

GEORGIA DEPARTMENT *of* COMMUNITY AFFAIRS

Georgia Dream Homeownership Program Seller Guide

Revision 2026-7-8

Georgia Department of Community Affairs
Office of Housing Finance

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Georgia Dream Homeownership Program

SELLER GUIDE

Revision 2026-7-8

The following updates will go into effect for any loan applications reserved and/or received on and after **July 8, 2026**

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An Equal Housing Opportunity Lender

An Equal Opportunity Employer

Georgia Dream Homeownership Program
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Chapter 1
Lender Relationships

Our relationships with DCA Lenders are central to the success of the Georgia Dream Homeownership Program. Throughout the year, a mortgage lender may apply to be a DCA Lender. This Chapter outlines the process for becoming a DCA Lender, the basic duties and responsibilities of a DCA Lender, and the annual renewal process for DCA Lenders. The duties and responsibilities of a DCA Lender are more specifically described in the Loan Seller Agreement and other chapters in this Guide.

The Georgia Department of Community Affairs is committed to providing all persons with equal access to its services, programs, activities, education and employment regardless of race, color, national origin, religion, sex, familial status, marital status, disability or age.

101 DCA Lenders

A DCA Lender must:

a) be a legally organized and properly licensed business entity with a office located in the State of Georgia or in a State contiguous to Georgia; different branch offices of the same legal entity will not qualify as an individual Lender. Different wholly owned subsidiaries may qualify as individual Lenders at DCA's sole discretion if they constitute entirely separate legal entities, separate licensure, separate operations, separate funding sources, and separate mortgage insurer and GSE approvals;
b) have as a principal purpose the origination of secured single family residential mortgage loans;
c) be approved as (i) an FHA Direct Endorsement lender and VA lender, and (ii) be a federally regulated financial institution or a state or federal agency;
d) be approved as (i) a Fannie Mae, Freddie Mac, or Ginnie Mae Issuer, or (ii) be a federally regulated financial institution, or a state or federal agency;
e) demonstrate a proven ability to originate mortgage loans for sale in the secondary market;
f) maintain quality control and management systems to evaluate and monitor the quality of loan production and compliance with DCA procedures;
g) have in effect and maintain fidelity bond and errors and omissions coverage in amounts equal to that established for Fannie Mae Seller/Servicers and agree to any modifications needed to meet our requirements;
h) have a minimum net worth of $2,500,000[1]; and
i) document a HUD Neighborhood Watch compare ratio for Georgia of less than 125%. If there are no Georgia loans, then a compare ratio of 125% of national production will be considered.

[1] DCA reserves the right to increase the minimum net worth requirements at its sole discretion

102 Application Process for New Lenders

A Lender Application package must be completed and returned to DCA for review and approval. The application package must contain:

a) a completed Lender Application form and all required attachments;
b) two (2) original Loan Seller Agreements executed by a duly authorized senior officer;
c) two (2) original Loan Servicing Release Agreements executed by a duly authorized senior officer;
d) the three (3) most recent year-end financial statements available, certified by an independent certified public accountant;
e) evidence of fidelity bond and errors and omissions coverage in amounts equal to that established for Fannie Mae Seller/Servicers;
f) a copy of the Lender's Quality Control Plan. If applicable, a 203(k) Quality Control Plan must also be provided;
g) a complete O.C.G.A. §50-36-1(e)(2) Affidavit executed by a duly authorized officer and a copy of one verifiable documentation of citizenship;
h) a Corporate Resolution designating the officers or individuals authorized to execute assignments and other legal documents; and
i) an Original Limited Power of Attorney executed by a duly authorized senior officer.

103 Application Review Process

Upon receipt of a complete application package, we will analyze the Lender's ability to originate Georgia Dream Loans in compliance with our procedures and requirements. Upon completion of our review, we will send notification by email of the approval or denial of the application.

Information and/or documentation submitted to DCA as a part of the application process may be subject to public disclosure.

104 Loan Seller Agreement

The Loan Seller Agreement between Lender and DCA:

a) sets forth the requirements with which Lender must comply in order to maintain its status as a DCA Lender;
b) provides the terms and conditions for the sale of Georgia Dream Loans;
c) incorporates this Seller Guide by reference; and
d) incorporates DCA's Fair Housing Statement and requires DCA Lenders to maintain policies prohibiting discrimination based on race, color, sex, religion, national origin, familial status, disability or age. It also requires DCA Lenders to comply with all federal and state fair housing and lending laws, rules, regulations, orders, and provisions.

The Lender performs origination and selling functions under the Loan Seller Agreement as an independent contractor and principal, not as an agent or representative of GHFA or DCA.

105 Lender's Basic Duties and Responsibilities

Lender's duties and responsibilities include but are not limited to the following:

a) Ensuring compliance with the requirements set forth in this Seller Guide and the Loan Seller Agreement;
b) Ensuring Georgia Dream Loans meet Program requirements and all applicable mortgage insurer requirements;
c) Having adequately trained staff and facilities, including and not limited to lender's management and non-management staff to originate and sell quality Georgia Dream Loans on a timely basis, including but not limited to:
    - Assisting each loan applicant with the requirements of the Program and advising of the status of the loan application;
    - Reserving, underwriting and submitting completely approved Georgia Dream Loans to DCA for compliance underwriting approval before closing:
        i. DCA requires a fully underwritten and approved loan with the only remaining Lender condition before preparing closing documents being the Firm Commitment from DCA, and
        ii. Evidence of approval from any additional down-payment assistance related entities with all terms, and
        iii. DCA requires that only the Lender's designated Program Contact, Lender's underwriter, or Lender's underwriting leadership staff may contact DCA staff after a loan has been submitted into the Lender Portal, and
        iv. The Lender will be responsible for responding to any inquiries from, but not limited to realtors (selling and/or listing agents), and/or any third-parties involved in the services rendered to obtain the mortgage,
    - Funding and closing of the Georgia Dream Loans;
    - If applicable, submitting required documents to the Mortgage Insurer or GSE to obtain mortgage insurance and arranging for the transfer of the insurance to GHFA;
d) Lenders must utilize and complete the checklists provided within this Seller Guide with files delivered in the checklist order;
e) Lender's first file submission must be complete and when there are more than two (2) subsequent resubmissions of omitted documents, DCA will reconsider participation in the program to include training and including, but not limited to termination;
f) Ensuring staff are knowledgeable in all aspects of loan origination and selling;
g) Having fully documented written procedures and quality control measures to determine that the procedures are being followed;

h) Protecting GHFA and DCA against fraud, misrepresentation or negligence by any parties involved in the origination process; and
i) Designating a Program Contact as described in this Chapter.

105.1 Electronic Media

If Lender elects to transfer a paper copy of this Seller Guide into electronic format, the Lender expressly warrants that all such electronic Seller Guide forms and material used in connection with Georgia Dream Loans shall have only minor variations in format.

