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	Earned Equity Program: EAD Product
Matrix Overview	This matrix is a summary only of parts of the Arrive Home™ EEP Product Guide.
Program Overview 3.1	The Arrive Home™ Earned Equity Program (EEP) is a purchase transaction whereby a governmental entity purchases a home selected by a Homebuyer, and then the Homebuyer enters into a homeownership agreement. This ultimately allows the Homebuyer to live in and control the home until such time as the Homebuyer can finance the home. This contract type is referred to as a seller financing agreement here except where necessary to differentiate according to state requirements.
Disclaimer 3.1.1	The seller financing agreement is not part of the FHA loan and is a separate relationship between the governmental entity and the Homebuyer. A completed Seller's Disclosure required.
Overview: FHA 1st Mortgage 3.2 & 3.2.1	30-year term, fixed rate, full amortization only. Purchase only. FHA 203(b), 1–2 units, primary residence only. The FHA 1st mortgage must be purchased by the master servicer after closing.
High Balance 3.2.2	The FHA 1st mortgage may be high balance. High balance loans always receive an LLPA adjustment.
Required 2nd Lien 3.2.3	N/A: 2nd Lien Requirements - Discontinued.
Eligible Property Types 3.3.1	1-2 units, SFR, PUD, Townhome, Attached, Detached, Modular or Manufactured. Condos are eligible with FHA approval. Spot approvals may be eligible. Some conditions may apply.
Ineligible Property Types 3.3.2	3+ units. Second homes, investment properties, co-ops, single-wide manufactured, Planned Unit Developments (PUDs) that impose restrictions based on age, race, gender, or leasing/rental terms are ineligible. This includes age-restricted communities, such as those designated for residents 55 and older.
Property Rights 3.3.3	Fee Simple, Leasehold

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Homebuyer Legal Status 3.4	US Citizen, Permanent resident aliens, Non-permanent resident aliens with a valid Employment Authorization Document (EAD) eligible, with proof of ability-to-repay. The following EAD categories require an exception: C08, C11, C18, C19, A11 and A12. ITINS or other ineligible statuses may be referred to our traditional program.
General Credit History Requirements 3.5	Credit score of 600 or higher required, from one major bureau. If more than one score, use the middle of three or lower of two. Soft pulls may be considered with sufficient housing history documentation. Eligible credit reports will have a minimum of 2 active trade lines, with 24 months of overall credit history. Alternative tradelines will be considered – see the Seller's Guidelines for more details.
Required Soft Pull, UDM, or Credit Refresh 3.5.2	Required to ensure no new debt prior to closing. Updated report required within 10 days of closing.
Student Loans 3.5.3	Must be in good standing. Follow FHA guidelines for calculating DTI.
Bankruptcies 3.5.4	Chapter 7: Eligible if the bankruptcy is discharged at the time of closing. Chapter 13: Eligible if the bankruptcy is discharged at the time of closing or filed within 12 months of closing and there is evidence of payments made for 12 months. All bankruptcies must be recorded on the credit report.
Foreclosures, Deed-in-Lieu, Short Sales 3.5.5	Foreclosure, Deed-In-Lieu, or Short Sale less than 1 year prior to closing not allowed. Must be recorded on the credit report.
Tax Liens 3.5.6	Eligible if paid, settled, or discharged prior to closing. Alternatively, eligible if a satisfactory payment arrangement is documented with a minimum of 3 payments made in the plan; must be calculated as part of DTI. See the EEP Seller's Product Guidelines for more details.
Property Tax Assessments 3.5.7	Follow FHA guidelines.
General DTI Requirements 3.6	Max 43% / 50% DTI. Exceptions may be considered with strong compensating factors. See the EEP Seller's Product Guidelines for more details.

