

## Origin Secondary Financing (OSF) Loans

**Product Description:** Fully amortizing secondary financing loans offered to eligible individuals and families. The loans are designed to promote and preserve homeownership and permanent housing for homebuyers in the Tri-County area (to include Charleston, Dorchester and Berkeley counties). These loans are subject to certain terms and conditions that the borrower and property must meet to qualify:

- a) Loans are available to borrowers who meet the 1<sup>st</sup> lenders product guideline subject to OSF underwriting guidelines as described in Property Requirements (E), Borrower Requirements (A) and Underwriting Requirements (F)
- b) Loan amounts from \$5,000- \$10,000
- c) Interest rates will be 1% over the 1<sup>st</sup> lenders interest rate
- d) Processing fee of \$350 paid to Origin SC will be included Origin's LE
- e) Loan terms available from 5/10/15/20 years; no prepayment penalties
- f) Loan will take 2<sup>nd</sup> position unless there is a FHLB or other recognized subsidy that may require OSF take 3<sup>rd</sup> position
- g) All borrowers are encouraged to shop for the most competitive closing attorney; however, Weeks & Irvin has committed to close these loans for a flat fee of \$250.

### OSF loans can be used for:

- a) Down payment on all lending products with the exception of FHA's 3.5% down payment requirement
- b) Closing costs related to all lending products
- c) Cash back allowed for prepaid appraisal and earnest money.
- d) Can be used to buy down interest rate of the 1<sup>st</sup> lenders mortgage loan
- e) Prepaid Mortgage Insurance

## Property Requirements:

- a) Must be located in the tri-county area
- b) Must remain owner occupied until the loan repayment terms have been satisfied
- c) Must be appraised for at least the contract sales price
- d) Must have a home inspection by a licensed home inspector. Any structural or significant repairs must be addressed prior to closing. Origin reserves the right to deny the loan due to unaddressed required repairs.
- e) Must have a home warranty required for 1<sup>st</sup> year
- f) Must have Homeowner's insurance policy bound at closing with Family Services, Inc. dba Origin SC named as additional insured

## Borrower Requirements:

- a) Qualifying income only must fall within the 120% AMI Family Income requirements for the Charleston area:

<b>1- 4 Household Members</b>	<b>5 Household Members</b>	<b>6 Household Members</b>	<b>7 Household Members</b>	<b>8 Household Members</b>
<b>82,575</b>	<b>89,250</b>	<b>95,850</b>	<b>102,450</b>	<b>109,050</b>

- b) Minimum 620 middle FICO credit score provided by 1<sup>st</sup> lender's credit pull
- c) Eligible recipients must complete: First time homebuyer education course provided by a HUD-approved agency who has also adopted the National Industry Standards for Homeownership Education and Counseling.
- d) Agrees to add Family Services, Inc. dba Origin SC as subordinate mortgagee if not listed on Home Owners Insurance (HOI) Declaration page
- e) Agrees to respond to owner occupied semi-annual follow up.

## **OSF Underwriting Requirements:**

- a) 1<sup>st</sup> lenders documents required: completed and signed 1003 – Uniform Residential Loan Application and 1008 – underwriting transmittal summary
- b) Confirm subject property is located in the Tri-county area
- c) Fully executed purchase agreement
- d) Minimum middle FICO credit score of at least 620 for all borrowers on the loan
- e) Certification of Household size
- f) Certification of Income: 1 month recent pay stubs, 2 months recent bank statements for all liquid asset accounts. No non-sufficient fees (NSF) fees or negative balances are allowed for the 2 most recent statements
- g) Copy of 2 most recent tax returns and W2's (1<sup>st</sup> 2 pages unless more are required by underwriter)
- h) Validation of driver's license or other government issued Photo ID
- i) Signed Authorization to Release Information
- j) Signed Origin Fraud Policy and Affiliated Business Disclosure
- k) Copy of 1<sup>st</sup> lender approval
- l) Test for High Cost Mortgage – completed by Origin
- m) Signed Loan Estimate (LE)
- n) Completed Home Buyer Education certificate by approved agency
- o) Closing attorney contact information and wire instructions

## **Roles/Responsibilities:**

- a) Approved and trained 1<sup>st</sup> lender will provide all items and back up documentation described under the OSF Underwriting Requirements section.
- b) Origin Mortgage Loan Officer (MLO) will prequalify applicant based on OSF product guidelines and borrower requirements.
- c) Origin MLO to complete High Cost Mortgage and Higher Priced Mortgage Loan tests.
- d) Qualified applicants will be contacted by an Origin's MLO to prepare and issue a completed 1003, Loan Estimate, Intent to Proceed and Conditional Commitment Letter for the OSF loan.

- e) Origin MLO will contact the borrower's selected closing attorney to document fees associated with closing the OSF loan.
- f) After underwriting requirements have been satisfied, Origin MLO will issue Final Commitment Letter and preliminary Closing Disclosure (CD) to 1<sup>st</sup> lender and borrower.
- g) 1<sup>st</sup> lender will provide a clear to close notification to Origin Closing Dept. 3 business days prior to final closing date.
- h) OSF Closing Package will be prepared and provided by Origin MLO to the closing attorney and 1<sup>st</sup> lender for review prior to closing.
- i) Closing attorney will be requested through Origin's closing instructions to:
  - Scan and email a copy of all signed CD's commencing loan closing
  - Pay fees according to OSF CD.
  - Forward OSF closing package to Origin SC, 4925 Lacross Rd. Suite 208, North Charleston, SC 29406, Attn: Stephanie Reed
  - Closing package for OSF to include: certified copy of executed Mortgage, original OSF CD, certified copy of 1<sup>st</sup> lender CD, copy of homeowner's insurance declaration page and flood policy (if applicable) signed by borrower(s) with Family Services, Inc. dba Origin SC listed as subordinate mortgagee or signed authorization to add Family Services, Inc. dba Origin SC as subordinate mortgagee if not listed on HOI Declaration page), signed 1003 (if included in closing package)
- j) First Citizens will service the loan

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Above guidelines were reviewed and approved on 10/27/17. Origin SC solely reserves the right to modify terms and conditions set forth in this approved document at any time.