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DreamBuilder Matrix			
Loan to Value (LTV)	Loan Amount	Credit Score	Credit
Eligible up to 96.5% LTV	- FHA Standard Balance - FHA High Balance considered on case-by-case basis	580 minimum < 580 FICO: Exception Required - No Credit Score: Refer to Guidelines for Alternative Tradelines or No Tradeline Eligibility	- Two (2) open and active tradelines - Twenty-four (24) month credit history, which may consist of open or closed accounts - Alternative Tradelines or No Tradeline Eligibility may apply if Standard Tradeline requirements cannot be met
Qualifying Income		Homebuyer Eligibility	
- FHA Full Documentation (one year) - Asset Depletion - Automated Cashflow Qualification 3 months Bank Statement Only Income - P&L + 3 months Bank Statements 1099s +3 months Bank Statements - WVOE +3 months Bank Statements		- U.S. Citizens - Permanent Resident Aliens - Non-Permanent Resident Aliens, including ITIN and DACA	

DREAMBUILDER HIGHLIGHTS	
Program Overview	DreamBuilder is a unique Housing Empowerment Program in which a purchase transaction is facilitated by a HUD-approved non-profit government entity that allows prospective Homebuyers to enter a Structured Financing Agreement to ultimately transition to entering homeownership
General Eligibility	- Purchase only 30-Year Fixed Rate Standard and High Balance - High Balance is available on a case-by-case basis with prior approval and subject to an additional LLPA - Primary Residence for Homebuyer
1 st Contract Payment	The first contract/lease payment is due the month immediately following the closing of the purchase transaction. If the loan closes within the first seven (7) calendar days of the month, the Homebuyer may request that the first contract/lease payment be due the following month.
Additional Parties	Persons not on the structured financing agreement, such as a spouse or family member, may be added to the lease/contract and memorandum recorded to title per agency and state guidelines
Appraisal & Property	- Full FHA appraisal required and must be completed by an FHA rostered appraiser - Appraisal must be marked “as-is” at the time of purchase, or have a completion cert/1004D if property was “subject to” repairs or completion prior to purchase - Appraiser must certify that the subject property meets FHA minimum property requirements; no health, safety or adverse conditions can be present - Subject property must not have commercial influence, be considered a “working farm”, or have commercial agricultural income potential - C1-C4 property conditions are eligible - C5 property conditions are eligible only after all necessary repairs or renovations are completed prior to closing and the property condition is improved to at least C4 - Automated Valuation Model (AVM) - Open Mortgage Wholesale may order an AVM on submitted appraisal - AVM value must be within 10% of the full appraised value
Assets & Reserves	- Homebuyers must document sufficient cash/liquidity to consummate the transaction, including: - Minimum 3.5% down payment - Closing Costs, including title fees and DreamBuilder fees



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	○ First contract/lease payment, as applicable, taxes and insurance ○ Required post-closing reserves ● Assets must be documented with the most recent two (2) months of bank statements covering two (2) statement periods ● Assets must be liquid at the time of closing ● Business assets and investment accounts may be eligible ● Gift funds are acceptable for funds to close but may not be used to satisfy reserve requirements ● Funds used for required post-closing reserves must be Homebuyer-owned funds ● Additional reserves may be required based on program eligibility or exception requirements; Contact your Account Executive
DreamBuilder Program Fees	The Homebuyer(s) is responsible for the following DreamBuilder program fees at closing: ● \$1,500 Program Underwriting Fee ● One (1) month complete contract/lease payment collected at closing, as applicable ○ Monthly payment includes a Program Maintenance/Servicing Fee calculated at 0.50% of the total FHA loan amount divided by 12 ● Homeownership Agreement Management Fee or Program Management Fee of 0.50% of the purchase price ● Texas properties may be charged: ○ \$250 Mobile Notary Fee ○ \$250 Recording Fee
