



# The American Gift DPA Presentation

Lender NMLS 21116 [www.nmlsconsumeraccess.org](http://www.nmlsconsumeraccess.org) Equity Prime Mortgage, LLC (EPM) is a wholesale residential mortgage lender and an approved lending institution. The company is GNMA issuer, FHLMC, FNMA seller/servicer, FHA Mortgagee, USDA National Lender, and VA Automatic Lender. This information is for Broker use only and is provided to assist business professionals.. This is not an advertisement extend to the consumer, as defined by Section 226.2 of Regulation Z – Equal Housing Lender. Equal Opportunity Employer.  
Corporate address: 5 Concourse Parkway, Suite 2250 Atlanta, GA 30328

Please visit our website for program guidelines and requirements: <https://epmwholesale.com>

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# Program Summary



- FHA only
- ONE down payment assistance program that you may use nearly nationwide (not available in WA)
- Completely forgivable grant, equals 2% or 3.5% of purchase price
- May be combined with up to 6% seller concession for closing costs
- No resale restrictions

# PARAMETERS

## ➤ FICO:

580 Minimum Qualifying Credit Score – Approve/Eligible

620 Minimum Qualifying Credit Score – Refer/Eligible

## ➤ UW METHOD

- TOTAL Scorecard
- Desktop Underwriter (DU)

## ➤ AUS RECOMMENDATIONS

- Approve/Eligible – DU
- Refer/Eligible - DU

# PROGRAM SPECIFICATIONS

PARAMETERS	PROPERTY TYPES
<b>ELIGIBLE TERMS</b> <ul style="list-style-type: none"><li>• 30 year fixed</li></ul>	<ul style="list-style-type: none"><li>• 1-2 Unit Primary Residence</li></ul>
<b>TRANSACTION TYPES</b> <ul style="list-style-type: none"><li>• Purchase only</li><li>• Borrower Paid Comp only</li></ul>	<ul style="list-style-type: none"><li>• Manufactured Housing<ul style="list-style-type: none"><li>• Singlewide, Multi-wide, MH Condo Projects</li></ul></li></ul>
<b>LTV/CLTV/HCLTV</b> <ul style="list-style-type: none"><li>• The maximum limit is 96.50%</li></ul>	<ul style="list-style-type: none"><li>• FHA HRAP Approved Condos</li></ul>
<b>DTI</b> <ul style="list-style-type: none"><li>• The maximum DTI limit is 49.99%</li></ul>	<ul style="list-style-type: none"><li>• PUDs</li></ul>
<b>AUS RECOMMENDATIONS</b> <ul style="list-style-type: none"><li>• Approve/Eligible – DU</li><li>• Refer/Eligible – DU (620 FICO)</li></ul>	<p><b>*Not eligible in Washington State</b></p>

# PROGRAM SPECIFICATIONS

ELIGIBLE PROGRAMS	INELIGIBLE PROGRAMS
<p>The American Gift DPA Program can be used in conjunction with:</p> <ul style="list-style-type: none"><li>• FHA 203(b)</li><li>• FHA 203(k) Limited and Standard</li><li>• FHA Repair Escrow</li></ul>	<p>Program <u>cannot</u> be used in conjunction with:</p> <ul style="list-style-type: none"><li>• Non-FHA Loan Types</li><li>• Any other DPA Program</li><li>• High Balance</li><li>• TBD</li></ul>

# Borrower Eligibility



To be eligible for the program, the Borrower(s) must meet only ONE of the four following categories outlined:



First-Time Home Buyer



Current/Retired Employment or Volunteer/  
Non-Paid Member



Income



Underserved Census Tract

# First-Time Home Buyer

Any Borrower on the loan application is a First -Time Home Buyer who meets the following criteria:

Is purchasing the Subject Property

Will reside in the Subject Property as their principal residence

Has had no ownership interest (sole or joint) in a residential property during the three -year period preceding the date of the application

Or is an individual who is a homemaker or single parent that has no ownership interest in a principal residence (other than a joint ownership interest with a (former) spouse) during the three -year period preceding the date of the application.