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General Requirements for Asset/Reserves 3.7	Evidence of the cash/liquidity to consummate the transaction is required, including the following: • 1st payment due • Closing costs, including title fees, per title fee sheet • Sufficient down payment funds (minimum 3.5%) • Additional reserves may be required based on exceptions granted and strength of the overall transaction; if required, must be verified prior to closing All funds for closing are finalized after receipt of the following: • Final CD • Settlement Statement from Title • Closing Request Form • Final Cost Disclosure (created by Arrive Home™ after receipt of the Final CD and Settlement Statement)
Required Verified Funds 3.7.1	For a file with no exceptions, only the 3.5% minimum down payment amount is required to be verified prior to closing. If there is an exception present in the file, all cash to close and reserves must be verified in the Homebuyer's account prior to closing. In addition, the Homebuyer must provide an LOE sourcing the funds.
Asset Documentation 3.7.2	Eligible assets require the following: • 2 months of bank statements (most recent), covering 2 statement periods • Assets/reserves must be liquid at the time of closing. Business bank statements and investment accounts may be eligible. Additional funds require an LOE certifying that the funds did not come directly, or indirectly, from the seller, the real estate agent, the lender, or any other interested party.
Gift Funds 3.7.3	Gift funds are acceptable for funds to close. Gift funds are not eligible for qualifying reserves. Gifts of equity are not permitted.
Verification and Wiring for Funds to Close 3.7.4	All funds to close the FHA transaction and the relationship between the Homebuyer and the governmental entity must be wired to TRHEEA prior to the date of closing. TRHEEA will require a copy of the wire confirmation evidencing that the funds came from the Homebuyer's account.
General Housing History Requirements 3.8	12-month housing history required.
Rental Housing History 3.8.1	Documented payment history required. The following will be considered: • Fully completed VOR • Private Landlord/Private VOR; see Product Guidelines for more details • Alternative Methods (Venmo, Zelle, PayPal, must be documented) Cash

	payments can be verified by a VOR. Requires one of the following: • Copies of cashier's checks for the most recent 2 months • 3 months bank statements showing money going to the landlord
Mortgage 3.8.2	0x30, required (documented by a credit report). If a foreclosure is present, see Product Guidelines for more details.
Private Mortgage 3.8.3	Payment history via bank statements, cancelled checks, or reasonable equivalent required.
General Income Requirements 3.9	12-month documented history, calculated according to FHA and mortgage industry standards, required, unless otherwise stated below.
W2 Employees 3.9.1	Required: • 2 months paystubs (must be most recent) • Prior year W2 • Documented Written Verification of Employment (WVOE) (to validate income) required.
1099/Independent Contractor 3.9.3	The following documentation is required: • Previous year's tax returns • Most recent paystubs, if applicable, OR… • Most recent 3 months of bank statements, if applicable, to validate receipt of income. • Less than 12 months' employment history will require an exception and documented compensating factors.
Self-Employed 3.9.4	The following is documentation is required: • Previous year's tax returns, all schedules, AND… • Most recent 3 months of bank statements (to validate income; most recent required) OR… • Profit and loss statement (P&L) • Self-employment business types will be reviewed for effective income analysis. Income calculation will be taken from an average of the earnings reported from the most recent year's returns and compared to bank statement deposits or P&L earnings averaged.
Other Income Source 3.9.6	Interest and dividend income may be considered. If used, one of the following required:

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	• Documentation and verification of the homebuyer's ownership of the assets on which the interest of dividend income was earned. • Verification of the 2-year history of the income must be verified using one of the following options: - (A) copies of the homebuyer's signed, federal returns - (B) copies of the account statements with income documented
Lump Sum Asset Depletion 3.9.7	Allowed. Take the total of all assets depleted and divide by 120 months to calculated monthly qualifying income.
Liquidity 3.9.8	ISubstantial documented liquidity allowed on a case-by-case basis. Defined by evidencen of 50% of the value of hte subject property documented as liquid.
Including Rental Income 3.9.9	Allowed. The subject property must have more than one unit and the vacant unit will be rented. Calculated income from unit at 75% market value of proposed rent assessed by the FHA appraiser.
Non-Occupant Homebuyers 3.10	Allowed. Income from the non-occupant homebuyer cannot be the primary source of qualifying income. Non-occupant homebuyer must sign the seller financing agreement and meet all other eligibility requirements.
Additional Properties Owned 3.11	May be allowed. Subject to underwriting or QC review to ensure occupancy is reasonable.
Retained Primary Residence 3.11.1	May be allowed. Subject to underwriting or QC review to ensure occupancy is reasonable. Retained property's disposition at the time of closing must be documented as either leased, or pendign sale.
Rental Properties 3.11.2	May be allowed. Subject to documentation proving lease status and evidence of deposits or rents received on the rental/s.
Property Appraisal General Requirements 3.12	Required. Must be a full FHA appraisal and meet all general FHA requirements for MPRs. Full market value must be reasonably supported.
Property Condition 3.12.1	Appraisal must state the property condition as one of the following: • C1–C4 • C5 or C6 (~C5 & C6 properties may be ineligible without significant repair or renovation; see 3.13 Property Home Inspection for more information). The roof must

