AND/OR FREDDIE MAC HFA ADVANTAGE
(CONVENTIONAL) PROGRAM OPTION

FIXED MORTGAGE RATES with

30-YEAR DEFERRED

(0%, NON-AMORTIZING)

\$7,500 SECOND MORTGAGE

INCLUDING OPTIONAL MORTGAGE CREDIT
CERTIFICATE PROGRAM

Mortgage Rates/APR and DPA Amount may periodically reset based on market conditions. The
Issuer reserves the right to modify the terms of Program at any time.

(as of April 3, 2019)

The Escambia County Housing Finance Authority, Florida (the "Issuer" or "Authority") sets forth its determinations of program parameters and invites you to apply for its Loan Program for First-Time Homebuyers (the "Program") as a Participating Lender.

Highlights of the Program:

- ❖ **Revolving pool of funds ("Continuous Funding") to purchase first mortgage loans made in the following counties:**

Alachua, Bay, Bradford, Escambia, Franklin, Gadsden, Gulf, Hernando, Indian River, Jackson, Jefferson, Leon, Marion, Martin, Okaloosa, Santa Rosa, St. Lucie, Wakulla and Walton, Florida (the "Participating Counties".)

- ❖ **Master Down Payment and/or Closing Cost Assistance Program is available for Program Loans in the form of a 30-year Deferred (0%, non-amortizing) Second Mortgage up to \$7,500.00. The amount and form of assistance is subject to change from time to time.**

- ❖ **First Mortgage Loan Rates: Current Interest Rates for the Governmental Program Option and the Conventional Program Option are set forth on our website at www.escambiahfa.com. The rates are reset periodically based on market conditions. Loans that are already in the eHousing Plus System and comply with the Timely Delivery Procedures will not be affected by rate changes.**

- ❖ **FHA/VA/RD insured Mortgage Loans available with the Single Family (Governmental) Program Option.**

- ❖ **Freddie Mac insured First Mortgage Loans available with the Freddie Mac HFA Advantage (Conventional) Program Option.**

- ❖ **The Governmental Program Option Origination Fee/Discount Points or any combination of both may not exceed 1.00%. The Conventional Program Option Origination Fee may not exceed 1.00%. The Origination Fee and/or Discount Points is payable to the Participating Lender at closing by the borrower or on the borrower's behalf.**

- ❖ **Participating Lender nets a profit of 2.50% per loan. The net profit is comprised of 1% Origination Fee/Discount Points payable by the borrower or on the borrower's behalf at closing and 1.5% payable at loan purchase by Master Servicer.**

- ❖ **Issuer will market the Program for Participating Lenders.**

- ❖ **OPTIONAL 2017 Mortgage Credit Certificate Program is available for qualifying Conventional Program loans in certain counties. See below.**

This Program Invitation and Parameters (herein referred to as the “Invitation” or “Program Parameters”) constitutes a solicitation of offers to participate in the Program and does not bind the Issuer. All terms used in capitalized form and not otherwise defined herein shall have the respective meanings provided in the Master Origination Agreement, as herein defined. The Issuer reserves the right to modify the terms of the Program at any time. The Issuer also reserves the right to waive compliance with one or more requirements of the Program on a case-by-case basis.

LENDER PARTICIPATION REQUIREMENTS

Lender Response Due

Please **return 1 executed signature page** of the following:

- Acknowledgment & Acceptance (Page 13)
- Participating Lender Information (**Exhibit A**)
- Master Mortgage Origination Agreement dated July 1, 2012

Return signature pages to:

Fran Jones
Escambia County Housing Finance Authority
700 South Palafox Street, Suite 310
Pensacola, FL 32502
(850) 432-7077

Lender New Account Approval Package Due (Exhibit B)

If your institution is already an approved U.S. Bank Lender and has executed a current Participating Lender Agreement (“PLA”) this **may not** be required. Accordingly, **please direct all inquiries and required documents to:**

U.S. Bank National Association
Attn: Client Support, EP-MN-X6SP
9380 Excelsior Boulevard
Hopkins, MN 55343
(800) 562-5165
Email: lender.management@usbank.com

Lender Training: Lender Training is continuously available (24/7) at:

<http://ehpuniversity.com>

Reservations accepted, **provided the Lender has:**

- a) submitted all required documentation;
- b) received approval from U.S. Bank Home Mortgage Housing Finance Agency Division; and
- c) completed lender training and submitted the “eHousingPlus University” Certificate of Completion to the Authority.

