



Fact Sheet

Down Payment Assistance Subordinate Mortgage

OVERVIEW		
	Traditional DPA	Deferred DPA
Program Name	UHC Down Payment Assistance Subordinate Mortgage (DPA Second).	
Program Overview	The DPA Second offers a loan to qualified first-time homebuyers and homebuyers who have previously owned a home. When combined with a UHC First Mortgage, a homebuyer can purchase a home with little or no cash investment.	
Source of Funds	Utah Housing Corporation purchases the DPA Second concurrently with the UHC First Mortgage.	
Governmental Agency	Utah Housing Corporation was created and authorized by state statute, serves a governmental purpose, and is an instrumentality of the State of Utah. Refer to the Attorney Opinion Letter posted on UHC's website.	
Contacts & Website	<p>Utah Housing Lender Website</p> <p>Loan Programs and UHC DPA Second Questions:</p> <ul style="list-style-type: none"> Email mortgage@uthc.org, or call 801-902-8200 and ask for Mortgage Banking <p>State of Utah Grant Loan Programs, when combined with a Utah Housing loan:</p> <ul style="list-style-type: none"> Email grantprograms@uthc.org <p>Assumptions:</p> <ul style="list-style-type: none"> Call 801-902-8200 and ask for Financial Analysis. 	
Assumable	The DPA Second is assumable when assumed concurrently with the UHC First Mortgage.	
Closing Name	The DPA Second must close in the name of the UHC Approved Participating Lender. At Delivery, the loan must be assigned to "Utah Housing Corporation, its successors, and/or assigns, without recourse".	
Closing Costs & UHC Fees	UHC does not charge any fees. <ul style="list-style-type: none"> Total combined lender and title fees cannot exceed \$450 plus the actual cost of the Recording Fee, not to exceed \$45.00. Deed of Trust recording fee, and interim interest. 	
Funding Loan	The Approved Participating Lender must fund the UHC First and DPA Second Mortgage at closing.	
Lock, Processing Software System	UHC's PowerLender is a pre-qualifying, interest rate lock, doc prep, and reporting system, similar to a lender's LOS system. The authorized user can access specific functions needed for their job.	

Servicing Loan Payments	Once UHC has purchased a loan, the borrower can make payments by: <ul style="list-style-type: none"> • Mailing to Utah Housing Corporations C/O Payment Processing, PO Box 70569, Salt Lake City, UT 84170, • Online with the UHC Homeowner Login, OR call 801-902-9200 and ask for Servicing Customer Service. 	
SRP	UHC does not pay an SRP for the DPA Second.	
LOAN PROGRAM TERMS & ELIGIBILITY		
	Traditional DPA	Deferred DPA
Loan Purpose	UHC offers down payment assistance loans, which may be combined with any of our first mortgage loan programs to help families that do not have sufficient funds for down payment or closing costs.	
Loan Term	30-year fixed rate, fully amortizing loan. <ul style="list-style-type: none"> • Monthly payment due. 	30-year fixed rate second mortgage at an interest rate of 3.5%, deferred simple interest. <ul style="list-style-type: none"> • No monthly payment required. • The outstanding principal and deferred interest are due upon maturity, sale, or refinance of the property.
	The loan must comply with all applicable FHA, VA, Conventional, and State and Federal requirements.	
Application	UHC does not have any application overlays or disclosure requirement overlays. UHC follows lender, state, and federal requirements. The borrower is eligible for a DPA Second when combined and closed with a UHC First Mortgage.	
Eligibility	Borrowers who are approved and close concurrently with an eligible UHC First Mortgage and meet all required FHA, VA, or Conventional guidelines are eligible for the DPA Second. There are no additional eligibility or property restriction requirements. Exception: A borrower who has had a loss on a previous foreclosure, pre-foreclosure, short sale, or bankruptcy on a Utah Housing Second Loan may be ineligible for another Utah Housing Second Loan.	
Homebuyer Education	Homebuyer Education is recommended but not required.	
Maximum Loan Amount	Up to 6% of the first mortgage loan amount as listed on the First Note. May include FHA upfront MIP on FHA first mortgage. Not to exceed \$27,500.	Up to 3.5% of the first mortgage loan amount as listed on the First Note. May include FHA upfront MIP on FHA first mortgage. Not to exceed \$27,500.
Pre-Approval	UHC does not review or approve the DPA Second in advance of closing the loan.	
Repair Escrow	Repair Escrows cannot be financed in the DPA Second.	
MORTGAGE PURCHASE AGREEMENT (MPA/ INTEREST RATE LOCK)		
Interest Rate	The interest rate for the DPA Second is 1% above the UHC First Mortgage rate, not to exceed 8%, and not less than the first mortgage interest rate.	3.5% deferred simple interest.

Interest Rate Lock	The DPA Second interest rate will be locked concurrently with the UHC's First Mortgage. Lenders marking "Y" to DPA in the Lock-A-Rate in PowerLender will receive a Mortgage Purchase Agreement (MPA) showing the interest rate terms of the UHC First and the DPA Second. The required HUD verbiage regarding governmental agencies providing DPA is included on MPA.
Lock Period & Extensions	Same as the UHC First Mortgage.
DOCUMENTS AND CLOSING	
Closing Disclosure	The cash-to-close amount on the borrower's UHC DPA Second Closing Disclosure (page 3) should be the same as the amount of DPA credit shown on the borrower's UHC First Mortgage Closing Disclosure (page 3). UHC requires the lender to follow all compliance and agency requirements regarding closing disclosure requirements.
Closing, Shipping	Refer to the Closing, Shipping, and Instructions Matrix located on UHC's Lender website.
Doc Prep	UHC's PowerLender Doc Prep System can prepare and print all required DPA Second documents.
Forms (Note & Deed of Trust)	UHC Forms are located on the UHC website . The lender can print the completed UHC Subordinate Deed of Trust (MERS) and the Subordinate Note forms through the PowerLender Doc Prep System , or the lender can complete fillable forms located on UHC's Lender Webpage . UHC will accept approved FHA, VA, and Freddie Mac Conventional standardized DPA forms for a fully amortizing loan, which must include FHA-required default verbiage.
Insurance	Same as the first mortgage requirements. The DPA Second does not have to be included in the applicable Policy.
MERS	MERS is required for the First and Second Deeds of Trust. MERS registration is required before purchase and transferred to UHC within the MERS requirements.
Funding, Recording	The lender is responsible for the funding of the DPA Second by sending funds to the Title Company before recording. The Loan must be recorded in the Second Lien Position.
Note Allonge, Endorsement	The Note and Allonge must be accurately signed, dated, and endorsed "Pay to Utah Housing Corporation, its successors, and/or assigns, without recourse". By: _____ (authorized signature), _____ printed name and title _____ Lender Company Name
Original Note Delivery	The Original Note(s) are required before UHC purchases the loan. Deliver the original documents to: Utah Housing Corporation, Attention Mortgage Banking, 2479 South Lake Park Blvd, West Valley City, Utah 84120.
Title Insurance	Utah Housing DPA Second must be in a second lien position and may not be subordinate to any other liens or riders. UHC does not require a title policy for the DPA Second, the borrower cannot be charged for a second title policy.
Utah Housing Corporation 2479 South Lake Park Blvd. West Valley City, UT 84120	
www.utahhousingcorp.org mortgage@uthc.org 801-902-8200	