# Current/Retired Employment or Volunteer/Non- Paid Member



Any Borrower on the loan application is a current, retired, volunteer or non -paid:

Military personnel

First responder (police officer, firefighter, public safety officer, paramedic, emergency medical technician (EMT) or similar

Educator (Sunday school teacher, tutor, day care provider)

Medical personnel (nurse, doctor, X-Ray technician, hospital administrator, or similar)

Civil servant in a Federal, state or local municipality



# Income

The Borrower's income (or, in the event of multiple Borrowers on a loan application, their income collectively) is equal to or less than 140% of the state or county median income regardless of family size based upon the state or county where the Security Property is located.

State/County Median Income Tool: <https://ami-lookup-tool.fanniemae.com/amilookuptool/>



# Underserved Census Tract

If the subject property is in an Underserved Census Tract, the borrower would be eligible to use the program.

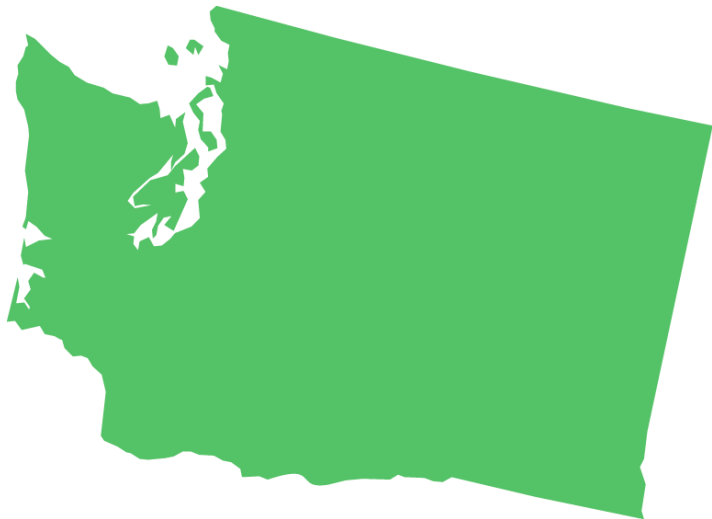
Underserved Census Tract Look up:  
<https://www.consumerfinance.gov/rural-or-underserved-tool/#rural-or-underserved>



# The American Gift DPA Program

## Geographic Specifications

This program is **not permitted** in the state of **Washington**



State of **Wisconsin**:

- Up to \$700.00 of appraisal fee must be credited back to the Borrower towards closing costs.





# DISCLOSURES

- **DPA Assistance Application** – Provided at Set Up
- **DPA Grant Letter** - Provided by Account Manager after UW Approval
- **Program/Consumer Disclosure** - Provided by Account Manager after UW Approval



