



Click n' CloseTM, Inc.

Correspondent Division
SmartBuy - Down Payment Assistance (DPA) Program
Release Date - 2/27/23
Effective with 3/1/23 Locks

To All Participating Lenders:

Click n' Close, Inc. (CNC) is providing updates to its Correspondent Division's SmartBuy down payment assistance program. For additional information, please refer to Program Matrix.

Category	Description / Update
First Lien Products	Added USDA, 30 year fixed rate as an eligible first lien product in addition to FHA
Repayable DPA Amortization	Expanded second lien repayable amortization beyond current 10 year fully amortizing option: <ul style="list-style-type: none">• Added: 20 year amortization with 10 year balloon• Added: 30 year amortization with 10 year balloon
Maximum Loan Amount	Removed loan balance restriction subject to the following: <ul style="list-style-type: none">• Maximum insuring/guarantor limit (FHA/USDA)• High Balance loans (per Ginnie Mae definition) subject to loan level price adjustment of 250 basis points• High balance loans <u>not</u> eligible on 5% Forgivable option
Manual Underwriting	Added manual underwriting exception on <u>forgivable</u> option subject to agency guidelines
Maximum DTI	Removed 50% maximum DTI restriction subject to AUS approval or manual underwriting criteria (manual exception for forgivable only)
Credit Score	All borrowers must have at least one score
2 -1 Buydown	Lowered loan level price adjustment on 2-1 buydown from 50 bps to 25 bps
Maximum CLTV	Modified maximum CLTV to allow per agency guidelines subject to no additional liens beyond down payment assistance from this program
Eligible Properties	Expanded eligible properties to include 2 unit properties
Escrow Holdbacks	Added ability to include weather related Escrow Holdbacks subject to the following: <ul style="list-style-type: none">• Weather related items with aggregate cost not to exceed \$10,000• Postponed items do not affect occupancy• Must be completed and inspected within 180 days of the Note date• Mortgagee to establish escrow account and final completion
Third Party Originations	Added seller exception process for third-party origination approval

Click n' Close Correspondent Division
Released 2/27/28 Effective with locks as of 3/1/23



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Reminders from prior announcements:

Temporary Buydowns:

CNC will allow 2-1 temporary buydowns to be used with the SmartBuy down payment assistance program, per FHA and USDA underwriting guidelines, effective with new loan commitments as of January 1, 2023. A loan level price adjustment of 25 basis points will now apply as of 3/1/23 locks.

Temporary Buydowns are eligible subject to the following:

- 2-1 buydowns only
- Borrower must qualify at the full note rate
- Buydown funds may come from:
 - the seller
 - the lender
 - the borrower, or
 - any other interested party
- Funds from the seller or any other interested third party are considered seller contributions, and must be included when considering the limit on seller contributions described in HUD 4155.1 2.A.3
- Closing package must include a fully executed buydown agreement

Second Lien MERS Requirement:

As announced previously, Rosebud Economic Development Corporation (MERS Org ID – 1016709) is a member of MERS. Lenders should begin originating the second lien security instrument in MERS. For loans not originated in MERS, sellers will need to complete an assignment into MERS, then transfer the loan to Rosebud. The second lien will require its own unique MERS MIN number. This requirement is effective with purchases as of April 1, 2023.

If you have any questions, please contact us at Correspondent@clicknclose.com or visit www.clicknclosecorrespondent.com.