

Retail Product Snapshot

Cardinal Elite National Homebuyer Assistance | Government



Cardinal Financial offers the Cardinal Elite National Homebuyer Assistance FHA 1st Mortgage to be combined with Down Payment Assistance. The following requirements apply on the first lien mortgage and DPA 2nd lien. These guidelines are to be used in conjunction with the FHA guidelines outlined in the HUD Handbook 4000.1, Mortgagee Letters, HUD Notices and Federal Register Updates.

Primary Residence Fixed Rate				
Property Type	Maximum DTI	LTV/CLTV ⁴	Minimum Credit Score	Manual Underwrite Permitted
1-4 Unit, Manufactured Home	Per AUS Approval ^{2, 3}	96.5%/Per Agency	600	No
	Manual Underwrite: 31%/43% ^{1, 2}			Yes

¹ See additional Manual UW requirements in the loan terms- with compensating factors maximum DTI could go to 50%
² Maximum 50% DTI for properties located in West Virginia regardless of AUS approval
³ Refer to [Payment Shock](#) section below
⁴ Refer to [Subordinate Financing](#) section below

Loan Terms		
Loan Term	<ul style="list-style-type: none"> 25-Year Fixed Fully Amortizing 30-Year Fixed Fully Amortizing 	
Octane Loan Programs	FHA 30 Year Fixed Cardinal Elite National Homebuyer Assistance 3.5% 2nd	FHA30CENHA35
	FHA 30 Year Fixed Cardinal Elite National Homebuyer Assistance 5% 2nd	FHA30CENHA5
	FHA 25 Year Fixed Cardinal Elite National Homebuyer w/ 3.5% 2nd	FHA25CENHA35
	FHA 25 Year Fixed Cardinal Elite National Homebuyer w/ 5% 2nd	FHA25CENHA5
	FHA 30 Year Fixed Rate - 2-1 Buydown - Cardinal	FHA3021BDCENHA35

	Elite National Homebuyer Assistance 3.5% 2nd	
	FHA 30 Year Fixed Rate - 2-1 Buydown - Cardinal Elite National Homebuyer Assistance 5% 2nd	FHA3021BDCENHA5
	FHA 30 Year Fixed Rate - 1-0 Buydown - Cardinal Elite National Homebuyer Assistance 3.5% 2nd	FHA3010BDCENHA35
	FHA 30 Year Fixed Rate - 1-0 Buydown - Cardinal Elite National Homebuyer Assistance 5% 2nd	FHA3010BDCENHA5
	FHA 30 Year Fixed Rate - 1-1 Buydown - Cardinal Elite National Homebuyer Assistance 3.5% 2nd	FHA3011BDCENHA35
	FHA 30 Year Fixed Rate - 1-1 Buydown - Cardinal Elite National Homebuyer Assistance 5% 2nd	FHA3011BDCENHA5
	FHA 30 Year Fixed Rate - 3 -2 -1 Buydown - Cardinal Elite National Homebuyer Assistance 3.5% 2nd	FHA30321BDCENHA35
	FHA 30 Year Fixed Rate - 3 -2 -1 Buydown - Cardinal Elite National Homebuyer Assistance 5% 2nd	FHA30321BDCENHA5
	FHA 30 Year Fixed Rate High Balance - Cardinal Elite National Homebuyer Assistance 3.5% 2nd	FHA30HBCENHA35
	FHA 30 Year Fixed Rate High Balance - Cardinal Elite National Homebuyer Assistance 5% 2nd	FHA30HBCENHA5
	FHA 30 Year Fixed Rate High Balance - 1-0 Buydown - Cardinal Elite National Homebuyer w/ 3.5% 2nd	FHA30HB10BDCENHA35
	FHA 30 Year Fixed Rate High Balance - 1-0 Buydown - Cardinal Elite National Homebuyer w/ 5% 2nd	FHA30HB10BDCENHA5
	FHA 30 Year Fixed Rate High Balance - 1-1 Buydown - Cardinal Elite National Homebuyer w/ 3.5% 2nd	FHA30HB11BDCENHA35
	FHA 30 Year Fixed Rate High Balance - 1-1 Buydown - Cardinal Elite National Homebuyer w/ 5% 2nd	FHA30HB11BDCENHA5
	FHA 30 Year Fixed Rate High Balance - 2-1 Buydown - Cardinal Elite National Homebuyer w/ 3.5% 2nd	FHA30HB21BDCENHA35
	FHA 30 Year Fixed Rate High Balance - 2-1 Buydown - Cardinal Elite National Homebuyer w/ 5% 2nd	FHA30HB21BDCENHA5
	FHA 30 Year Fixed Rate High Balance - 3 -2 -1 Buydown - Cardinal Elite National Homebuyer w/ 3.5% 2nd	FHA30HB321BDCENHA35
	FHA 30 Year Fixed Rate High Balance - 3 -2 -1 Buydown - Cardinal Elite National Homebuyer w/ 5% 2nd	FHA30HB321BDCENHA5