Lenders are strongly encouraged to use DCA specific forms and integrate them into their Loan Origination Systems for efficiency purposes to include electronic signatures. At the Lender's request, DCA will provide Georgia Dream Documents in multiple formats for integration into a loan origination system or document preparation system to allow for auto filling. Georgia Dream documents which have been signed with borrower's electronic signature must be accompanied by the borrower(s) Electronic Signature Authorization. If unable to provide, all forms must be wet signed.

Acceptable minor format variations include:
a) change in type font;
b) change in type size, so long as the document is easily readable; and
c) absence of the form borders.

Unacceptable format variations include:
a) absence of Georgia Dream Homeownership Program form number;
b) absence of Georgia Dream Homeownership Program form version designation; and
c) any change in content, including substitution, omission or addition of one (1) or more words.

You should contact us with any questions about reproduction of the Seller Guide or its forms before distribution of these documents in conjunction with the origination of Georgia Dream Loans.

106 Lender Organizational Changes

Lenders must send written notice to DCA of any major organizational changes contemplated, including, but not limited to:
a) resignation or replacement of any senior management personnel;
b) mergers, consolidations or reorganizations;
c) changes in ownership of over 5% by whatever means;
d) a change in corporate name;
e) any changes or revisions to include also known (AKA) as or doing business as (DBA)
f) a change in a savings and loan association's charter from federal to state or vice versa or change to a banking association; and
g) a change in your financial position which would render you unable to honor the Loan Seller Agreement

h) any legal actions where the Lender is named as a defendant in any jurisdiction within the United States.

Lenders must notify the DCA's Program Specialist by email of any changes in primary business office address, email or wiring instructions within five (5) Business Days of the change. On a periodic basis, Lender may be asked to verify addresses, telephone numbers, primary contacts and email addresses.

107 Loan Servicing

Lenders must release the servicing rights on Georgia Dream Loans to DCA's servicing division, State Home Mortgage. Servicing rights released must be transferred immediately after closing in accordance with this Guide.

108 Program Contact

The Lender must designate one (1) employee to serve as the Program Contact for the purpose of participating in the Program. The Program Contact should be an individual who can fulfill the responsibilities outlined in this Section on a timely and informed basis.

The Program Contact is expected to disseminate information to the appropriate persons involved with the origination, underwriting, closing and servicing associated with Georgia Dream Loans. The Program Contact should inform all appropriate person to sign up for the weekly Georgia Dream rate sheet at the following link:
https://dca.georgia.gov/affordable-housing/home-ownership/georgia-dream-mortgage-products/georgia-dream-lenders

While specific questions related to underwriting, reservations, purchase or final documents may be directed to other Lender staff, the Program Contact is expected to resolve problems, answer questions or represent Lender's position on various issues related to Lender's participation in the Program.

The Program Contact must be designated at the time of lender application. Lender must notify DCA's Program Specialist by email within five (5) Business Days of a decision to designate a new Program Contact due to change in staff or change in staff responsibilities. Failure to provide this notification may result in immediate limited participation as described in this Chapter and may result in additional sanctions.

109 Lender's Repurchase Obligation

For reasons including but not limited to the following, Lender must repurchase any Loan sold to GHFA by the 15th Business Day following our demand in accordance with the Loan Seller Agreement:

a) Any of the warranties contained in the forms and certifications required by the Seller Guide are deemed untrue or misleading in any material respect by DCA;
b) the Loan is found to be in violation of any applicable Program, Mortgage Insurer, or GSE requirements;
c) Lender fails to deliver any required documents and/or certifications;
d) Lender takes action which impairs GHFA's security and/or causes the Loan to no longer meet the requirements of the Seller Guide, either before or after the sale of the Loan to GHFA and execution of the Lender Certification (Form SF-60); and/or
e) Lender fails to take action that protects GHFA's security and/or causes the Loan to no longer meet the requirements of the Seller Guide, either before or after the sale of the Loan to GHFA.
f) the Loan has an early payment default of any payments within the first six (6) months of the closing date including repayment of the Servicing Release Premium

In the event the Lender is required to repurchase a Loan, the amount due to DCA on GHFA's behalf will be governed by the terms of the most recently executed Loan Seller Agreement.

GHFA/DCA will not require a repurchase for loans with defects discovered more than 36 months after the purchase date of the loan, except for cases of fraud, misrepresentation, or material violations of loan eligibility requirements. After the 36-month period, repurchase is not required for minor defects unless the defect significantly impacts the loan's performance or eligibility.

110 Remedies for Non-Performance

DCA retains the right to either limit or terminate the Lender's participation in the Program for (i) any failure to abide by the terms of the Loan Seller Agreement or this Guide, (ii) any untrue or materially misleading statement in the Lender Application or Lender Application Renewal forms or attachments thereto, (iii) lack of loan participation, (iv) named as a defendant in any pending litigation.

110.1 Limited Participation

Limited participation means the Lender will be unable to make a reservation until the specific violations which caused the limited participation have been resolved to our satisfaction. Such violations include but are not limited to:

a) loss of mortgage insurer certification;
b) failure to maintain a branch in Georgia or contiguous state;
c) outstanding repurchases of loans or outstanding final documents; or
d) excessive HUD or GHFA delinquency ratios.

Limited participation does not relieve the Lender of any responsibilities under the Loan Seller Agreement or this Guide. At the conclusion of the period of limited participation, DCA will notify Lender either (i) when reservations may resume, or (ii) the Lender's participation in the Program has been terminated.

110.2 Termination

Termination means Lender will no longer be allowed to participate in the Program and the Lender's name will be removed from all DCA materials intended for the public as soon as practical. The decision to terminate participation will be based upon an evaluation of the severity and magnitude of the violation and will be solely within DCA's discretion. After termination, a Lender which has taken the necessary steps to prevent a reoccurrence of the violation that led to the termination may submit a request to reinstate participation to DCA's Program Specialist with an explanation of the steps taken. After review, we will notify you of our decision.

At the time of Lender renewal, if the Lender has less than four loans purchased by Georgia Dream from the previous year, the Lender will be terminated.

110.3 Notification and Appeal

The Program Contact will be notified of limited participation or termination via email. Lenders will have 15 Business Days from the date of the notice to appeal the action to DCA's Program Manager of Homeownership. The appeal must (i) demonstrate why Lender feels the action was unwarranted, (ii) describe any measures underway to correct the deficiencies, and (iii) demonstrate measurable progress toward correcting the deficiencies. DCA may, in our sole discretion, schedule an informal conference with Lender to gather information related to the limited participation or termination. A decision will be made within 15 Business Days of receipt of the appeal.

111 Lender Portal

Lender Portal is DCA's internet-based system that allows Lenders to enter Reservations, complete and print DCA required forms, check the status of Reservations, submit electronic documents for review and access various reports. Lenders are required to utilize Lender Portal to reserve funds with DCA. Anyone utilizing Lender Portal must be assigned an individual username and password.