NOTE: The Lender New Account Approval Package must be sent directly to U.S. Bank Home Mortgage at the address above. Lenders will NOT be permitted to participate in the Program unless approved by U.S. Bank. If your lending institution has already been approved with U.S. Bank Home Mortgage, please contact U.S. Bank Lender Management at the number listed above to determine if you need to re-complete the New Account Approval Package and/or re-execute your current Participating Lender Agreement.

Lenders' comments or questions about the Invitation are encouraged and should be directed to any of the following:

Patricia D. Lott or
Randy Wilkerson
Escambia County Housing
Finance Authority
(850) 432-7077

pat.lott@escambiahfa.com
randy.wilkerson@escambiahfa.com

Patt Denihan
Sue Denihan
eHousingPlus
(954) 430-6072 (Patt)
(813) 579-6293 (Sue)

patt@ehousing.cc
sue@ehousing.cc

Eligible Lending Institutions:

Every lending institution (including commercial banks, savings and loan associations and mortgage bankers) which (i) is currently participating in the local private home lending market within the Counties (ii) with respect to GNMA eligible mortgage loans, is an FHA approved mortgagee, and/or a RD approved lender, if applicable, and if a VA approved lender, with automatic approval authority preferred, if applicable, (iii) with respect to Freddie Mac eligible mortgage loans, is a Freddie Mac approved lender, (iv) can make the representations and warranties and covenants set forth in the Master Mortgage Origination Agreement (the "Master Origination Agreement"), among the Master Servicer (as hereinafter defined), the Program Administrator (as hereinafter defined), the Issuer and the Participating Lenders (as hereinafter defined) and is willing to originate fixed rate First Mortgage Loans in conformity with the mortgage origination standards of FHA, VA, RD and/or Freddie Mac, as applicable and (v) meets the requirements set forth in the Master Origination Agreement in the Issuer's Program.

Program Overview:

The Issuer hereby invites Participating Lenders (as hereinafter defined) to participate in its Program, by execution and delivery to the Issuer of this Invitation. The Issuer has found and determined that the terms, conditions and parameters outlined in the Master Origination Agreement dated as of July 1, 2012, among the Issuer, the lending institutions participating in the program described herein (collectively, the "Participating Lenders"), U.S. Bank National Association, as the Master Servicer (the "Master Servicer"), Housing and Development Services, Inc., d/b/a eHousingPlus (the "Program Administrator"), and U. S. Bank, National Association, as Trustee (the "Trustee") and the Administrator's Guidelines shall be applicable to and effective for the origination of First Mortgage Loans. The undertaking and agreement to be bound by the Master Origination Agreement and the Program Parameters herein described and further set forth in the Administrator's Guidelines (ECHFA Guide with Freddie Mac and ECHFA Mortgage Credit Certificate Guide) and Servicer's Guidelines (collectively, the "Lender's Guide") is evidenced by the execution thereof and hereof by each party hereto. Except, as expressly provided herein, the provisions of the Master Origination Agreement are hereby incorporated by reference.

Program Terms and Conditions:

First Mortgage Loans. The Issuer plans to make available first mortgage financing for qualifying households purchasing residences anywhere in the Participating Counties. The Issuer expects to finance First Mortgage Loans from sources of debt or capital available to the Issuer or with proceeds of Bonds. First Mortgage Loans may only be made to home buyers who meet the Income Limits set forth below and where the purchase price of the residence is within the Purchase Price Limits set forth below. Purchasers must be first time homebuyers unless the home is located in a designated targeted area census tract listed on **Page 5**, the buyer a qualified veteran as defined on **Page 6**, or the buyer otherwise meets the requirements for an exemption as set forth in the Lender's Guide. In addition, buyers must have a minimum FICO credit score of **640** for Conventional, FHA, USDA-RD and VA Loans (the mid score must be **640** or above). **No manual underwriting shall be permitted for FHA Loans.**

Mortgage Interest Rate and Origination/Discount. Current Interest Rates for the Governmental Program Option and the Conventional Program Option are always on our website at www.escambiahfa.com. Interest rates are reset periodically based on market conditions.

