Geo-Corp, Inc.

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Earned Equity Program Underwriting Matrix v4.9		
Matrix Overview		This matrix is a summary only of parts of the Arrive Home™ EEP Product Guide.
Program Overview		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 either enters into a long-term purchase agreement governed by a lease, or the Homebuyer enters into a homeownership agreement; in either case, this ultimately allows the Homebuyer to live in and control the home until such time as the Homebuyer can finance the home. Both contract types are referred to as a "seller financing agreement" here except where necessary to differentiate the two.
Disclaimer		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		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		The FHA 1st mortgage may be high balance. High balance loans always receive an LLPA adjustment.
Required 2nd Lien		All FHA 1st mortgages must also have a soft/forgivable 2nd of 1% assistance that carries no payment and bears no interest, with a 30-year term and forgivable in 10 years. The 2nd must be in the Correspondent's company name and assigned at closing to TRHEEA.
Eligible Property Types		1–2 units. SFR, PUD, townhome, attached, detached, modular, manufactured. Condos allowed with FHA approval. Condo spot approval allowed.
Ineligible Property Types		3+ units. Second homes, investment properties, co-ops, single-wide manufactured.
Property Rights		Fee simple and leasehold.
Homebuyer Legal Status		US Citizens eligible. Lawful permanent resident aliens eligible (with green card/SSN). Non-permanent resident aliens eligible with proof of ability to repay and ITIN. DACA eligible.
General Credit History Requirements		Credit score of 580 or higher from at least one major credit bureau. If more than one score, use middle of three, lower of two. Soft pulls may be considered with sufficient documented housing history. Eligible credit reports should reflect minimum 1 trade line with 12 months of history. Alternative tradeline histories may be considered.
<580 Credit, No Credit Score		May be considered on an exception basis if strong compensating factors can be provided. *See the Product Guidelines for more details.*
Required Soft Pull, UDM, or Credit Refresh		Required to ensure no new debt prior to closing. Updated report required within 10 days of closing.
Student Loans		Must be in good standing. Follow FHA guidelines for calculating DTI.
Bankruptcies		*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		Foreclosure, Deed-In-Lieu, or Short Sale less than one (1) year prior to closing not allowed. Must be recorded on the credit report.
Tax Liens		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 Product Guidelines for more details.*
Property Tax Assessments		Follow FHA guidelines.
General DTI Requirements		Max 50/60 DTI. Exceptions may be considered with strong compensating factors. *See the Product Guidelines for more details, and clarification on debt servicing for specific cases.*

General Requirements for Asset/Reserves		Document cash/liquidity to consumate the transation 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		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		Relevant 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 statments and investment accounts may be eligible. Additional funds require an LOE certifying the funds did not come directly, or indirectly, from the seller, the real estate agent, the lender, or any other interested party.
Gift Funds		Allowed.
Verification and Wiring for Funds to Close		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		12-month housing history required.
Rental Housing History		Documented payment history required; good standing 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 cashiers checks for the most recent 2 months • 3 months bank statements showing money going to the landlord
Mortgage		0x30 housing payment required (documented by a credit report). *If a foreclosure is present, see Product Guidelines for more details.*
Private Mortgage		Payment history via bank statements, cancelled checks, or reasonable equivalent required.
General Income Requirements		12-month documented history, calculated according to FHA and mortgage industry standards, required, unless otherwise stated below.
W2 Employees		Required: • 2 months paystubs (must be most recent) • Prior year W2 • Documented Written Verification of Employment (WVOE) (to validate income) If the Homebuyer is ITIN and a SSN is provided on W2s or pay stubs, the most recent year of tax returns or tax transcripts may be required. 3 months of bank statements will be required.
New Employment History		Less than 12 months employment history will require documented compensating factors.