112 Program Compliance

Lender is responsible for ensuring each Loan submitted to DCA complies with our Program requirements and the requirements of the Mortgage Insurer as set forth in the Loan Seller Agreement and this Seller Guide.

Even if the loan is purchased based upon DCA's review of the underwriting package, DCA reserves the right to require Lender to repurchase the Loan if the Loan does not comply with the applicable Program requirements and/or the requirements of the Mortgage Insurer as set forth in the Loan Seller Agreement and/or this Guide.

113 Annual Lender Renewal

Each year, the Lender is required to complete a Lender Application Renewal package within the time specified by DCA. The renewal package must contain:

a) a completed Lender Application Renewal form and all required attachments;

b) if required by DCA, two (2) original Loan Seller Agreements executed by a duly authorized senior officer;
c) the most recent year-end financial statements available, certified by an independent certified public accountant;
d) evidence of fidelity bond and errors and omissions coverage in amounts equal to that established for Fannie Mae Seller/Servicers;
e) any requirements of new applicants specified in this Guide not previously requested of Lender; and
f) documentation showing a HUD Neighborhood Watch compare ratio for Georgia of less than 150%. If compare ratio exceeds 150% at any given time, we will consider the Lender's Georgia Dream loan performance. If the most current compare ratio exceeds 150% for two consecutive quarters, we reserve the right to remedies for non-performance, in accordance with this guide.

114 Changes to the Program

The provisions of the Loan Seller and Loan Servicing Agreements and this Guide may be amended from time to time. Lender must abide by any such changes or may withdraw from participation by providing notice to DCA's Program Specialist within ten (10) Business Days following notification of any such changes.

Federal and State laws governing the Program are subject to change. When you sign the Loan Seller Agreement and/or Loan Servicing Agreement, you are acknowledging and agreeing that Federal or State legislation or both could be enacted in the future that would require amendment of the provisions of this Seller Guide, Loan Seller Agreement and/or the Loan Servicing Agreement. You are also acknowledging and agreeing that future DCA Program changes might require an amendment of the provisions of this Guide and/or the Loan Seller Agreement.

You also acknowledge and agree that the requirements and procedures of Mortgage Insurers or Government-Sponsored Enterprises (GSEs) applicable to the Program may change. When you sign the Loan Seller Agreement and Loan Servicing Agreement you are agreeing to comply with any such future changes in the Mortgage Insurers' or GSE requirements or procedures.

Chapter 2
DCA Loan Process

The loan process described in this Chapter allows DCA to manage the Georgia Dream Homeownership Program pipeline and provide DCA Lenders with information about the loans in the pipeline. It is critical that Lenders maintain correct information and take timely action to ensure loans meet our deadlines.

201 General

As a DCA Lender, it is your responsibility to ensure each loan submitted to DCA complies with Program requirements and the requirements of the Mortgage Insurer or GSE. As a DCA participating Lender you must assist eligible borrowers throughout the loan process.

DCA will review the Lender's submitted Underwriting Packages, clear DCA placed underwriting conditions as applicable, and review Purchase Packages on a first-come, first-served basis. Lenders should submit complete Underwriting Packages and Purchase Packages as early as possible to allow sufficient time for DCA to review each package and for the Lender to address any issues.

202 Funds Availability

Generally, DCA expects to make funds for the Program available to Lenders on an ongoing basis. DCA must, however, comply with certain State and Federal laws relating to the geographic allocation of its funds. Therefore, we reserve the right to select Reservations that meet those requirements and hold other Reservations for a later date if sufficient funds are not available for all Reservation requests.

In the unlikely event that funds are not available for all expected Reservations, DCA will post notification on the Rate Sheet, Lender Portal, and notify the Program Contacts by email.

203 Loan Origination

DCA recognizes there are procedural variations among Lenders. Therefore, the procedures outlined in this section only suggest the sequence of events for loan origination:

a) The Lender is encouraged to provide Applicants who inquire about the Program with a Georgia Dream Homeownership Program information and answer any questions the Applicant may have regarding the Program, eligibility requirements and the loan process;
b) The Lender advises the Applicant to attend homebuyer education through a HUD approved housing counseling agency and provide evidence of completion in the Underwriting Package;
c) The Lender takes a formal application and determines if the Applicant is eligible for the Program based on information received for Household Annual Income, Acquisition Cost, prior homeownership, and other relevant information. If the Applicant appears eligible, the

Lender obtains completed and signed copies of the Program documents required at application,

d) The Lender reserves funds pursuant to the Reservation procedures outlined in this Chapter which functions as a loan lock in agreement,
e) The Lender fully and completely underwrites the application for credit approval based on the requirements of the Mortgage Insurer or GSE and determines if the loan complies with DCA's guidelines, and
f) Once the Lender's underwriter has completely approved the loan and completed its review, an underwriting package is submitted to DCA for a compliance underwriting review.

203.1 Completion of Forms

Lender must submit fully completed and signed Georgia Dream documents at time loan is submitted to the Lender Portal for review. If required forms are not included in the loan file, review of the loan file may be suspended until documents are uploaded to the Lender Portal.

Georgia Dream Documents which have been signed with borrower's electronic signature must be accompanied by the borrower(s) Electronic Signature Authorization. If unable to provide, all forms must be wet signed.

All Notes and Deeds must continue to be signed by the borrower(s) at closing.

204 Issuance of Reservations

To request a Reservation for the Program, Lender must enter the required information via the Lender Portal and the Product Pricing & Lock. Lender should select the correct category for the loan. The reservation functions as a loan lock in agreement.

If the Reservation request meets Program requirements and funds are available, the Lender will receive a Product and Pricing Lock via the Lender Portal. The Product and Lock Details must be printed and uploaded in the Underwriting Package in eDocs.

Lender must make note of the DCA Product and Pricing Lock and make it accessible to all personnel involved with the loan. The Reservation Loan Number must be included in all verbal and written communication with DCA to facilitate accessing information about the loan.

If any information needs to be changed (property address, income, purchase price, loan amount, etc.) after a Reservation request with a Product and Pricing Lock has been issued or the loan file has been submitted to DCA for underwriting, the Lender must complete the Change of Terms in the Lender Portal. DCA will accept the changes upon receipt of the Change of Terms and will notify Lender once those changes have been made. All Change of Terms requests, approvals, denials, and

supporting documentation will be maintained electronically within the Lender Portal and shall constitute the official record of the request. If the Reservation Lock In Period expires, the loan will be cancelled unless Lender requests an extension in accordance with this Chapter.

DCA does not allow substitution of a borrower on any Reservation.

204.1 First Mortgage Loan Interest Rates

The interest rate for Georgia Dream First Mortgage loans is the rate that is effective at the time the reservation is received by DCA and is attached to the property.