Governmental Program Option loans have an Origination Fee or Discount Points or a combination of both not exceeding 1.00% in total.

Conventional Program Option loans have an Origination Fee not exceeding 1.00% in total.

***The loans that are in the eHousingPlus System and comply with the Timely Delivery Procedures will not be affected by rate changes. Mortgage Interest Rates and loan terms will be on the eHousingPlus System which will be updated whenever such terms are changed.**

First Mortgage Term. All First Mortgage Loans shall bear a fixed rate of interest, have level payments, and be fully amortizing over a 30-year term. The first mortgage may be prepaid fully or partially at any time without penalty.

Mortgage Insurance. All First Mortgage Loans must be insured by Freddie Mac, FHA, VA or RD.

Mortgage Credit Certificate Program, Series 2017. The Authority offers an optional Mortgage Credit Certificate ("MCC") program in connection with the Conventional Program Option. The MCC entitles a qualified first-time homebuyer to a federal income tax credit equal to a certain portion of the mortgage interest the homebuyer pays each year. In the Authority's MCC program the federal income tax credit amount (the "credit rate") offered is determined on a case by case basis by eHousingPlus provided that the credit rate will not be less than 20% or greater than 50%. Homeowners with a 50% credit rate are allowed to use 50% of their annual mortgage interest (up to a maximum of \$2,000) as a direct federal tax credit, resulting in a dollar-for-dollar reduction of their annual federal income tax liability. Although the MCCs offered through the Authority are administered by the Program Administrator, and are included as an option in the eHousingPlus System, if a lender wants to participate in the MCC program, the lender must execute a separate MCC Participation Agreement. Lenders wishing to participate in the MCC program should request the 2017 Mortgage Credit Certificate Participation Agreement from the Authority at fran.jones@escambiahfa.com.

Master Down Payment Program:

Current Down Payment and/or Closing Cost Assistance Option:

30-Year Deferred (0%, non-amortizing) Second Mortgage up to \$7,500.00. The Issuer will provide up to a \$7,500.00, 0%, non-amortizing, 30-year Deferred Second Mortgage (the “Second Mortgage”). The Second Mortgage is **not forgivable** and must be repaid upon **sale, refinancing, transfer of title, or rental if done within the first 30 years**. The Second Mortgage may not be assumed except under extraordinary circumstances described in the Lender’s Guide; however, partial prepayments are allowed at any time without penalty. The Second Mortgage is available to be used exclusively with the Authority’s First Time Homebuyer Program First Mortgage Loans. Maximum income and purchase price limits for the Second Mortgage are the same as the limits for applicable First Mortgage Loans. **The Authority’s Down Payment Assistance (“DPA”) can provide up to 100% of the homebuyer’s cash to close (as long as there is no cash back to the borrower).** The Lender must size the DPA based on the estimated cash to close obtained from the Loan Estimate (if the First Mortgage Loan is originated through the Governmental Program Option) or based on the estimated cash to close obtained from the Loan Product Advisor (if the First Mortgage Loan is originated through the Conventional Program Option). DPA proceeds may be used for any eligible use associated with the Mortgage Loan closing process, including but not limited to 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. **DPA proceeds may not be used to pay off debt, nor may any surplus funds from the DPA proceeds be paid to the homebuyer over and above any reimbursable fees paid prior to the close of escrow.**

Down Payment Assistance Funding. Currently, the DPA is table funded by the Authority directly to the closing agent. The Lender **MAY NOT** advance DPA funds. Lenders request DPA funds following Underwriter Certification of loans by submitting a CHECK/ACH Transfer/DPA Funding Request Form (located in the eHousingPlus Lender Portal) to the Authority. Following verification of information contained in the CHECK/ACH Transfer/DPA Funding Request Form, the Authority will initiate the Transfer and provide Lender and Closing Agent with a written confirmation of DPA funding. The Authority reserves the right to revise funding procedures from time to time.