# HOMEOWNERSHIP EDUCATION OPTIONS

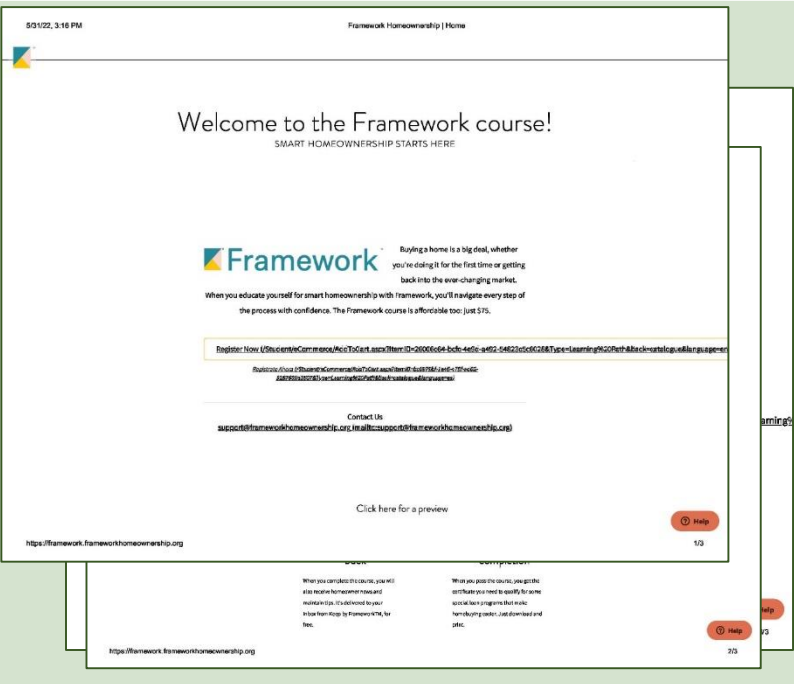


# The American Gift DPA

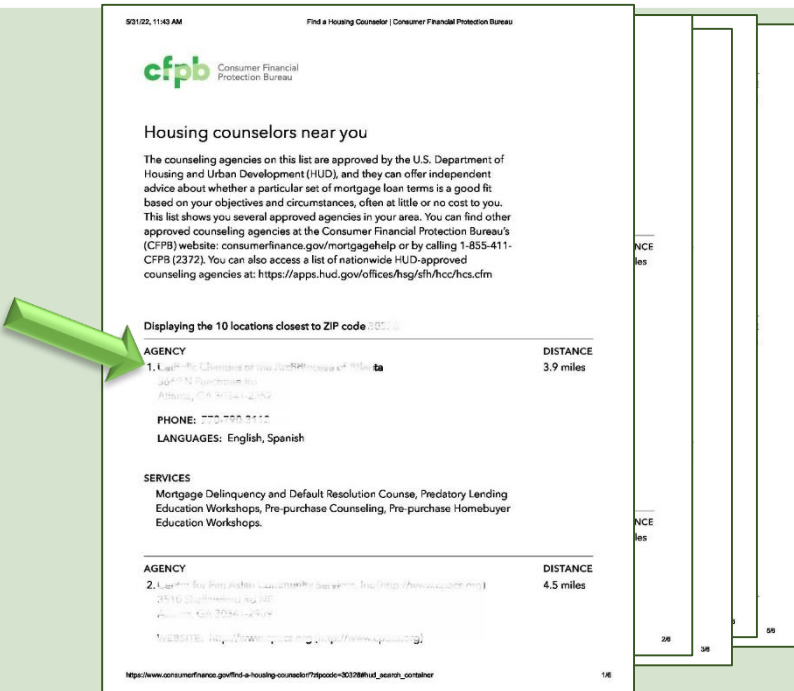
## PROGRAM SPECIFICATIONS – Homeownership Education Options

[FRAMEWORK HOMEOWNERSHIP](#) and [HOMEOWNERSHIP COUNSELING LIST](#) offer HUD approved Homebuyer Counseling disclosure courses. This disclosure lists the 10 closest Housing Counselors near the subject property zip code OR you can visit [HUD.GOV](#) . For this program, you will need to ensure the course completed is either the “Pre -purchase Homebuyer Education Workshop” or the “Pre -purchase Counseling”.

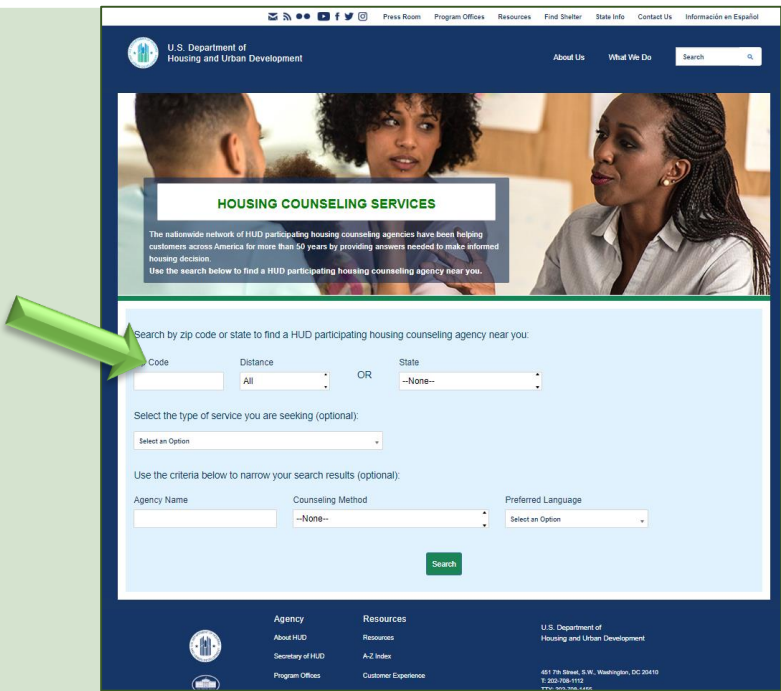
### FRAMEWORK HOMEOWNERSHIP



### HOMEOWNERSHIP COUNSELING LIST



### HUD.GOV





# ENTERING THE DPA IN EPMX

# EPMX Portal Loan Submission



- Go to **URLA**
- Then **Section 1: Additional Information** – Is this a (DPA) Down Payment Assistance Loan?
- **Gift Source:** Federal Agency