1099/Independent Contractor		One of the following required: • Previous year's tax returns • Most recent 3 months of bank statements (to validate income; most recent required) • Paystubs, if applicable; if not paid via paystubs, then copies of checks, or a general P&L, required Calculate income using: • The previous year's tax return (traditional 1099/SE income analysis); or • An average of earnings deposits supported by 3 months of bank statements.
Self-Employed		One of the following required: • Previous year's tax return, all schedules ~Must be documented as filed with the IRS, or executed tax transcripts are required • Profit and loss (P&L) statement; see Product Guidelines for more details • K1s and 1120s (depending on self-employment type) Self-employment business types will be reviewed for effective income analysis. Arrive Home™ will consider atypical income or asset profiles for all self-employed types, including investors and those with tax returns or P&L statements that may not reflect their true liquidity.
Bank Statements Only		Acceptable for self-employed or wage-earning. See Product Guide for full details. Required: • Most recent 3 months of bank statements • Consistent deposits (average of the above) must be documented with sufficient income to meet DTI qualification For wage earners, an acceptable LOE to support the reason that bank statements are being used is required.
Other Income Source		Interest and dividend income may be considered. If considered, the following are required: • Documentation and verification of the Homebuyer's ownership of the assets on which the interest or dividend income was earned ~Must be reviewed and approved by Arrive Home™ • Verification of the 2-year history of the income must be verified using one of the following options: ~(A) copies of the borrowers' signed, federal tax returns; or ~(B) copies of account statements with earned income documented
Sump Sum Asset Depletion		Allowed. Take the total of all assets depleted and divide by 120 months to calculate monthly qualifying income.
Liquidity		Substantial documented liquidity allowed on a case-by-case basis. Defined by evidence of 50% of the value of the subject property documented as liquid.
Including Rental Income		Allowed if the home purchased using EEP has more than one unit and the vacant unit will be rented. Calculate income from unit at 75% market value of proprosed rent assessed by the FHA appraiser.
P&L Additional Notes		P&Ls may be signed by the Homebuyer, not a CPA, if an Arrive Home™ underwriter judges the P&L reasonable based on a review of bank statements.
Non-Occupant Homebuyers		May be allowed. Income cannot be used for all qualifying income. Non-occupant Homebuyer(s) must sign the seller financing agreement and otherwise meet EEP eligibility requirements.
Additional Properties Owned		Requires approval from the file's assigned Arrive Home™ underwriter.
Retained Primary Residence		One retained departing residence allowed. Required: • Strong supporting documentation justifying the need to move and obtain Arrive Home™ EEP financing • An LOE (signed and dated by the Homebuyer) • UW support and approval For retained REO, the property's disposition at closing must be either of the following: • Leased (with supporting lease agreement and evidence of deposit or rent received) • Pending sale

Rental Properties		May be considered with the following: • 3 months reserves documented (to support REO) • Properties documented with lease agreements and receipt of rental income REO (rental properties) additional overlays: • Minimum 580 credit score (no exceptions) • Maximum PTI/DTI: 43%/50% ~Exceptions may be considered, depending upon the strength of the Homebuyer
Property Appraisal General Requirements		Required: • A full FHA appraisal • Appraisal marked "as-is" at the time of purchase or has a completion cert/1004D (if property was "subject to" repairs or completion prior to purchase) • Appraiser certified that the subject property meets FHA minimum property requirements; no health, safety or adverse conditions can be present • Subject property does not have commercial influence, and/or is not considered a "working farm," and/or and does not have commercial agricultural income potential
Property Condition		Appraisal must state the property conditions as one of the following: • C1–C4 • C5 (allowed with exception review) ~C5 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. Properties built on or before 1978 will require a full property inspection, regardless of appraiser condition assigned, performed by a certified property inspector. All properties found to have aluminum electrical wiring may be ineligible for EEP financing based on ability to acquire acceptable hazard insurance. Properties built prior to 1901 may require additional time to obtain the insurance binder.
Cost Approach to Value (RCE)		Required to be completed.
Automated Valuation Model (AVM)		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 counter-offer to the sales price.
Property Home Inspection General Requirements		When required, must be performed by a licensed home inspector**prior to closing**. Required for all properties listed in C4–C5 condition, and for properties built on or before 1978 (performed by a certified property inspector). Required: • All health and safety items addressed and/or repaired, as required by the inspection • All major systems inspected, including HVAC, plumbing, electrical, appliances, siding, major fixtures, and flooring • Roof inspection (with a useful life expectancy of at least 10 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 *See the Product Guidelines for more details.*
Certified Home Warranty		Required for all transactions that require a home inspection. Required for all properties where full inspections are performed.
Home Inspection Repair Requirements		All inspections must be provided to the Homebuyer; in addition, the Homebuyer must sign an attestation acknowledging they have received and reviewed the inspection and have agreed that they are responsible to make all recommended repairs over the course of twelve (12) months after closing. All major health and safety items noted on the inspection report must be addressed**prior to closing**. These items may include: • Severe Termite Infestation • Severe Mold Infestation • Major structural defects, including significant roof, plumbing, electrical and/or foundation repairs All other repair items noted—i.e. not considered to be “major health/safety” concerns—are addressed with the homebuyer attestation and do not need to be addressed prior to closing or with a cure addendum. All FHA appraisal guidelines must be adhered to, in accordance with FHA's Minimum Property Requirements. All other moderate to minor items noted by the inspector may be included as repair requirements post-closing, as indicated by a Cure Addendum that the Homebuyer must sign prior to closing.