DCA will notify Lenders of the interest rate and the effective period for the rate each Thursday or as necessary. Georgia Dream Peach Advantage rates are subject to change daily and rate locks for this program closes at 9:00PM EST. A reserved loan is not subject to increases or decreases based on market fluctuation.

If Thursday is not a Business Day, then DCA will send the Rate Sheet on the previous Business Day. As such, DCA will deliver a Rate Sheet by email every Thursday afternoon before 5:00 p.m. Interest rates are also available 24 hours a day on the Lender Portal and by dialing the Lender Information Line at (404) 679-0581.

205 Reservation Lock In Period

The Reservation Lock In Period is the period the Lender must submit the Underwriting Package to DCA for approval, close the loan, and submit the Purchase Package to DCA for funding. The Reservation Lock In Period is 75 calendar days.

Lender must periodically review the status reports available on the Lender Portal to monitor and notify DCA of any cancellations or extensions needed.

205.1 Reservation Period Extension

Lender may request an extension of the Reservation Lock In Period by requesting a lock extension within the Lender Portal's Product Pricing and Lock.

With payment of an Extension Fee, Lender may request an extension of any Georgia Dream loan reservation for the number of days in section 205.2, Extension Fees.

For FHA 203K loans, Lender may request up to two 30-day extensions with no Extension Fee and one additional 30-day extension with payment of an Extension Fee.

Within our discretion, we may grant an additional 30-day extension for any Georgia Dream loan reservation if we have completed our underwriting review.

Within three (3) Business Days of receiving an Extension Request through the Lender Portal, specifically within the Product Pricing and Lock section, DCA will either electronically approve the request, with the approval available for viewing in the Product Pricing and Lock section of the Lender Portal, or notify the Lender by email of the approval or denial of the extension request. If the extension is approved, the updated Expiration Date and the total Extension Fee due will be reflected in the approval.

After the expiration of any approved extension period, the reservation will be cancelled. The Lender may send a written request to make a second reservation, which is within the sole discretion of DCA whether to approve.

Extension requests, approvals, denials, and related documentation will be maintained electronically within the Lender Portal and shall constitute the official record of the extension request.

205.2 Extension Fees

The Extension Fee will be a percentage (also known as basis points) of the first mortgage loan amount based on the number of days of extension. For a 7 day extension, the percentage is 0.02% of the loan amount, a 15 day extension, the percentage is 0.05% of the loan amount, and for a 30 day extension, the percentage is 0.07%. Extension Fees will not be pro-rated.

Extension Fees are not refundable and may not be charged to the borrower. The Extension Fee will be deducted from the net purchase amount when we purchase the loan.

206 Cancellation of Reservation

Immediately upon learning that a loan with an active Reservation will not be presented for purchase, Lender must cancel the Reservation in the Lender Portal specifically within the Product Pricing and Lock.

Loans may not be cancelled and re-reserved to obtain a lower interest rate. A reservation made within six (6) months of a previous reservation for the same borrower and the same property will result in the higher of the current or previous interest rate.

Reservation cancellation requests and related information will be maintained electronically within the Lender Portal and shall constitute the official record of the cancellation.

207 Underwriting

The credit decision on each loan is made by the Lender in accordance with this Chapter. Each loan submitted to DCA must also meet the Program requirements and the applicable Mortgage Insurer's requirements as determined by the Lender's underwriter. DCA will underwrite loans for compliance with Program requirements prior to issuing an underwriting decision to the Lender.

207.1 Compliance Underwriting

Lenders are required to review the file for compliance with Program requirements prior to submitting the Underwriting Package to DCA for compliance underwriting. DCA reserves the right to require further information to ensure compliance with Program requirements and/or Mortgage Insurer or GSE requirements.

In the absence of specific guidance within this Seller Guide on underwriting requirements, DCA will default to the Mortgage Insurer's or applicable GSE current underwriting requirements at the time of DCA's purchase to include but not limited to, FHA 4000.1, VA Lender Handbook, USDA HB-1-3555, Fannie Mae/Freddie Mac Selling Guides, Mortgagee Letters, Circular Letters, and/or Lender Letters.

DCA's compliance underwriting decision will be based on, but not limited to, a review whether the documentation in the Underwriting Package demonstrates satisfactory compliance with the following criteria:

a) Applicants meet the first time homebuyer requirements;
b) Applicants' total Household Annual Incomes meet Program requirements;
c) Acquisition Cost of the subject property is within the published Acquisition Cost limits for the county in which the property is located;
d) DCA required forms are complete and accurate;
e) Loan proceeds are utilized for purchase only transactions;
f) Complete and accurate information is provided prior to loan closing and all underwriting approval conditions are satisfied and adequately documented; and
g) Collateral assessment of the subject property meets Program requirements and the requirements set forth by the Mortgage Insurer.

207.2 Credit Underwriting

Lenders must follow the underwriting guidelines set forth by DCA and/or the Mortgage Insurer, Lender's credit underwriting must evaluate the creditworthiness of each Applicant. Approved loans are then submitted to DCA for compliance underwriting.

Lender's Underwriter assumes full responsibility for compliance with the insurer's credit underwriting requirements.

All Underwriting Packages submitted to DCA must include the appropriate Mortgage Insurer or GSE approval documents:

a) FHA loans will require a copy of the Mortgage Insurance Certificate, FHA Loan Underwriting and Transmittal Summary (92900LT) and Conditional Commitment both completed with signature and dated by the Direct Endorsement Underwriter;
b) USDA/RD loans will require a signed Conditional Commitment form (USDA Form 3555-18E) by the Lender's underwriter;
c) VA loans will require a completed Loan Analysis (VA form 26-6393) fully executed and signed by the Lender's VA automatic underwriter, and an executed Notice of Value (NOV) by the Lender's VA LAPP/SAR underwriter;
d) Conventional loans will require a completed and signed Uniform Underwriting and Transmittal Summary (Fannie Mae form 1008/Freddie Mac form 1077) by the Lender's underwriter.
e) Lender Appraisal Processing Program approval must be in the Underwriting Package.

207.3 Credit Report & Fraud Report

Lender must submit to DCA a complete copy of the Residential Mortgage Credit Report (RMCR) or a tri-merged credit report. A credit report utilized by an Approved Automated Underwriting System may also be accepted. The credit report may not be older than one hundred and twenty (120) days at the time of final underwriting approval. Lenders are expected to continuously run undisclosed debt monitoring (UDM) through the date of funding to ensure the borrower has incurred no new debts after the initial credit report run date. Any undisclosed debts discovered by the Lender or DCA will subject the loan to additional underwriting and program eligibility requirements.

Lender must also submit a fraud data verification report, including liens and judgments, with the complete underwriting package. The report must come from an acceptable vendor (i.e., Fraudguard, Drive, Lexus Nexis, Corelogic).

