

DATE: December 5, 2008
TO: Business Lending
FROM: Credit Administration

SUBJECT: New Castle County Down Payment Settlement Program (DPS) & ADDI

Attached is a Fact Sheet for the above referenced program, available for homes purchased within New Castle County, DE.

This program can be used in conjunction with Business Lending FHA Rate products.

Income eligible homebuyers can obtain up to \$5,000 for down payment and closing cost assistance associated with the first mortgage.

This second mortgage loan is an 8-year loan at 3% interest. Payments are deferred for the first 3 years. The remaining 5 years require monthly payments. The accrued interest is forgiven if the loan is paid in full prior to the end of the 3-year deferral period.

However, if any of the following repayment triggering events occurs during the term, the principal balance and any accrued interest shall be due and payable in full:

- Evidence of the act of fraud committed to falsely obtain assistance funds
- The property is sold
- Transferred title
- Subject to a refinancing of the first mortgage
- A default of the first mortgage
- The borrower(s) ceases to occupy the property as their principal place of residence
- Upon the death of the last surviving applicant, unless eligible heir to or beneficiary of the property, meets the current eligibility requirements
- The filing of any bankruptcy by the applicants
- Upon divorce, unless one of the applicants continues residing in the property by the decree of divorce

Distribute to all appropriate personnel in your area. Please review all materials and forms completely to ensure that agency guidelines are met. While this fact sheet serves as a guide, *the loan reviewer is ultimately responsible for consulting the product summary to ensure compliance with the specific loan product.*

Please note this Fact Sheet provides a program overview. For complete program information and additional guidance contact: Mindy Bennett 302-395-5602

NOTE:

GMACB program approval expires December 5, 2009.

All program information for renewal must be submitted to Credit Policy at least 7 business days prior to the expiration date above. For renewal information, click on the link below:

<http://gmacmwholesale.com/documents/gmacdocs/Exhibits%20Generic/WholesaleDPAProgram.pdf>

Attachments

New Castle County down Payment Settlement Program (DPS) & ADDI

Product Description	<p>Second mortgage loan program to be used in conjunction with:</p> <ul style="list-style-type: none"> FHA Fixed Rate
Program Approval Expiration	<p>Subject to Availability GMACB approval expires: December 5, 2009</p>
Minimum Borrower Investment	<ul style="list-style-type: none"> FHA: Refer to product summary This program requires borrower to contribute a minimum \$500 <p>NOTE: If first mortgage guidelines are higher than the Agency's for borrower's minimum investment, the first mortgage guidelines prevail.</p>
First Mortgage Maximum LTV	<ul style="list-style-type: none"> FHA: Based on Statutory Limits
Maximum CLTV	<ul style="list-style-type: none"> FHA: 100%* <p>NOTE:</p> <ul style="list-style-type: none"> No cash back at closing *The CLTV may exceed 100% on FHA loans provided that the borrower receives no cash back at settlement. The sum of all financing may not exceed 100% of the cost to acquire the property plus any normal prepaid expenses.
Second Mortgage Purpose	<ul style="list-style-type: none"> Down payment Closing costs
Minimum Second Mortgage Loan Amount	\$1,000
Maximum Second Mortgage Loan Amount	\$5,000
Second Mortgage Loan Interest Rate	3%
Second Mortgage Loan Repayment Terms	<ul style="list-style-type: none"> 8-year loan. Payments for first 3 years are deferred but interest is accruing at a rate of 3%. The remaining 5 years require monthly payments. The accrued interest is forgiven if the loan is paid in full prior to the end of the 3-year deferral period. <p>However, if any of the following repayment triggering events occur, the principal balance with any accrued interest shall be due and payable in full:</p> <ul style="list-style-type: none"> Evidence of the act of fraud committed to falsely obtain assistance funds The property is sold Transferred title Is subject to a refinancing A default on the first mortgage The borrower(s) ceases to occupy the property as their principal place of residence Upon the death of the last surviving applicant The filing of any bankruptcy by the applicants Upon divorce, unless one of the applicants continues residing in the property by the decree of divorce <ul style="list-style-type: none"> Loan may be pre-paid in full at anytime Loan is NOT assumable
Types of Financing	<ul style="list-style-type: none"> Purchase Money Mortgage
Occupancy	<ul style="list-style-type: none"> Owner occupied primary residence only