	2nd Mortgage 10 Year Repayable Cardinal Elite National Homebuyer Assistance 3.5%	2ND10RCENHA35
	2nd Mortgage 10 Year Repayable Cardinal Elite National Homebuyer Assistance 5%	2ND10RCENHA5
Occupancy	<ul style="list-style-type: none"> Primary residence only One of the borrowers must occupy the property as their primary residence 	
Overlay Matrix	Please refer to the Community Lending Product Overlay Matrix for any applicable Cardinal Overlays	
Transaction Types	Purchase	
Underwriting	<ul style="list-style-type: none"> DU, LPA Manual Underwriting permitted in accordance with Cardinal FHA guidelines <ul style="list-style-type: none"> Non-traditional/alternative credit not allowed, one or more borrowers must have a valid credit score. 	
Manual Underwriting	<p>Compensating Factors</p> <ul style="list-style-type: none"> DTI: 31/43 No compensating factors required DTI: 37/47 One of the following Compensating factors required: <ul style="list-style-type: none"> Verified and documented cash Reserves Minimal Increase in housing payment Residual income DTI: 40/40 Compensating factor <ul style="list-style-type: none"> No Discretionary debt DTI: 40/50 Two of the following Compensating factors required: <ul style="list-style-type: none"> Verified and documented cash reserves Minimal Increase in housing payment Residual income An "Ineligible" Automated Underwriting finding is acceptable only if the reason for ineligibility is to finance a repair escrow or the loan to value exceeding 96.5% due to the eligibility for an expanded loan to value as a HUD owned REO and not for other reasons (for example: short to close). Underwriters must comment on the HUD 92900-LT form regarding the reason for ineligibility. 	

Program Guidelines	
Buyer Contribution	No minimum requirement
Borrower Eligibility	<p>Eligible Borrowers</p> <ul style="list-style-type: none"> First-time Homebuyers permitted with no additional restrictions Non-First-Time Homebuyers Non-occupant borrowers are permitted <ul style="list-style-type: none"> Follow agency guidelines Any borrower that does not meet FHA's definition of a lawful, legal resident of the United States is ineligible

Cash Back to Borrower	Borrowers may receive a refund of documented earnest money deposit and other documented, paid, third-party costs only
Compliance Review	No compliance or external underwriting review is required
Credit-Verification of Rent	<ul style="list-style-type: none"> Required if loan is manually underwritten <ul style="list-style-type: none"> Follow Cardinal FHA guidelines
Eligible Properties	<ul style="list-style-type: none"> 1–4 units <ul style="list-style-type: none"> Single Family PUD Townhome Condo Attached Detached Modular Manufactured homes <ul style="list-style-type: none"> Single and Double-width permitted Must adhere to all FHA requirements Ineligible with Temporary Interest Rate Buydowns
Ineligible Properties	<ul style="list-style-type: none"> Life Estates Blind Trusts Properties located in Airport Noise Zone 3 Condominiums that are not FHA approved PUDs that do not meet FHA requirements Manufactured homes not classified as real estate Leasehold Condos Cooperatives Boarding houses Bed and Breakfast properties Properties that are not suitable for year-round occupancy regardless of location Agricultural properties, such as farms or ranches Properties that are not readily accessible by roads that meet local standards Vacant land or land development properties Properties encumbered with Property Assessed Clean Energy (PACE) or Home Energy Renovation Opportunity (HERO) obligations State-approved medical marijuana-producing properties Properties located on Tribal Lands which include section 184 Hawaiian properties in Lava Zones 1 and 2 Community Land Trusts or Blind Trusts Lot size over 40 acres in the state of Montana (state restriction) Properties that have a water source which includes a mechanical chlorinator or is served by springs, lakes, rivers, sand-point wells or artesian wells Building on own land Construction to Perm (One-Time Close) Construction loans Easements and deed restrictions that affect marketability are not permitted unless the easement or deed restriction expires upon foreclosure Loans with resale deed restrictions Manufactured homes in flood zones Properties with Illegal Accessory Units Manufactured homes in “Parks” not held in fee simple ownership, commonly