	be in acceptable condition and good repair. All properties in C2-C6 conditions must have an independent property inspection performed. Certain repairs may be required. Major property defects are required to be repaired prior to closing. Minor property defects can be covered by an Attestation. Properties built prior to 1901 may require additional time to obtain the insurance binder.
Cost Approach to Value (RCE) 3.12.2	Required to be completed on all appraisals.
Automated Valuation Model (AVM) 3.12.3	AVMs may be pulled to support the full market value, subject to underwriting review and comp selection. All AVM values must be within 10% of the appraised value, or additional comps will be requested.
Property Home Inspection General Requirements 3.13	Required to be completed.
Certified Home Warranty 3.13.1	Will be pulled on all submitted appraisals to support the full appraised value; values must be within 10% of the full appraised value. Any appraised value greater than 10% in difference from the AVM value is subject to a desk review, or counteroffer to the sales price.
Home Inspection Repair Requirements 3.13.2	When required, must be performed by a licensed home inspector prior to closing. Required for all properties listed in C2–C6 condition. Required: • Major defects and/or all health and safety items addressed and/or repaired, as required by the inspection, prior to closing • All major systems inspected, including HVAC, plumbing, electrical, appliances, siding, major fixtures, and flooring • Roof inspection (with a useful life expectancy of at least 5 years) • Smoke detectors and carbon monoxide systems tested and certified as operable per local building and health/safety codes • Septic systems must have separate septic inspections performed, and they must be pumped and inspected along with the drain field • If electrical tests are not performed, it must be confirmed that power meters are functioning and are not bypassed. List is not exhaustive. See the Seller's Guide for more details.

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Wood-Destroying Organism Inspection Requirements 3.13.3	Required for all transactions that require a home inspection. Required for all properties where full inspections are performed. For existing construction, the Correspondent (Mortgagee) is responsible for confirming that the Property is free of wood-destroying insects and organisms. All purchase/sale contracts must provide all seller disclosures related to inspection requirements by state and addendums accordingly. Appraisers must report any apparent evidence of wood-destroying insect infestation, fungus growth, or dry rot. If the appraisal is made subject to an inspection by a qualified pest control specialist, the Correspondent must obtain the inspection and evidence of any required treatment to confirm the Property is free of wood-destroying insects and organisms. If any evidence of Wood Destroying pests is present, a full inspection is mandatory. If the property (existing construction only) is located in an area defined as having a "very heavy" or "moderate-to-heavy" probability of termite infestation, then a wood-destroying insect inspection report must be required by the Correspondent and provided to Arrive Home™ for review. Any/all evidence of infestation must be remedied prior to closing. Inspections can never be waived as part of the purchase contract.
Florida Requirements 3.13.5	In Florida, a 4-point inspection must be performed and any noted unsatisfactory items must be fully repaired prior to closing. A wind mitigation report is also required. In some cases, a full property inspection may be required additionally.
Renter's Insurance 3.14	Optional. If included, policy must be proven paid prior to closing.
Renter's Insurance Coverage Waiver Disclosure 3.14.1	Required if the homebuyer chooses to forego a renter's insurance policy.
Fee Disclosure 3.15.1	Required on both the government entity loan and the Homebuyer seller financing agreement. All fees on the government entity loan must be disclosed to TRHEEA upon