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	<ul style="list-style-type: none"> All co-borrowers must occupy
Geographic Location	Properties must be located within the limits of: New Castle County, DE
Eligible Properties	<p><u>Acquisition Limit:</u> \$292,685 – set by FHA</p> <p>Properties shall be sited on a permanent foundation, with a permanent utility hook-up, and may include:</p> <ul style="list-style-type: none"> New or Existing: <ul style="list-style-type: none"> Single family - detached, attached Condos and PUDs detached, attached <ul style="list-style-type: none"> FHA: approved list with assigned number Fee Simple <p>Property must be inspected by an ASHI or NAHI certified home inspector as a condition of sale. ALL repairs called for by inspections MUST be completed prior to closing.</p> <p><u>Refer to product summary for additional property eligibility requirements</u></p>
Underwriting	<p>Lender to pre-approve all borrowers for first mortgage product.</p> <p>Standard FHA except as described herein:</p> <ul style="list-style-type: none"> A copy of GMACB DPA Form <u>MUST</u> be in each file (Attachment 1)
Eligible Borrowers	<ul style="list-style-type: none"> Borrower(s) must qualify for the first mortgage selected. First Time Home Buyers (FTHB) only - Borrowers may not currently own a house and may not have owned a house during the last three years prior to making application.
Assets	<ul style="list-style-type: none"> Borrower must have required amount of their own funds in the transaction for type of first mortgage financing selected
Income Limits	<ul style="list-style-type: none"> Borrowers' combined annual income per household must be <u>at or below</u> 80% of area median income adjusted by family size: http://www.huduser.org/datasets/il/il07/index.html <p><u>NOTE:</u> If first mortgage guidelines are more restrictive than the Agency's for borrower's income limit, the first mortgage guidelines prevail.</p>
MI Coverage	<p>Refer to product summary for MI rates and approved companies</p> <ul style="list-style-type: none"> FHA: Standard coverage
Special Provisions	<p>Homeownership Counseling</p> <ul style="list-style-type: none"> Refer to product summary for specific product requirements <ul style="list-style-type: none"> Borrowers must successfully complete homebuyer education class Borrower's Certification of Completion of Homeownership Counseling is required
DPA Processing Fee	Costs incurred for downpayment assistance secondary financing program may only be included in the amount of the second lien. The fee cannot be included in the first mortgage transaction or

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	appear on the HUD-1.
Special Feature Code	N/A

Note:

The following attachment form **MUST** be placed in each file

Wholesale Affordable Seconds / Community Seconds Loan Information

Lender has examined the provisions of the program of the city, county, state or non-profit entity for the origination of second mortgage loans as described below. Lender has determined, as of the date below, that such program, and applicable documents meet the requirements applicable to Community Seconds Loan.

GMAC Mortgage, LLC

Lender

New Castle County Down Payment Settlement Program (DPS) & ADDI

Name of Program

New Castle County Department of Community Services

Participating City, County, State or Non-Profit Entity

Mindy Bennett

302-395-5602

Contact Person

Phone Number

County of New Castle, DE

Geographic Area Where Program Offered

Refer to Fact Sheet

Maximum Combined Loan-To-Value (CLTV)

Refer to Fact Sheet

Minimum Down Payment from Borrower

Refer to Fact Sheet

Repayment Terms

Refer to Fact Sheet

Borrower Income Limitation

December 5, 2008

Date

PROGRAM NAME: New Castle County Down Payment Settlement Program (DPS) & ADDI

DPA

Other:

The above loan DOES NOT require a closing submission to Agency

The above loan DOES require a closing submission to Agency and it was completed by:

Name

Branch

Phone #

Copies of Submission Attached

_____ **The closing submission to Agency WAS NOT COMPLETED and the Centralized Bond Post Closing Unit was notified.**