

Requirements for loans accepted into our Homebuyer programs.

All loans must be:

1. A Conventional (conforming or non-conforming), Portfolio, FHA, VA or Rural Development (RHS) mortgage loan.
2. **A Fixed Interest Rate** for the life of the loan is preferred, unless written approval is given by SETH.
3. Buyer's Front Ratio cannot **exceed 33%**, (based on SETH's Income calculations) unless written approval is given by SETH.
4. Buyer's Back End Ratio cannot **exceed 45%**, unless written approval is given by SETH.
5. Originator can not charge more than **2%** in upfront fees, **regardless of who pays** unless written approval is given by SETH.
6. No Prepayment Penalties will be allowed.
7. All Buyers must contribute at least \$500 of their own funds toward the transaction.
8. Loan Terms must be between 10 - 30 years.
9. Assets listed on 1003 Loan Application may be counted as Assets of buyer and calculated as Income for SETH calculation.
10. Buyers may not have Liquid Assets that exceed two times the amount of assistance applied for. This includes gifts listed as Assets on 1003. Any such gift will be counted as Assets and in SETH's Income calculations.
11. HOME Programs will not subordinate their lien.
12. All HOME Program liens must be in a second lien position, with the exception of Habitat for Humanity loans.
13. Gift Programs used in combination with our funds are allowed, but must be approved by SETH.
14. If Buyer is requesting more than one assistance program, written approval from SETH is required.
15. Seller contribution can be up to 6%, but **buyer cannot receive any money back at closing.**
16. SETH does not allow the same person to act as both Real Estate Agent and Lender in same transaction.
17. "Homebuyer Assistance Fees" cannot be charged regardless if it is considered a Lender or Real Estate Fee.
18. **Line 303 on the final HUD settlement statement, must not reflect any cash to buyer. Buyer must receive no cash at loan closing.**