Targeted Area Census Tracts. Homes located within the following census tracts are federally designated Targeted Areas, and are exempt from the first-time homebuyer requirement:

- Alachua 0002, 0006, 0008.09, 0009.01, 0009.02, 0015.16, 0015.17, 0015.20, 0019.02 and 0022.19
- Bay 0016.00
- Escambia 0004, 0015, 0017, 0018, 0019, 0020, 0021 and 0027.03
- Indian River 0504.01
- Leon 0003.03, 0005, 0010.01, 0011.01, 0014.02, 0020.03, 0020.04, 0020.05, 0021.03, 0021.04 and 0025.09
- Marion 0005.02 and 0017
- St. Lucie 3801, 3802, 3803 and 3804

Veteran's Exception. Veterans need not be first-time homebuyers. For the Veterans Exception, "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." Details of the veteran's exception are set forth in the Lender's Guide.

Maximum Current Annual Household Income Limits

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

Maximum Purchase Price Limits

Program Purchase Price limits are updated annually set forth below 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 Conventional/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>.*

Loan Documentation. 2012 Single Family (Governmental) Program Option First Mortgage Loans must meet all applicable GNMA underwriting guidelines and must further be eligible to be securitized in GNMA Certificates. Freddie Mac HFA Advantage (Conventional) Program Option First Mortgage loans must meet all applicable Freddie Mac underwriting guidelines and must further be eligible to be securitized in Freddie Mac Securities.

Closing Costs and Charges. The Participating Lender shall collect from the borrower or seller an Application fee of \$300 payable to the Program Administrator, and a Tax Service Fee of \$58 and a Funding Fee of \$400, both payable to the Master Servicer and netted at loan purchase. A Second Mortgage Application Fee of the lesser of \$75 or 1% of the second mortgage may be charged and retained by Lender. Please note these fees are subject to change so refer to the Administrator's Guidelines in the eHousingPlus Lender Portal for the most current version.

Total Lender Profit and Loan Delivery Requirements:

First Mortgage Loans delivered, cleared of all exceptions and eligible for purchase within 60 days of the Reservation Date ("Timely Purchase"), will be purchased by the Master Servicer at a price that results in a **net lender profit of 2.50%** of the par amount of Conventional/FHA/VA/RD Loans, taking into account the Origination Fee and/or Discount Points paid to the Participating Lender at closing by the borrower or on the borrower's behalf. Since the Program has **CONTINUOUS**

FUNDING and strict penalties, the Lenders are encouraged not to reserve funds until it is certain that the loan can be closed and 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 (“Late for Purchase”). 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 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 delivered for purchase, the Participating Lender shall be required to pay the 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. First Mortgage Loans that are late for purchase and not delivered within the authorized extension period will be cancelled. U.S. Bank Home Mortgage HFA Division will **no longer approve** requests for refunding of late fees or extension fees. This includes all loan types in all programs.

Program funds available for First Mortgage Loans will be made available through the Timely Delivery Procedures described below. Participating Lenders may utilize a reservation for either Existing or New Construction residences, provided however, the First Mortgage Loan is expected to be closed and a closed loan file delivered to the Master Servicer within the timeframes described below.

Prior to accepting reservations for First Mortgage Loans a Participating Lender must **execute and return this Invitation, the Master Origination Agreement to the Issuer and the Lender New Account Approval Package to the Servicer to the respective addresses shown on Page 2. Lenders must receive approval from the Servicer and Issuer, plus complete Lender training and submit a copy of the “eHousingPlus University” Certificate of Completion to fran.jones@escambiahfa.com and randy.wilkerson@escambiahfa.com** To obtain the Master Origination Agreement, please visit <http://www.escambiahfa.com/system/files/mmoa-escambiamastermortgage.pdf> or contact the Authority (contact info provided on page 2).

Timely Delivery Procedures

(60 days from Reservations to First Mortgage Loan Purchase)

Mortgage Rate is not guaranteed and/or locked until loan is reserved on eHousingPlus Lender Portal

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

Number of Days Allowed from:

Reservation to Underwriter Certification20 days
Reservation to Closed & Delivered First Mortgage Loan40 days
Reservation to Exceptions Cleared & First Mortgage Loan Purchased60 days

Notice Addresses are as provided in the Master Origination Agreement and as set forth for each Participating Lender in Exhibit A hereto.