 URLA

☐ Down Payment Assistance (DPA) Loan

Enter gift amount – 2% or 3.5% of Purchase Price

**Gifts**

1. Gift Source/EIN

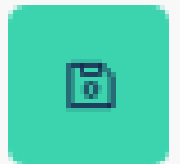
☒ Government ☐ Non-Profit

*\*unsaved changes*

☐ Other ☐ Family

Amount of Gift

Click the  
**SAVE**  
button





# EPMX Loan Submission



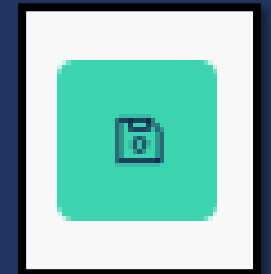
- Go to **URLA - Section 20: Gifts or Grants You Have Been Given or Will Receive for this Loan**
- Click **ADD**

A screenshot of a web application interface. At the top, there is a navigation bar with a dropdown menu showing "Suzi Builder & CoBuilder Builder" and a button with a left arrow. To the right of the arrow is a dropdown menu with the text "20. Gifts or Grants You Have Been Given or Will Receive for this Loan" highlighted in yellow. Further right are buttons with right and left arrows, and a button with a document icon. Below the navigation bar is a large white rectangular area. In the center of this area, the text "Add Gifts or Grants" is displayed above a yellow button labeled "Add".

# EPMX Loan Submission



- **Institution Name:** PFA
- **Asset Type:** Gift of Cash
- **Source:** Federal Agency
- **Not Deposited**
- **Cash Value:** 2% or 3.5% of Purchase Price
- Click **SAVE** once filled in



Recipient

Borrower

Institution Name

PFA

Address

State

Select a state

Zip Code

City

Asset Type

Gift of Cash

Source

Federal Agency (FNMA/FRE)

Cash Value

\$ 2000

☐ Deposited

Other Description



# ENTERING THE DPA IN ENCOMPASS AND THE AUS

# The American Gift DPA

ENCOMPASS: 1003 URLA PAGE 4 and AUS

Encompass: Asset Type – **Cash Gift** – Deposited – **NO** – Source – **Federal Agency**

Forms Tools Services

1003 URLA - Lender  
1003 URLA Continuation  
1003 URLA Part 1  
1003 URLA Part 2  
1003 URLA Part 3  
1003 URLA Part 4

4d. Gifts or Grants You Have Been Given or Will Receive for this Loan Show all Gifts or Grants

Borrower ☐ Does not apply  
Co-Borrower ☐ Does not apply

Bor/Cob/Both	Asset Type: Cash Gift, Gift of Equity, Grant	Deposited	Source	Cash or Market Value
Borrow <input type="button" value="v"/>	Gift of Cash <input type="button" value="v"/>	No <input type="button" value="v"/>	Federal Agency (FNMA/FRE) <input type="button" value="v"/>	2,000.00
<input type="button" value="v"/>	<input type="button" value="v"/>	<input type="button" value="v"/>	<input type="button" value="v"/>	

Total of Gifts and Grants 2,000.00

AUS: Reflects the DPA as a Gift and will follow all FHA/EPM gift policies.

Assets

38 The following assets were counted towards available funds:

Borrower Name	Account Type	Institution Name	Amount
	Gift	Empowered DPA	\$. \$\$

39 A gift in the amount of \$ is listed as a source of funds in the Down Payment section available for closing. List the name, address, telephone number, relationship to the borrower, and the amount of the gift on the loan application or in a gift letter signed by the donor and borrower for each cash gift received. Document the transfer of the gift funds to the borrower's accounts, in accordance with the instructions described in the Online version of FHA Single Family Housing Policy Handbook 4000.1. Cash on Hand is not an acceptable source of donor gift funds.