Credit	● Credit Score ○ Minimum qualifying credit score is 580 ○ Homebuyers with a qualifying credit score below 580 or no credit score require an approved exception ● Credit Report ○ A tri-merged credit report is required ○ Standard Tradelines: ■ Minimum two (2) active tradelines ■ Twenty-four (24) months of satisfactory credit history for each tradeline ● Tradelines ○ Alternative Tradelines: ■ If standard tradelines are unavailable, two (2) approved alternative tradelines with twenty-four (24) months of satisfactory payment history are required ■ Alternative tradelines must be third-party verifiable with twenty-four (24) months of satisfactory payment history. Contact your Account Executive for acceptable examples. ○ Homebuyers unable to satisfy the standard or alternative tradeline requirements may be eligible with: ■ Twenty-four (24) months of verified housing history; and ■ Three (3) months of verified post-closing reserves ● Derogatory Credit ○ Chapter 7: Eligible if discharged at time of closing ○ Chapter 13: Eligible if discharged at time of closing; or Bankruptcy was filed at least twelve (12) months prior to closing and documentation supports 0x30 payments since filing ■ Note: All Bankruptcy events must be recorded on the Homebuyer's credit report ○ Foreclosure, Deed-in-Lieu, or Short Sale: Eligible if discharged or satisfied at least one (1) year prior to closing. ■ Note: All events must be recorded on the Homebuyer's credit report ● Housing History ○ Standard History: Twelve (12) months verified reflecting 0x30 ○ Limited History (< 12 months): Three (3) months VOR, minimum 580 FICO, and two (2) months reserves ○ No History/Living Rent Free: Minimum 640 FICO and three (3) months reserves ○ Representative FICO <580: Six (6) months reserves required ○ Multiple Homebuyers Living in the same Household: Requirements are satisfied when at least one (1) Homebuyer documents standard housing history ○ Verification of Rent (VOR) ■ Twelve (12) months of documented 0x30 payment history, in good standing with no prior evictions or late payments, and no balances remaining upon termination of lease agreement(s). ■ Property Management Company: Fully completed VOR ■ Private Landlord/Private VOR: Fully completed VOR acceptable. Additional supporting documentation may be required unless all of the following are met:



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	• Maximum 40% PTI / 50% DTI • Maximum 125% payment shock • Minimum 620 FICO ▪ Renting from Relative: Cancelled checks or bank statements required ▪ Electronic Payments: Alternative methods of documenting housing history, including Venmo, Zelle, and PayPal, are acceptable with a complete history documented			
Credit - Continued	▪ Cash Payments Cash payments may be verified by a VOR, including a private landlord, when one of the following is provided: • Copies of cashier's checks for the most recent two (2) months • Three (3) months bank statements showing money going to the landlord			
Debt-to-Income (DTI)	• No Ratio Option Available on Automated Cashflow Qualification with RIKI score of 100+ • Max 50% PTI (housing payment to income) / 60% DTI (total debt-to-income) ○ Exceptions may be considered with strong compensating factors ○ Unless indicated otherwise, liabilities are evaluated per HUD Handbook 4000.1			
	Payment Shock	Minimum FICO	Reserves	Max DTI
	≤225%	Standard Req	None	60%
	>225%	>640	3 months	50%
	>225%	>580	6 months	43%
Exceptions	• Contact your Account Executive			
Florida Requirements	• Florida properties require a 4-point inspection and wind mitigation report • Any unsatisfactory items identified on the 4-point inspection must be fully repaired prior to closing			
Homebuyer Eligibility	• U.S. Citizens • Lawful Permanent Resident Aliens with a Permanent Resident Card (Green Card) or U.S. Social Security Number • Non-Permanent Resident Aliens, including Individual Taxpayer Identification Number (ITIN) and Deferred Action for Childhood Arrivals (DACA), with proof of ability to repay • Non-Occupant Homebuyers: ○ Must sign the long-term purchase agreement or structured financing agreement ○ Must satisfy all program eligibility requirements ○ Income may not be used for all qualifying income			
Income	• Homebuyers new to the workforce or with less than twelve (12) months of employment history may be eligible subject to applicable employment and income documentation requirements; Contact your Account Executive • Eligible income includes, but is not limited to: ○ Wage Earner Income ○ Self-Employed Income ○ Bank Statement Only ○ Independent Contractor/1099 Employee Income ○ Individual Taxpayer Identification Number (ITIN) Income ○ Asset Depletion ○ Cash Based Qualification ○ WWOE + Bank Statements ○ Dividends and Interest ○ Rental Income Contact your Account Executive for the Income documentation requirements			