207.4 Automated Underwriting & DTI Exceptions

For all loans underwritten by an Automated Underwriting System (DU, LP or GUS), AUS approval will not be accepted unless the Housing Expense ratio meets the following requirements[1],[2]:

Credit Score	Housing Expense Ratio	DTI Ratio
700+	Per AUS approval	Per AUS approval
640-699	<45%	<45%

[1] The Georgia Dream Peach Select Veterans Assistance Loan Program maximum DTI is per AUS findings with a minimum 640 score.
[2] Manufactured homes require a minimum 660 middle credit score for all borrowers

If a borrower does not meet these requirements, the Lender's Underwriter may request an exception. Exceptions for ratios are limited to two points over the maximum allowable ratio for the credit score. After the complete submission has been reviewed, DCA may, in its discretion, grant an exception to the ratio requirements if no negative indicators of credit are present and there are compensating factors including but not limited to:

a) The borrower has successfully demonstrated the ability to pay housing expenses greater or equal to the proposed monthly housing expenses for the new mortgage over the past 12-24 months;
b) The borrower has substantial documented cash reserves of at least 2 months after closing demonstrating an ability to save; or
c) The borrower receives documented compensation or income that is not reflected in effective income but directly affects his/her ability to pay the mortgage.

As part of the Underwriting Package, Lender must submit to DCA all documentation used or required by the Approved Automated Underwriting System in determining the credit recommendation. DCA will accept the streamlined documentation required by the Approved Automated Underwriting System, with the exception of the Appraisal. The information provided on the loan application, source documents and verifications prior to loan closing must conform to the information contained in the AUS approval and all conditions must be satisfied and adequately documented.

207.5 Manual Underwriting

DCA will only accept manually underwritten loans when a credit score does not exist for any borrower on government loans (FHA, VA, and USDA/RD). Conventional loans are not eligible for manual underwriting. Alternative credit is acceptable. DCA will not accept manually underwritten loans when derogatory credit or high ratios exist. FHA and VA loans must comply with the manual underwriting requirements as set forth in the respective HUD 4000.1 or the VA Lenders Handbook.

For all manually underwritten loans, the maximum Housing Expense ratio may not exceed 28% and the total Debt to Income ratio may not exceed 36% on both the Georgia Dream Standard and Georgia Dream Peach Plus programs. For a manually underwritten Georgia Dream Peach Select program the maximum total debt-to-income ratio may not exceed 41%.

207.6 Minimum Credit Score Requirements for FHA, VA, USDA/ RD, &

All FHA, VA, USDA/RD and Conventional uninsured loans must have a minimum middle credit score of at least 640 using the lowest score of all credit qualifying borrowers. Manufactured homes require a minimum 660 middle credit score for all borrowers.

Conventional Uninsured Loans

Applicants with no credit scores that meet FHA's non-traditional credit policy as outlined in the HUD 4000.1 will continue to be accepted as meeting the minimum 640 credit score requirement, but the Housing Expense ratio may not exceed 28% and the total Debt to Income ratio may not exceed 36%. Manufactured homes require a minimum 660 middle credit score for all borrowers

207.7 Underwriting Package Format

The Underwriting Package must include at least the items listed on the Underwriting Package Checklist in this Guide and the documents must be arranged in the order listed on the checklist. If not arranged in the order listed, the package will be suspended or returned to the lender for arrangement in the order of the Underwriting Package Checklist.

The Lender must ensure the Underwriting Package includes all documentation that was deemed necessary to obtain credit underwriting approval, including all documentation required to clear any credit underwriting conditions. The loan must be fully approved by Lender's underwriter prior to submission of the Underwriting Package.

The documents in the Underwriting Package must be uploaded and submitted through eDocs into the Underwriting Package, accessible on the Lender Portal.

207.8 Incomplete Underwriting Package

Lender will be notified via email or phone if the Underwriting Package is substantially incomplete. When the requested documentation is received by DCA, the Underwriting Package will be considered complete and will be placed into underwriting on that date. If after 15 calendar days any requested documentation has not been received, DCA will cancel the loan reservation.

207.9 DCA's Underwriting Period

Upon receipt of a complete Underwriting Package, DCA will notify Lender of the initiation of underwriting review within five (5) Business Days. In periods of unusually heavy activity or due to circumstances beyond our control, it may be necessary for DCA to extend the time required for underwriting review beyond ten (10) Business Days.

The Lender must consider the DCA underwriting period when planning to close a loan. Loans submitted with less than ten (10) business days from the closing date will require an executed contract extension by all parties to allow DCA sufficient time to perform the compliance underwriting review. Lenders may check the status of DCA's underwriting turnaround time by calling the Lender Information Line at (404) 679-0581 or viewing the turnaround times within the Lender Portal.

207.10 Exceptions

Exception Request Policy and Process

The Georgia Department of Community Affairs (DCA) Homeownership Division may consider exceptions to standard program requirements on a case-by-case basis to support sustainable homeownership while maintaining program integrity and compliance. Exceptions are not granted by DCA on the Georgia Dream Peach Advantage program.

Eligibility for Exception Requests:

a) Exception requests must be submitted by a participating lender.
b) Exceptions will only be considered when the request demonstrates a compelling hardship or extenuating circumstance that does not compromise loan quality, borrower sustainability, or adherence to program requirements.
c) Exceptions will not be granted for requirements dictated by mortgage insurer or government sponsored entity guidelines (e.g., FHA, VA, USDA, Fannie Mae, or Freddie Mac).

Submission Process:

1) The lender must request an exception through the Lender Portal's Lender Exception Requests section with full specific exception details of the exception being sought, including:
    a) Specific program issue topic or guideline for which the exception is requested, and
    b) Rationale for the request and all relevant supporting documentation within the specific exception detail, and
    c) Compensating factors supporting the request, to include but not limited to the ability to accumulate savings, strong reserves, long-term stable employment, minimal housing payment shock, or a history of timely housing payments
2) Exception Request Approvals **must** be included **as a screen shot** directly behind the Underwriting Package Checklist when the lender uploads their underwritten loan file into the Lender Portal.
3) DCA will re-review the request and the underwriting package in its entirety and issue a conditional loan approval requesting any additional documentation, which will serve as the formal exception approval.

Approval Authority:

Exceptions must be approved by the DCA underwriter, or escalated to the Compliance Underwriting Manager, who may escalate to the Division Director for final determination, depending on the complexity of the request.

Recordkeeping:

Approved exceptions will be tracked and monitored by the Compliance Underwriting Team to ensure consistency, identify patterns, and manage program risk.

208 Underwriting Decision

Lender will be sent an conditional loan approval, final loan approval or rejection letter by email as outlined in this section.