	application in an initial disclosure, and at closing in a final disclosure; an initial LE and/or initial CD with transaction fees reflected required; waiting periods are not required. Upon receipt of the initial LE and/or CD, Arrive Home™ will provide an initial Homebuyer Cost Disclosure(CCD) for the Homebuyer to review and fully endorse. At closing, **the Correspondent must use the CCD provided by Arrive Home™.** The Correspondent may never disclose a CCD to the Homebuyer that is not provided by Arrive Home™. *See the Product Guidelines for more details.*
Fee Limits 3.15.2	Charges on the seller financing agreement that benefit the originator directly or indirectly (in excess of TRHEEA charges) must be less than or equal to 1% of the total FHA loan amount. The originator must advise the Arrive Home™ Processing Team of the charge increase, and this will be added as a Program Participation Percentage line item on the Initial Homebuyer Cost Disclosure. If the Program Participation Percentage fee is disclosed after the Initial CCD has been endorsed by the Homebuyer, an updated Initial CCD reflecting the additional Program Participation Percentage fee must be signed and dated by the Homebuyer prior to receiving a Clear to Close or final approval on the transaction. Program Participation Percentage fees will not be added after the Clear to Close has been provided.
Fees to the Homebuyer 3.15.3	Total origination/Section A fees charged by the lender may not exceed 3% of the purchase price. Discount points that are not "bona fide" count against that 3% limit. TRHEEA charges the following fees to the Homebuyer: • HOA Service Fee (if in HOA) ($250) • Notary Fee ($150) • Program UW / Processing Fee ($1250) • Homeownership Agreement Management Fee or Program Management Fee (0.5% of Purchase Price) • First Month's Payment (collected at closing)
Contract Cancellation Prior to Closing 3.17.1	The contract is subject to the Homebuyer qualifying for and executing the seller financing agreement on the subject property. If there is a change in the Homebuyer circumstances and the Homebuyer no longer qualifies for the transaction or the

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	Homebuyer refuses to execute the final contract, this purchase agreement is void and the maximum liability for TRHEEA's non-performance is forfeiture of the earnest money.
Fuse Boxes and Electrical Wiring 3.17.2	Generally, homes will need to be updated from fuse boxes to breaker panels prior to closing. Homes with knob and tube wiring must be updated to standard electrical wiring - prior to closing.
Disaster Certificates 3.17.3	In counties that have been deemed disaster areas by FEMA, Arrive Home™ will require a 1004D disaster certificate, or a 442, with exterior photos. The certificate must be dated after the incident period. Follow FHA guidelines for appraisal and 1004D requirements when the subject property is in a county affected by a recent FEMA disaster declaration. It is solely the Correspondent's responsibility to be aware of and act upon any mortgage loans that were, prior to the sale to Arrive Home™, impacted by disasters. Arrive Home™ does not have the responsibility to provide notification to the seller of disaster areas. If, at any time after loan purchase, Arrive Home™ or a subsequent investor determines that the subject property was damaged and not in fully marketable condition at time of sale, the loan will be subject to repurchase.
PUDs, HOAs, and Occupancy Restrictions 3.17.4	All properties located in a PUD (Planned Unit Development) will require documentation from the HOA (including the ByLaws, CC&Rs, and any other relevant documentation) that addresses potential occupancy restrictions for contract-for-deed transactions that the HOA interprets as non-owner occupied. Subject property may be ineligible if occupancy is not approved by the HOA.
Financed Solar Panels 3.17.5	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 are not currently acceptable. THREEA will not assume a solar panel lien and/or make any payments on financed solar panels associated with the property.
Property Condition Disclosure 3.17.9	Required. In states where there is a legally acceptable waiver for disclosure or it's not possible to obtain it – the subject property may be subject to additional due diligence.
RIKI Review 3.18	With the Homebuyer's consent, Homebuyer's may qualify for underwriting assistance using the RIKI report. See the EEP Seller's Product Guideline for more information.

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TRHEEA Property Insurance General Requirements 4.18	See the EEP Seller's Product Guideline for full details. H03 policies are eligible.
Title Insurance General Note 4.19	All title insurance requirements are in accordance with FHA guidelines for lien insurance protection.
Adding Persons to Title and Sales Contracts 4.19.1	May be allowed. Non-purchasing spouses and non-purchasing co-applicants are allowed. See EEP Seller's Product Guideline for full details.
Homebuyer Funds to Title 4.19.2	Not allowed. The Homebuyer is responsible for providing all down payment funds, including closing costs and program fees, and the 1st month's payment to TRHEEA – via wire, before the mortgage closes.