Property - Eligibility	Eligible		Ineligible	
	• Single Family (Attached and Detached) • 2-Unit (Attached and Detached) • Planned Unit Development • Condominium (FHA approved only; spot approval ineligible) • Manufactured Home (Multi-wide only) • Modular Home		• 3-4 Unit (Attached and Detached) • Condominium with spot approval • Cooperative Property • Mobile Home • Single-Wide Manufactured Home	



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	Townhome	
Property - Inspection	- A home inspection must be completed by a licensed home inspector for properties with an FHA appraisal condition rating of C2-C5 - Inspection requirements include: - All health and safety items must be addressed and/or repaired, as required by the inspection - All major systems must be inspected, with photos and commentary provided, including: - HVAC - Plumbing - Electrical - Appliances - Siding - Major fixtures - Flooring - Electrical systems must be inspected for safety, condition, and code compliance - Roof inspection with photos and commentary - Minimum remaining useful life of ten (10) years - Homes older than ten (10) years require a certified five (5)-year roof certification - Smoke detectors and carbon monoxide detectors must be tested and certified as operable in accordance with local code - If electrical testing is not performed, power meters must be confirmed as functioning and not bypassed - Separate septic inspection required for properties with septic systems, the inspection may be waived if serviced/pumped within the previous twelve (12) months with supporting documentation Note: A Certified Home Warranty is required when a full home inspection is completed. If a Home Warranty is required, the Home Warranty must include roof leak coverage.	
Property – Post-Closing Repairs	A Cure Addendum may be permitted on an exception basis at the Underwriter's discretion to document approved post-closing repairs. The Homebuyer must execute the Cure Addendum prior to closing. All required repairs must be completed within six (6) months after the closing date unless otherwise approved. All cures not completed within six (6) months will result in a recurring Homebuyer fee assessment of \$100 per month beginning the 7th month until Homebuyer provides documentation to support repairs have been completed. At twelve (12) months, if not completed, fees will increase to \$250 per month until all cures are completed.	
Real Estate Owned	A Homebuyer with additional real estate owned will be reviewed on a case-by-case basis and allowed by exception only. Contact your Account Executive for details.	
Renter's Insurance	- Renter's insurance is recommended for the Homebuyer but is not required. If obtained, documentation must support the policy is paid in full prior to closing or the renter's insurance policy should include the following standard coverage: - Personal property, liability, and additional living expenses - Deductible should be standard for the policy, not to exceed \$1,000 - Any additional coverages that are considered standard for the marketplace of the subject property	
Solar Panels	Solar panels are acceptable provided the solar panels are included in the price of the home and financed as part of the mortgage. Leased solar panels may be acceptable on a case-by-case basis only.	
Title Company	- The Title Insurer for the transaction must be selected from the Approved Title Company List - Texas Transactions: Refer to the Approved Title Company List for Texas EEP title requirements District of Columbia (DC), Maryland, and Virginia: Refer to the Approved Title Company List	
Wood-Destroying Organism Inspection	- Required for existing construction when specified in the Purchase Contract, noted on the appraisal, or when the subject property is located in one of the following states: AL, AR, AZ, CA, CT, DE, FL, GA, HI, IA, IL, IN, KS, KY, LA, MA, MD, MS, MO, NC, NE, NJ, NM, NV, OH, OK, PA, RI, SC, TN, TX, UT, VA, WV, WA, or D.C. - Inspection may not be waived and must be obtained prior to closing. - Any evidence of infestation must be remediated prior to closing. - Refer to the DreamBuilder Guidelines for complete requirements.	