# The American Gift DPA

## DESKTOP VIEW

Select the Source of Down Payment as "FHA-Gift-Source Government Assistance"

**Edit Loan: Quick 1003: Types, Terms and Property**

Borrower Name \_\_\_\_\_ Loan Number \_\_\_\_\_ Institution Name \_\_\_\_\_ Cassette ID \_\_\_\_\_

**Quick 1003**

- Borrower Information
- Types, Terms & Property**
- Employment Information
- Income & Housing
- Assets
- Real Estate Owned
- Utilities
- Details of Transaction
- Declarations
- Demographic Information
- Additional Data
- Comments

**Full 1003**

[Link to Fannie Mae Selling Guide](#)

**Type of Mortgage and Terms of Loan**

The income or assets of a person other than the borrower will be used as a basis for qualification ☐

The income or assets of the borrower's spouse will not be used as a basis for loan qualification ☐

Is this a Pre-Approval? ☐

Mortgage Applied For \*

Loan Amount (exclude PMI/MIP/Funding Fee) \*

Interest Rate (%) \*

No. of Months \*

Amortization Type \*

Lender Loan Number

**Subject Property Address and Purpose of Loan**

Please Provide All Available Address Information

Street Address

Street \_\_\_\_\_

City \_\_\_\_\_

State / ZIP \*

No. of Units \*

Purpose of Loan \*

Occupancy \*

Estate Held In \*

**Down Payment Information**

Amount

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If Refinance Loan

Purpose of Refinance (if applicable) \_\_\_\_\_

Other Type of Down Payment

Stocks and bonds  
Lot Equity  
Bridge Loan  
Unsecured Borrowed Funds  
Trust Funds  
Retirement Funds  
Rent with option to purchase  
Life insurance cash value  
Sale of Chattel  
Trade Equity  
Sweat Equity  
Other Type of Down Payment  
Secured Borrowed Funds  
Cash on Hand  
FHA - Gift - Source N/A  
FHA - Gift - Source Relative  
**FHA - Gift - Source Government Assistance**  
FHA - Gift - Source Employer  
FHA - Gift - Source Nonprofit/Religious/Community - Seller Funded  
FHA - Gift - Source Nonprofit/Religious/Community - Non-Seller Funded  
Checking/Savings

Unit \_\_\_\_\_

Explanation

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Previous Next Save and Close Cancel Submit

## The American Gift DPA

### DESKTOP VIEW

In the Assets section, select "Gift" from the dropdown.

The screenshot displays the DU Desktop Underwriter interface for editing a loan. The top navigation bar includes the DU logo and 'Fannie Mae'. The main heading is 'Edit Loan: Quick 1003: Assets'. Below this, there are input fields for 'Borrower Name', 'Loan Number', 'Institution Name', and 'Casefile ID'. The left sidebar contains a list of sections: 'Quick 1003' (with sub-sections like Borrower Information, Terms & Conditions, etc.), 'Full 1003', and a 'Link to Fannie Mae Selling Guide'. The 'Assets' section is highlighted in yellow. The main content area shows a table with columns: 'Account Owner \*', 'Asset Type \*', and 'Cash Value \*'. The 'Asset Type' dropdown menu is open, showing a list of options including 'Checking Account', 'Bond', 'Bridge Loan', 'Cash Deposit on Sale', 'Cash on Hand', 'Certificate of Deposit', 'Checking Account', 'Gift', 'Gift of Equity', 'Money Market Fund', 'Mutual Fund', 'Net Equity', 'Net Worth of Business', 'Other Non-Liquid Asset', 'Other Liquid Asset', 'Retirement Fund', 'Savings Account', 'Secured Borrowed Funds', 'Stock', and 'Trust Funds'. A green arrow points from the text instruction to the 'Gift' option in the dropdown. At the bottom, there are 'Previous' and 'Next' buttons.