	<p>known as “Mobile Home Parks”</p> <ul style="list-style-type: none"> • Site Manufactured Housing Condominiums • Manufactured homes that have been previously installed or occupied at any other site
Escrow	Required for both Hazard Insurance and Property Tax
Flood Certificate	Follow Cardinal Policy
Geographic Restrictions	<ul style="list-style-type: none"> • In Alaska and South Carolina the minimum second mortgage loan amount is \$5,000. Therefore, for purchase prices below \$143,800 with 3.5% assistance, the DPA amount will be \$5,000 in those states • New York Properties are ineligible
Hazard Insurance	<p>Hazard Insurance Deductible</p> <ul style="list-style-type: none"> • Maximum Deductible is 5% of Policy Coverage Amount
Homebuyer Education	<p>Loans with FICO scores < 620 are subject to completing homebuyer education, as follows:</p> <ul style="list-style-type: none"> • If all occupying borrowers are first-time homebuyers, at least one occupying borrower must receive homeownership education • Homeownership education must be completed prior to the Note date • Eligible programs include: <ul style="list-style-type: none"> ◦ Programs developed by HUD-approved counseling agencies, Housing Finance Agencies (HFAs) or Community Development Financial Institutions (CDFIs) ◦ Programs developed by mortgage insurance companies ◦ Programs that meet the standards of the National Industry Standards for Homeownership Education and Counseling • A certificate of completion must be retained in the mortgage file <p>Any borrower(s) that has not had any ownership in a property within the last 3 years is considered a first-time homebuyer.</p> <p>Note: If at least one occupying borrower is <i>not</i> a first-time homebuyer, the education requirement does not apply.</p>
Identity of Interest Transactions	<ul style="list-style-type: none"> • Purchase transactions are limited to a maximum of 85% LTV when the seller is related to and/or has a business relationship with the buyers • Maximum financing is available when meeting FHA's Exception for Identity of Interest Transaction requirements
Income Limits	No Income Limits
Mortgage Credit Certificate (MCC)	<ul style="list-style-type: none"> • Permitted from Cardinal approved Mortgage Credit Certificate provider • All MCCs must be calculated according to FHA guidelines by adding the credit as income, not a payment reduction

Payment Shock	Payment Shock is a calculation which measures the ratio of the proposed total monthly housing payment(s) to the borrower(s)'s current total mortgage payment or current total monthly rent obligation.																																
	<ul style="list-style-type: none">225% maximum payment shock ratio for loan files with the following:<ul style="list-style-type: none">AUS approval and a qualifying credit score of 620 or below<ul style="list-style-type: none">Payment shock may exceed 225% with a qualifying credit score of 620 or below with a maximum housing ratio "Front-end" ratio of 36%Manually underwritten transactions (regardless of credit score)<ul style="list-style-type: none">Payment shock may exceed 225% with maximum housing ratio "Front-end" ratio of 36%Transactions in which the borrower is living rent free, or without a housing expense are subject to the above requirements. Please reference the table below for more details.																																
	<table><tr><th>AUS Accept</th><th>Rent Free or No Housing Expense</th><th>FICO</th><th>Front End Max Ratio</th><th>Payment Shock Maximum</th></tr><tr><td rowspan="2">Yes</td><td>No</td><td>>620</td><td>N/A</td><td>N/A</td></tr><tr><td>Yes</td><td>>620</td><td>N/A</td><td>N/A</td></tr><tr><td rowspan="2">Yes</td><td>No</td><td><=620</td><td><=36%</td><td>N/A</td></tr><tr><td>Yes</td><td><=620</td><td><=36%</td><td>N/A</td></tr><tr><td rowspan="2">Yes</td><td>No</td><td><=620</td><td>>36%</td><td>225%</td></tr><tr><td>Yes</td><td><=620</td><td>>36%</td><td>225%</td></tr></table>	AUS Accept	Rent Free or No Housing Expense	FICO	Front End Max Ratio	Payment Shock Maximum	Yes	No	>620	N/A	N/A	Yes	>620	N/A	N/A	Yes	No	<=620	<=36%	N/A	Yes	<=620	<=36%	N/A	Yes	No	<=620	>36%	225%	Yes	<=620	>36%	225%
	AUS Accept	Rent Free or No Housing Expense	FICO	Front End Max Ratio	Payment Shock Maximum																												
	Yes	No	>620	N/A	N/A																												
		Yes	>620	N/A	N/A																												
	Yes	No	<=620	<=36%	N/A																												
		Yes	<=620	<=36%	N/A																												
	Yes	No	<=620	>36%	225%																												
		Yes	<=620	>36%	225%																												
<table><tr><th>Manual Underwrite</th><th>Rent Free or No Housing Expense</th><th>FICO</th><th>Front End Max Ratio</th><th>Payment Shock Maximum</th></tr><tr><td rowspan="2">Yes</td><td>No</td><td>N/A</td><td><=36%</td><td>N/A</td></tr><tr><td>Yes</td><td>N/A</td><td><=36%</td><td>N/A</td></tr><tr><td rowspan="2">Yes</td><td>No</td><td>N/A</td><td>>36%</td><td>225%</td></tr><tr><td>Yes</td><td>N/A</td><td>>36%</td><td>225%</td></tr></table>	Manual Underwrite	Rent Free or No Housing Expense	FICO	Front End Max Ratio	Payment Shock Maximum	Yes	No	N/A	<=36%	N/A	Yes	N/A	<=36%	N/A	Yes	No	N/A	>36%	225%	Yes	N/A	>36%	225%										
Manual Underwrite	Rent Free or No Housing Expense	FICO	Front End Max Ratio	Payment Shock Maximum																													
Yes	No	N/A	<=36%	N/A																													
	Yes	N/A	<=36%	N/A																													
Yes	No	N/A	>36%	225%																													
	Yes	N/A	>36%	225%																													
Repair Escrow	Follow FHA Guidelines. There must be no adverse effect on marketability due to the incomplete items. The postponed improvements cannot affect the livability, health, safety, soundness, or structural integrity of the property or prevent the issuance of a Certificate of Occupancy on new construction.																																