Wood-Destroying Organism Inspection Requirements		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 a 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 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. (For a list of states "very heavy" or "moderate-to-heavy," see the *EEP Product Guide* , section 3.13.4.)
Florida Requirements		For properties in Florida, a 4-point inspection must be performed; any noted unsatisfactory items must be fully repaired **prior to closing**. A wind mitigation report is also required.
Renter's Insurance		Optional. If included, policy must be proven paid prior to closing; the following standard coverage required: • Personal property, liability, and additional living expenses • The 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
Renter's Insurance Coverage Waiver Disclosure		Required if the Homebuyer chooses to forego a renter's insurance policy.
Fee Disclosure		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		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		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: • $1,250 Program Underwriting Fee • 1 month complete payment to be collected at closing • 1/12th of the annual Program Management Fee, to be collected at closing • $100 Refundable Security Deposit Fee • $250 HOA Service Fee (if applicable)
Contract Cancellation Prior to Closing		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 fo the transaction or the 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		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		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		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		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		Arrive Home™ recommends the usage of a Property Condition Disclosure with all transactions, even in states that do not require a PCD. When present in a file, Tule River and Arrive Home™ must always receive a copy of this document prior to closing.
TRHEEA Property Insurance General Requirements		Arrive Home™ will request and select hazard insurance for each participating property prior to closing. Each policy will consist of the following characteristics: • All policies will conform to HUD guidelines • Tule River Homebuyer Earned Equity Agency (TRHEEA) will be listed as the named insured • The property address on the policy will match the property address listed on the appraisal • No exclusions for the roof or any other portion of the home will exist All hazard insurance applications must be submitted with the property appraisal. See the *EEP Product Guide* , sections 4.18.1 through 4.18.7, for additional guidance regarding hazard insurance.
Title Insurance General Note		Title insurance is not a requirement for Arrive Home™ second liens, although it may be applied at the lender's discretion. All title insurance requirements are in line with FHA guidelines for lien insurance protection for first liens used in connection with the purchase transaction.
Adding Persons to Title and Sales Contracts		Arrive Home™ allows persons to be added to the contract and title that are not on the loan, such as non-purchasing spouses, per Agency and state guidelines.
Homebuyer Funds to Title		The Homebuyer is responsible for providing all down payment funds, including closing costs and 1st month's payment due in certified funds, to title.
Interest Credit		Not allowed.
When Homebuyers Begin Payments		Monthly housing payments begin the month immediately following the closing of the loan. If a new month begins within 7 days of the month of closing, the first payment will be collected at closing.
First Payment Due		1st Payment Due, and all subsequent ownership equity agreement payments, must be received by the Master Servicer. No servicing transfer gap should exist that affects payments due/payments received.