Account Owner *	Asset Type *	Cash Value *
	Checking Account	
	Bond	
	Bridge Loan	
	Cash Deposit on Sale	
	Cash on Hand	
	Certificate of Deposit	
	Checking Account	
	Gift	
	Gift of Equity	
	Money Market Fund	
	Mutual Fund	
	Net Equity	
	Net Worth of Business	
	Other Non-Liquid Asset	
	Other Liquid Asset	
	Retirement Fund	
	Savings Account	
	Secured Borrowed Funds	
	Stock	
	Trust Funds	



# Program Fees

## The American Gift DPA HOMEBUYER COUNSELING FEE

- The Homebuyer Counseling fee of \$100 should be disclosed on the LE.
- The only exceptions to disclosing less than \$100:
  - Borrower(s) has completed the course and has provided an invoice reflecting the fee.
  - The Borrower can provide documentation of the Homebuyer Counseling fee.
- EPM shall credit back the fee towards closing costs (up to \$100) at the closing of the loan.

### Closing Cost Details

#### Loan Costs

<b>A. Origination Charges</b>	<b>\$0</b>
% of Loan Amount (Points)	

<b>B. Services You Cannot Shop For</b>	<b>\$4,868</b>
Appraisal Fee	\$375
Credit Report	\$32
Homebuyer Counseling Fee	\$100
Mortgage Insurance Premium	\$4,655
Tax Service	\$80

<b>C. Services You Can Shop For</b>	<b>\$3,645</b>
Engineer Certification	\$365
Septic Inspection	\$495
Survey	\$375
Title - Administration Fee	\$60
Title - Closing Coordination Fee	\$595
Title - Lender's Title Insurance	\$1,405
Title - Title Endorsement Fee	\$225
Water Quality Well Inspection	\$125

<b>D. TOTAL LOAN COSTS (A + B + C)</b>	<b>\$9,408</b>
--	----------------

#### Other Costs

<b>E. Taxes and Other Government Fees</b>	<b>\$3,853</b>
Recording Fees and Other Taxes	\$430
Transfer Taxes	\$3,423

<b>F. Prepaids</b>	<b>\$48</b>
Homeowner's Insurance Premium ( months)	
Mortgage Insurance Premium ( months)	
Prepaid Interest (\$24.10 per day for 2 days @3.250 %)	\$48
Property Taxes ( months)	

<b>G. Initial Escrow Payment at Closing</b>	<b>\$0</b>
Homeowner's Insurance	per month for mo.
Mortgage Insurance	per month for mo.
Property Taxes	per month for mo.

<b>H. Other</b>	<b>\$95</b>
Title - Owner's Title Insurance (optional)	\$95

<b>I. TOTAL OTHER COSTS (E + F + G + H)</b>	<b>\$3,996</b>
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<b>J. TOTAL CLOSING COSTS</b>	<b>\$13,404</b>
D + I	\$13,404
Lender Credits	

#### Calculating Cash to Close

Total Closing Costs (J)	\$13,404
Closing Costs Financed (Paid from your Loan Amount)	\$0
Down Payment/Funds from Borrower	\$9,345
Deposit	\$0
Funds for Borrower	\$0
Seller Credits	-\$7,000
Adjustments and Other Credits	\$0
<b>Estimated Cash to Close</b>	<b>\$15,749</b>





# The American Gift DPA

## WISCONSIN APPRAISAL FEE

- Up to \$700 of the appraisal fee will be credited back to the Borrower towards closing costs.
- Broker transactions will have the fee credited back towards the closing costs on the Closing Disclosure.
- Non-Delegated Correspondent clients must reflect as credit towards closing costs on the Closing Disclosure.