Subordinate Financing	<ul style="list-style-type: none">Grants not forming a lien are eligible if provided by a Cardinal-approved grant provider.Subordinate liens willing to accept a third lien position are eligible if provided by a Cardinal-approved community lending provider.Note: Eligible loans may have more than one subordinate lien (i.e., third lien) as long as Cardinal’s second lien is in the second position.	
	Subordinate Financing Restrictions	
	Combined LTV Secondary Financing	
	Entity Type	CLTV
	Governmental Entity and HOPE Grantee	No max. CLTV for secondary financing loans
	HUD-Approved Nonprofit	No max. CLTV for secondary financing loans
	Family Members	Base Loan Amount and secondary financing amount must not exceed 100 percent of the Adjusted Value
	Private Individuals and Other Organizations	Base Loan Amount and secondary financing amount must not exceed the applicable FHA Loan-to-Value (LTV) limit
Tax Transcripts	Follow Cardinal FHA guidelines	
Temporary Buydown	Eligible	
Title	<ul style="list-style-type: none">Lender’s Title insurance coverage does not need to include the subordinate lienPersons are permitted to be added to the contract and title that are not on the loan, such as non-purchasing spouses, per Agency and state guidelines	
Down Payment and Closing Cost Assistance		
Amount of Assistance	Assistance equivalent to 3.5% or 5% of the purchase price or the appraised value of the home, whichever is lower	
Type of Assistance	Community Second Lien	
Second Lien Payment Details	The second lien will have a Note, Security Instrument, Closing Disclosure and Payment Letter provided in the closing package. <ul style="list-style-type: none">The second lien Note and Payment Letter will identify the Servicer name and address where the payments will be remitted.<ul style="list-style-type: none">Please be aware that this could be different from the first lien	
Down Payment and Closing Cost Assistance (DPA)	Repayable DPA: <ul style="list-style-type: none">Amortized, 10-year term with a fixed interest rate 2% higher than the first mortgage	

	<ul style="list-style-type: none"> • DPA does not allow for subordinations in the thirty-six (36) months beginning with the first payment on the loan <ul style="list-style-type: none"> ◦ Borrowers who choose to refinance their first mortgage before the thirty-six (36) month period must pay off the second mortgage • DPA may be applied toward the borrower's minimum required investment, closing costs, prepaid items, or any combination of the three. <p>Note: DPA Reservation Confirmation will show commitment of funds from Tule River Finance Authority</p>
Financing	Cardinal provides the down payment assistance at closing and is reimbursed after closing



WWW.CARDINALFINANCIAL.COM

The information contained above is not legal advice. Rather, the above content is intended for informational purposes only, and not meant to be relied upon for legal or any other purpose. While Cardinal strives to provide accurate information, Cardinal makes no guarantee or promise regarding the accuracy of the above content. In the event that any person has questions or seeks information regarding the above subject matter, Cardinal strongly encourages such person to seek legal advice from an attorney, and rely on such legal advice independent of the above content.

Cardinal Financial Company, Limited Partnership is an Equal Housing Opportunity Lender. This is not a commitment to lend. This is not an advertisement pursuant to 12 C.F.R. 1026.2(a)(2). The above information is not intended as an advertisement or for public dissemination. Rather the information is general in nature, intended for mortgage professionals, and subject to change at any time. Any unauthorized use, dissemination or distribution of this document is strictly prohibited. See Cardinal's program guidelines for loan specific details and eligibility requirements. ©2019 Cardinal Financial Company, Limited Partnership. All rights reserved. Company NMLS #66247.