208.1 Underwriting Final Approval Letter

If approved, either a underwriting conditional or final loan approval letter will be sent to Lender. A final loan approval acts as a functional "Firm Commitment". The underwriting loan approval letter will identify any conditions which must be satisfied, documentation of which must be included in the Purchase Package.

208.2 Underwriting Conditional Approval Letter

A Conditional Loan Approval letter may be issued stating a final underwriting decision cannot be made until receipt of listed documentation. Upon receipt of the requested information, the Underwriting Package will be reviewed again with results of the review being uploaded in eDocs.

208.3 Underwriting Rejection Letter

A Rejection Letter is sent when DCA determines a loan does not meet the guidelines for the Program. The letter will include the reason the loan is being rejected for delivery to DCA. The Reservation will be cancelled unless the Lender notifies DCA within ten (10) Business Days from the date of the rejection that it wishes to attempt to "cure" the rejection. If an Extension of the Reservation Lock In Period is needed, Lender must request an Extension in accordance with the procedures outlined in this Seller Guide.

209 Clearing Conditions

To clear conditions or to respond to a Conditional Loan Approval or rejection, Lender must upload the requested information to the Underwriting Package in the Lender Portal. Partial conditions submissions are not allowed and all DCA conditions are expected to be submitted once. The DCA underwriter will typically review within 48 hours of receipt, except in periods of unusually heavy activity or due to circumstances beyond our control, and will respond by either emailing Lender or uploading either (1) a new letter to the Underwriting Package in the Lender Portal if the underwriting decision changes or (2) the previous letter with an indication of which conditions have been cleared. DCA volumes may impact the review time. Lenders are encouraged to access the Lender Portal for daily underwriting turn times.

210 Closing

The loan closing must occur in enough time to allow for the delivery of the loan to DCA prior to the expiration of the Reservation Period.

The Underwriting Final Approval Letter contains the terms under which the loan has been underwritten and the loan must close in accordance with these terms.

The Underwriting Final Approval Letter is DCA's commitment to purchase the loan after closing if it is closed in accordance with:

a) any conditions or instructions contained in the Underwriting Final Approval Letter;
b) the provisions of this Guide and the loan Seller Agreement; and
c) applicable Federal, State and local laws and regulations.

210.1 Power of Attorney

The use of a Power of Attorney is not allowed unless: 1) the borrower is active personnel in the United Military and is currently deployed overseas; or 2) permitted under other extraordinary circumstances, as determined at DCA's sole discretion. Only then may a specific Power of Attorney be used by the approved agent designated in the Power of Attorney. In any circumstance, the Power of Attorney may not be an interested party to the transaction. This requirement does not apply to the seller.

211 Loan Purchase

Lenders must submit purchase packages to DCA within 15 calendar days after loan closing. Lender must also submit the required servicing package described in this Guide.

DCA purchases loans two (2) times each week. All Purchase Packages that are complete as of 12:00 p.m. on Tuesday will be funded on Wednesday. All Purchase Packages that are complete as of 12:00 p.m. on Thursday will be funded on Friday. There will be no fundings on the last Friday of each month.

DCA reserves the right to periodically amend this purchase schedule due to State holidays, domestic or foreign bank holidays, acts of God and/or any circumstances which, in our opinion, warrant a change.

211.1 Purchase Deadline

If DCA has not received a Purchase Package for a loan within the Reservation Period, the Reservation will expire and will be cancelled (unless the Reservation Period is extended in accordance with this Chapter).

211.2 Contents of Purchase Packages

Purchase Packages must include all documents identified on the applicable Purchase Package Checklist contained in this Guide. Documents must be arranged in the order specified on the checklist and uploaded electronically through eDocs, accessible through the Lender Portal.

DCA requires a complete and fully assembled Purchase Package at the time of initial submission. Partial submissions, piecemealed

documentation, and supplemental uploads submitted to complete an initially deficient package will not be accepted. A Purchase Package will not be considered received by DCA until all required documents have been uploaded and submitted in their entirety.

The only exception to this requirement is the delivery of original Promissory Note(s), which must be forwarded in accordance with DCA's original document delivery requirements.

Incomplete submissions may be rejected, withdrawn from the review queue, or returned to the lender for resubmission as a complete package, and applicable purchase review turn times will begin only upon receipt of a complete Purchase Package.

211.3 Purchase Package Review and Purchase Delay Penalty Fees

Generally, DCA will review Purchase Packages within three (3) Business Days of receipt. Lender will be notified by email of any missing or incorrect items and is responsible for submitting or correcting all deficiencies in the Purchase Package within 15 Business Days. DCA typically purchases loans on Wednesdays and Fridays of each week except for the last week of each month.

If missing or incorrect items are not provided or corrected within 15 Business Days of closing, DCA will begin charging a Purchase Delay Penalty Fee of $25.00 per business day. The Purchase Delay Penalty Fee will be subtracted from the loan Purchase Price for the applicable Georgia Dream First Mortgage loan.

If the Reservation is cancelled after Purchase Delay Penalty Fees have accrued or the loan is not purchased, the Purchase Delay Penalty Fees due may be invoiced to the Lender. If the invoice remains unpaid 90 days after invoice date, DCA may place Lender on Limited Participation as described in Chapter 1 of this Seller Guide.

211.4 Incomplete Purchase Packages

DCA will notify Lender if any Purchase Package is determined to be substantially incomplete or uploaded incorrectly. A substantially incomplete package will not be considered to have met the deadline requirements during the Reservation Period.

211.5 Loan Purchase Price

At the time of funding, the amount disbursed to Lender will be the original principal balance, plus or minus any adjustments for accrued interest, earned servicing fees, extension fees, and Purchase Delay Penalty Fees at time of purchase. Funds will be wired using the wiring instructions provided on the lender application, unless written notification of any change is sent to DCA.

The Servicing Release Premium (SRP) for loans will be as follows:

Credit Score	SRP
720+	1.125% of the loan amount
680-719	1.0% of the loan amount
<680 or manually underwritten loans with no scores	0.75% of the loan amount

State Home Mortgage will wire funds for the SRP after deducting the current tax service fee of $81.00.

211.6 Non-Purchase of Closed Loan

If documentation is requested during the purchase review and is not provided within 60 days, DCA may elect not to purchase the loan. The Reservation will be cancelled, and the loan will be transferred back to the Lender.

211.7 Non-Purchase of Delinquent Loan

If a Loan is delinquent (calculated from the first of the month), we will not purchase the loan until the loan payment is made. If the loan becomes 45 calendar days or more delinquent, we will not purchase the loan even if the loan subsequently becomes current. The Reservation will be cancelled, and the loan will be transferred back to the Lender.

211.8 Mortgage Record Changes in FHA Connection

Within 15 days of our purchase of the loan, the Lender must submit a Mortgage Record Change in FHA Connection to change the holder of record to Georgia Housing and Finance Authority, FHA Holder #09497. Any loan not transferred to Georgia Housing and Finance Authority within the 15-day period will be subject to repurchase by the Lender.

