



George K. Baum & Company

INVESTMENT BANKERS SINCE 1928

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HOMEOWNERSHIP OPPORTUNITIES

Affordable Lending and Down Payment Assistance

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Homebuyer Assistance Program

- GKB working with local and state HFA's specifically for local governments interested in a self-funded affordable lending program.
- Rather than requiring the lenders to sell loans and the servicing rights to a Master Servicer, the Program allows approved Sellers to price and service their own loans.
- GSE purchases the loan and seller retains servicing by choice.

Master Servicer Model	GKB FLOW Model
Originated Loans must be sold to a Master Servicer and pooled into MBS	Lenders may originate and service their own loans or purchase from other Lenders.
Loans are priced for “forward delivery” of MBS into the mortgage market	Lenders sell loans directly to GSE through Whole Loan delivery process
Interest rate and delivery risk borne either by the Sponsor or a broker dealer	Lenders price and hedge their own loans, incur interest rate and delivery risk
Loans are premium priced to generate Borrower Assistance; limited options	Loans are premium priced to generate Borrower assistance; more options
No pricing credits available	GSE will pay credits for loans less than \$175,000 in size
Broker/Dealer and per Loan Fees	No Broker/Dealer or per Loan Fees required

Homebuyer Assistance Program

This is Not a Bond Loan!

- Approved Lenders and Seller/Service providers may price and hedge their own loans, set their own commitments and rate locks.
- Approved Lenders and Seller/Service providers may set their own compensation in terms of origination fee charged to the borrower and servicing release premiums retained. Fees and costs to the Borrower must be “customary and reasonable”.
- Qualifying income determined for each Borrower according to the income used for underwriting purposes regardless of the family size. Household income does not apply.
- Not limited to first time homebuyers.
- Tax returns, pay stubs and income worksheets are not required.
- Other than the Borrower’s Acknowledgment, Loan Reservation and Information Form and Recapture Mortgage, no additional affidavits, worksheets or certifications.
- May be combined with a mortgage credit certificate or any other federal, state or local affordable lending programs.
- No extensive pre-close loan package required.



Next Steps

Program Documents

There is no “launch date or “release date”. Review program terms and prepare the following documentation.

- ✓ Sign Seller and Servicer Agreement
- ✓ Program Guidelines
- ✓ Borrower Acknowledgement
- ✓ Loan Information Form (signed form due at the time the loan rate is locked in)
- ✓ Master Commitment with a GSE for all Sellers

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