Closing Cost Details					
Loan Costs	Borrower Paid		Seller Paid		Paid by Others
	At Closing	Before Closing	At Closing	Before Closing	
<b>A. Origination Charges</b>					
(1) Origination Charge	\$895.00				
(2) Processing Fee	\$495.00				
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
<b>B. Services Borrower Did Not Shop For</b>					
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
<b>C. Services Borrower Did Shop For</b>					
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
<b>D. TOTAL LOAN COSTS (Borrower Paid)</b>					
	\$895.00				
Other Costs Subtotal (B + C + D) =					
<b>Other Costs</b>					
<b>E. Taxes and Other Government Fees</b>					
(1) Recording Fee					
(2)					
<b>F. Prepaids</b>					
(1) Borrower's Insurance Premium (1 mo.)	\$112.30				
(2) Mortgage Insurance Premium (1 mo.)					
(3) Prepaid Interest (\$112.30 per day from 1/26/18 to 3/1/18)	\$112.30				
(4) Property Taxes (1 mo.)					
(5)					
<b>G. Initial/Excess Payment at Closing</b>					
(1) Borrower's Insurance	per month for 1 mo.				
(2) Mortgage Insurance	per month for 1 mo.				
(3) Property Taxes	per month for 1 mo.				
(4)					
(5)					
(6)					
(7)					
(8)					
(9) Repurchase Adjustment	\$0.00				
<b>H. Other</b>					
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
<b>I. TOTAL OTHER COSTS (Borrower Paid)</b>					
	\$112.30				
Other Costs Subtotal (E + F + G + H + I) =					
<b>J. TOTAL CLOSING COSTS (Borrower Paid)</b>					
	\$1007.30				
Closing Costs Subtotal (D + J) =					
Lender Credit					
	\$1007.30				

CLOSING DISCLOSURE

Page 1 of 1



## The American Gift DPA

### FREQUENTLY ASKED QUESTIONS



**Q: Does the program allow for a non-occupant co-Borrower?**

A: Yes, the program will allow for a non-occupant co-Borrower.

**Q: Do all borrowers on the loan need to meet 1 of the 4 eligibility requirements? (First time homebuyer, Income, Underserved or Employment?)**

A: Only one Borrower is required to meet 1 of the 4 areas to be eligible.

**Q: Is TBD permitted?**

A: TBD is **not** permitted

**Q: Do we need confirmation of wire Instructions prior to DPA funds disbursement?**

A: Yes, EPM to confirm the settlement agents / Title companies wire instructions prior to the DPA funds being requested

## The American Gift DPA

### FREQUENTLY ASKED QUESTIONS



**Q: If a Borrower has previously completed a Homebuyer Counseling course, will EPM accept it?**

A: If the Borrower has completed the course prior to our application date, EPM will accept it if it is a HUD approved the course, and the expiration of the course is prior to our Note Date.

**Q: Do all Borrowers need to take the home counseling or just one?**

A: Only one Borrower is required to complete the course.

**Q: Can a Borrower contribute more than 3.5% for their down payment?**

A: Yes, the Borrower is permitted to contribute more than the minimum required investment of 3.5%.

**Q: Are additional disclosures required?**

A: Yes, there are 3 additional disclosures required for The American Gift DPA program. They will be provided by EPM.



# EPM Department Contacts



## Wholesale Sales:

- Kenny Phillips – SVP of Lending - East
  - [Kphillips@epm.net](mailto:Kphillips@epm.net) / 401-593-3276
- Frank Nese – SVP of Lending - West
  - [fnese@epm.net](mailto:fnese@epm.net) / 949-439-2956

## Wholesale Operations:

- Ashley Payton– VP of Production
  - [apayton@epm.net](mailto:apayton@epm.net) / 401-593-3275 x1169

## Disclosures:

- Stewart Chapman – Disclosure Desk Director
  - [schapman@epm.net](mailto:schapman@epm.net) / 615-439-7781

## Wholesale Underwriting:

- Kelly Millard – Underwriter Manager
  - [kmillard@epm.net](mailto:kmillard@epm.net) / 877-255-3554 (ext. 1093)

## Closing:

- [Closing@epm.net](mailto:Closing@epm.net)

## Servicing:

- [Servicing@epm.net](mailto:Servicing@epm.net)








## Appraisals:

- [AppraisalDesk@epm.net](mailto:AppraisalDesk@epm.net)



# CONNECT WITH EPM

Get in Touch with Our Team  
We would love to hear from you!  
<https://epmwholesale.com>

	VISIT US <a href="https://epmwholesale.com">https://epmwholesale.com</a>		FOLLOW US <a href="#">LINKEDIN</a>	
	CALL US (877)-446-0004		FOLLOW US <a href="#">FACEBOOK</a>	
	EMAIL US <a href="mailto:AEWholesale@epm.net">AEWholesale@epm.net</a>		FOLLOW US <a href="#">TWITTER</a>	
			FOLLOW US <a href="#">YOUTUBE</a>	

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# THANK YOU

**Equity Prime Mortgage, LLC**