Closing and Purchase of First Mortgage Loans:

Purchase Dates shall occur daily as advised by the Master Servicer. First Mortgage Loans shall be purchased by the Master Servicer based upon a price that is comprised of the par amount of the loan and payment of the lender profit.

100.00% + 2.50% - <u>1.00%</u> 101.50%	Par Amount of First Mortgage Loan Participating Lender Profit <u>Less: Origination Fee/Discount point</u> Payment to Lender on Purchase Date
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INDEMNIFICATION

The Participating Lender shall protect, indemnify, and hold Issuer and Master Servicer harmless from and in respect to, any and all losses, liabilities, reasonable costs, and expenses (including attorney’s fees) that may be incurred by Issuer or Master Servicer with respect to, or proximately resulting from any breach of, any representation, warranty, or covenant of the Participating Lender hereunder. Issuer and Servicer shall be entitled to rely upon the Participating Lender as assembler and preparer of all First Mortgage Loan documents, and is under no duty whatsoever to investigate or confirm any of the information set forth therein as to its honesty, accuracy, or completeness. Participating Lender hereby agrees to indemnify and hold the Issuer and Servicer harmless from any claim, loss or other damage to the Issuer or Servicer including reasonable attorney fees resulting in whole or in part from any inaccuracy or incompleteness in the First Mortgage Loan documents or any act or omission by the Participating Lender, its agents and employees, including but not limited to failure to comply with applicable state, federal and local statutes or regulations. To the extent the Participating Lender, its agents or employees, commits an actual wrong, or makes some error or omission in the preparation of any First Mortgage Loan or its documents and as a result thereof, and based thereon, the Issuer or Servicer commits an act or omission for which it becomes liable to the Mortgage(s) or any third party and/or a claim or cause of action is instituted against the Issuer or Master Servicer, the Participating Lender shall and hereby agrees to indemnify and hold Issuer and Servicer harmless from any such loss or damage, including reasonable attorney fees, resulting therefrom.

These Program Determinations, Program Invitation and Parameters are made, and this statement thereof is duly executed as of April 2, 2019.

**ESCAMBIA COUNTY HOUSING
FINANCE AUTHORITY**

By: _____

**Patricia D. Lott
Executive Director**

THE DESCRIPTIONS OF ALL TERMS OF THE PROGRAM HEREIN ARE QUALIFIED IN THEIR ENTIRETIES BY THE MASTER ORIGINATION AGREEMENT AND THE ACCOMPANYING EXHIBITS AND THE LENDER’S GUIDE. THE ISSUER RESERVES THE RIGHT TO REJECT ANY AND ALL OFFERS TO ORIGINATE MORTGAGE LOANS.

(ADDITIONAL SIGNATURE PAGES NOT INCLUDED)

EXHIBIT "A" – PARTICIPATING LENDER INFORMATION

Company Name: _____
Point of Contact: _____
Address: _____
City, State, Zip: _____
Phone: _____
Email: _____

Approval Numbers
FHA / VA: _____
RD: _____

Circle each County your institution will be originating loans in: **Alachua, Bay, Bradford, Escambia, Franklin, Gadsden, Gulf, Hernando, Indian River, Jackson, Jefferson, Leon, Marion, Martin, Okaloosa, Santa Rosa, St. Lucie, Wakulla and Walton**

Please include the following information for each Participating Loan Originators who will participate in this Program:

Individual / Originator's Name: _____
Street Address: _____
City, State, Zip: _____
Phone Number: (_____) _____
Email: _____

Individual / Originator's Name: _____
Street Address: _____
City, State, Zip: _____
Phone Number: (_____) _____
Email: _____

Individual / Originator's Name: _____
Street Address: _____
City, State, Zip: _____
Phone Number: (_____) _____
Email: _____

Contact Info for Person
Responsible for Exceptions: _____
Phone Number: _____
Email: _____

EXHIBIT "B"

**U.S. Bank Home Mortgage's New Account Approval Package
and the Participating Lender Agreement**

(not included; available from U.S. Bank or the Authority)