After the Loan is purchased, DCA will email a letter listing the final documents required for the Loan. These documents include those listed on the Checklists in this Guide and may include other items. The failure to include a document from the Final Document or Purchase Package Checklist in the letter does not relieve Lender of the requirement to provide the document.

211.9 Early Payoff Policy

An early payoff exists when a mortgage loan is paid in full or when a curtailment in excess of 30% of the original principal balance occurs within 180 days after the funding date of such mortgage loan. For mortgage loans that become the subject of an early payoff, the Lender shall promptly reimburse DCA within 30 calendar days of payoff the original Servicing Release Premium paid by DCA.

212 Final Documents

All final documents must be accompanied by a copy of the Final Documents Letter and must be addressed to the attention of "loan Funding Department." Any final documents we receive that we cannot identify, may be returned via certified mail. In such event, Lender's obligation to provide final documents will not have been satisfied. Documents need to be sent to our office attached to a cover sheet providing the loan number.

All requested final documents must be provided to DCA within 90 days of our purchase of the loan through the Lender Portal or the loan will be subject to repurchase in accordance with the loan Seller Agreement.

213 Quality Control

DCA requires each Lender to maintain a quality control plan which provides for a comprehensive review of a selection of loans in accordance with either the applicable Mortgage Insurer, GSE, or guarantor guidelines. Lender's review must include a minimal amount of loans purchased by DCA. DCA may request and Lender must provide a copy of their selection lists and any reviews conducted of loans purchased by DCA.

Lenders utilizing wholesale or third-party origination channels must incorporate into their Quality Control Plan documented procedures for the approval, oversight, and ongoing monitoring of third-party originators, including due diligence standards and counterparty risk management controls sufficient to identify, mitigate, and remediate operational, compliance, credit, and fraud risks.

DCA reserves the right to conduct a quality control review following purchase on any loan as deemed necessary.

214 Loan Servicing-State Home Mortgage

The servicing rights to all Georgia Dream First Mortgage loans are sold to State Home Mortgage. Loans released to State Home Mortgage for servicing should not be "set-up" on Lender's servicing system but must be transferred immediately after closing to State Home Mortgage.

Servicing Packages must include the items listed on the Servicing Package Checklist in this Guide. The documents in each paper Servicing Package must be delivered to State Home Mortgage at the address below, along with the escrow check within 15 calendar days after closing.

60 Executive Park South, N.E.
Atlanta, GA 30329
Attn: New Loans Department

All first payments are due and payable to State Home Mortgage. If any payments from the borrower are received by Lender, the payments must be forwarded to State Home Mortgage upon receipt.

DCA services all Georgia Dream Second Mortgage loans. However, we do not require a Servicing Package for such loans.

Chapter 3
Georgia Dream First Mortgage Loan Program

The Georgia Dream First Mortgage Loan Program provides affordable mortgage financing for low and moderate income homebuyers. The program's requirements are contained in this Chapter and must be followed along with the requirements for all Georgia Dream Homeownership Program loans contained throughout the Seller Guide.

301 Eligible Loans

Federal and State law and regulatory guidelines define what types of loans are eligible for the Program. Eligible Georgia Dream First Mortgage loans are fixed rate FHA, USDA, VA or Conventional loans that must be new permanent loans on the property, meaning the Applicant is not seeking to refinance an existing permanent loan. Borrowers who previously received a Georgia Dream funded mortgage are subject to a three (3) year waiting period before becoming eligible for another Georgia Dream loan.

301.1 Warranties and Representations

Georgia Dream Homeownership Program loans must be closed in your name as the originating Lender. You are fully responsible for all warranties and representations made to us under the loan Seller Agreement, regardless of who originates and/or packages the loan.

302 Loan Requirements

A Georgia Dream First Mortgage loan is financed with proceeds of certain tax-exempt bonds issued by GHFA pursuant to certain state laws and federal income tax laws. The tax-exempt status of such bonds is dependent, in part, on GHFA's purchase of loans that are in compliance with the applicable sections of the Internal Revenue Code and applicable Georgia state laws.

302.1 Interest Rate

The interest rate for Georgia Dream First Mortgage loans is the rate that is in effect at the time the Reservation is received by DCA. Interest rates are posted on the Lender Portal, the Rate Sheet, and are available via our Lender Information Line (404-679-0581).

302.2 Mortgage Insurance Requirements

Georgia Dream First Mortgage loans must be (i) insured by FHA (ii) guaranteed by VA or USDA/RD, or (iii) with respect to conventional loans, meet certain LTV requirements. The loan must meet the requirements of the Mortgage Insurer or GSE. The Lender should check with the Mortgage Insurer or GSE to verify the precise requirements.

302.3 FHA Loan Requirements

Georgia Dream First Mortgage loans insured by FHA must conform to one of the following Sections of the Federal Housing Code:

FHA Section 203(b)

For the $100.00 down HUD REO program, we accept UFMIP provided the total amount of the mortgage does not exceed 100% of the "as is" appraised value and the borrower makes our required $1,000 minimum investment. If UFMIP is paid in cash, it is an allowable cost and can be part of our borrower's $1,000 minimum investment. If the bid price exceeds the list price, then the difference must be from the borrower's funds and in addition to our $1,000 minimum investment. Any amount that exceeds the appraised value must be paid from the borrower's own funds in addition to our $1,000 minimum investment.

FHA Section 203(k) – Limited (formerly Streamline)

Lender must meet and certify all requirements outlined in SF Handbook 4000.1. DE underwriters must have successfully completed 203(k) training. Lender will provide a 203(k) Quality Control Policy Manual at lender application or renewal.

Additional documentation will be required in the Underwriting Package:

203(k) Applicant Acknowledgement
Rehabilitation loan Agreement
203(k) Streamline Max. Mortgage Worksheet HUD 92700
Cost Estimate and Contractor Bid
Analysis of Appraisal Report HUD 54113

In addition to verification of FHA mortgage insurance, the following documents are required on or prior to the date of purchase:

Final Inspection signed by Appraiser and Underwriter
Final Release Notice
203(k) Draw Request 9746A and interim draws, if needed
Mortgagor Letter of Completion
Rehabilitation Loan Rider
FHA Connection 203(k) escrow close out screen print reflecting any principal reduction
Maximum Base Loan Amount Worksheet w/HUD Required Repairs
FHA Section 220(d) (3) (A) - Urban Renewal
FHA Section 234(c) - Condominiums

302.4 VA Loans

Georgia Dream First Mortgage loans guaranteed by VA must follow underlying agency guidelines. The maximum allowable VA financing is 100% of lesser of the purchase price per the executed contract or appraised value with a supporting VA LAPP/SAR issued Notice of Value plus the applicable VA funding fee. Manual Underwriting is acceptable and will follow agency guidelines and documentation requirements.

302.5

Conventional loans must have an LTV of 80.00% or less. The CLTV is limited to the amount of the first mortgage plus the amount of the Georgia

Conventional Loans

Dream Second Mortgage loan down payment assistance. Private mortgage insurance is currently not allowed.

302.6 USDA/RD Loans

Loans guaranteed by USDA/RD must be underwritten to meet the current Program requirements and the current USDA/RD requirements.

302.7 Pool Insurance

At the present time, Mortgage Pool Insurance is not required. If required in the future, the Lender will be responsible for submitting the necessary documents and obtaining Pool Insurance for the specified loans from the designated Mortgage Pool Insurer.

302.8 Subordinate Financing

Public and privately sponsored down payment and closing cost assistance programs are encouraged. However, the only additional subordinate financing permitted with the Georgia Dream Mortgage loan Program without prior approval from DCA is an employer assisted home buyer down payment grant program. Layering of any subordinate financing must be submitted for review and approval.

The Lender must include in the Underwriting Package an approval letter or other document, which evidences the Applicant's approval for the subordinate financing. The document evidencing approval must provide the dollar amount of the loan or grant, interest rate, monthly payment, number of monthly payments, and other repayment or forgiveness terms as applicable. The subordinate financing must be reflected in the CLTV and meet the Mortgage Insurer's guidelines. If the assistance is in the form of a loan, it must be subordinate to the Georgia Dream First Mortgage loan and any monthly payment must be included in the computation of the underwriting ratios.

302.9 Loan Amount

The maximum base amount of a Georgia Dream First Mortgage loan is determined as follows:

Lesser of Sales Contract Price or Appraised Value	$_____
PLUS: 203b or 203k Required Repairs	$_____
Total Acquisition Cost	$_____
LESS: DCA or other 2nd Mortgage:	$_____
LESS: DCA required borrower Contribution of $1,000:	$_____
Subtotal:	$_____
PLUS: 1st/2nd Mtg Closing costs from 1003	$_____
PLUS: Prepaids from 1003	$_____

MINUS: Seller Paid Closing Cost $_____

Maximum Base Loan Amount: $_____

In addition:

a) The borrower must contribute cash to the transaction equal to the difference in the sales price and the appraised value when the appraised value is less.
b) The loan amount at closing must not be greater than the amount stated in the Underwriting Approval letter without our prior written approval.

302.10 Determining the Down Payment

All loans must meet the Mortgage Insurer's or GSE down payment requirements. Funds must be documented in accordance with standard FHA, VA, Conventional, or USDA-Rural Development requirements.

302.11 Construction Loans

DCA does not consider a construction loan, bridge loan or similar temporary financing which has a term of less than 24 months to be a permanent loan. If the First Mortgage loan is used to pay-off a construction loan, DCA requires that the construction be satisfactorily completed and that the Applicant not receive "cash out" at closing that would exceed the sum of the Applicant's own funds used for earnest money, credit report, appraisal and application fees. Any costs the Applicant paid on the construction loan other than a verified earnest money deposit may be applied toward funds required on the Georgia Dream First Mortgage loan.

The LTV is to be calculated using the total Acquisition Cost or the Appraised Value, whichever is less.

302.12 Amortization

The term of the Georgia Dream First Mortgage loan may not exceed 30 years. Loans must be amortized in equal monthly installments of principal and interest payable on the first day of each month.

303 Eligible Applicants

Federal and state laws and regulations define eligibility for the Georgia Dream Homeownership Program. Prior or minimum residency in Georgia is not required.

303.1 First-Time Home Buyer Requirement

Generally, the Applicant must be a first-time home buyer, with the following exceptions:

a) The Applicant does not have a present ownership interest and has not had an ownership interest in a home used as his or her principal residence in the three (3) years prior to closing on the loan;
b) The Applicant is purchasing a home in a Targeted Area, or
c) The Applicant is a veteran (as defined in section 101 of title 38, United States Code) that has not received bond-financed mortgage assistance.

Non-applicant household members are not required to be first time home buyers.

303.2 Ownership Interest

An Applicant holding any of the following ownership interests would not be classified as a first-time homebuyer:

a) a fee simple interest;
b) a joint tenancy;
c) a tenancy in common;
d) a tenancy by entirety;
e) a tenant-share hold in a cooperative;
f) a life estate;
g) a land contract pursuant to which possession and burdens of ownership are transferred, but legal title is not transferred until some later time;
h) a beneficial interest in a trust that would constitute a present ownership interest if it were held directly by the mortgagor.

An Applicant is considered to have an ownership interest in a property if he/she received the benefits of the mortgage interest or real estate tax deduction through the filing of a joint federal income return with a spouse, even if the Applicant did not hold title to the home within 36 months of the closing date of the new home.

Interests that are <u>not</u> considered to be ownership interests are:

a) a remainder interest;
b) a lease (without regard to any purchase option);
c) a mere expectancy to inherit an interest in a principal residence;
d) an interest that a purchaser of a residence acquires upon the execution of purchase contract;
e) an interest in a residential property other than a principal residence during the previous three (3) years; and
f) an interest in a vacation timeshare.

An Applicant is **<u>not</u>** considered to have had a prior ownership interest in a primary residence in the last three years if:

a) the Applicant did not hold title to the home, but did receive all or a portion of the proceeds of the sale of the residence;
b) the Applicant continued to hold title following a divorce which granted property to other spouse, but the Applicant has not used the property as a principal residence in the last three (3) years; or
c) the Applicant owns a manufactured home that is currently titled by the Department of Motor Vehicles, is not permanently affixed to a permanent foundation and is taxed as personal property; or
d) the Applicant owns vacant land.

We reserve the right to investigate or require further substantiation of the Applicant's first time homebuyer status.

303.3 No Ownership of Other Residential Real Estate

Under no circumstance may an Applicant own any other residential real estate within or outside the United States as of the date of closing the loan. If the Applicant owns residential real estate property used solely as a rental property but never as a primary residence during the previous three (3) years, the Applicant must terminate his or her interest in such property prior to closing the loan.

Even if not included as a Borrower, Applicant's spouse may not own any other residential real estate as of the date of closing.

303.4 Principal Residence Requirement

Each Applicant must occupy the mortgaged property as his or her principal residence within 60 days after closing the loan. Lender must make the Applicant aware of this requirement at application and origination of the loan.

An Applicant is temporarily exempt from this 60-day occupancy requirement if his or her employment or military orders require that he or she reside temporarily away from the mortgaged property and (i) his or her principal residence is the mortgaged property, (ii) he or she expects to return to the mortgaged property to live, and/or (iii) a co-Applicant will occupy the mortgage property within 60 days of closing.

Lender must make clear to the Applicant that he or she will not be allowed to rent the property after closing, except the Applicant may rent the property back to the property seller for up to, but no more than, 60 days after closing.

303.5 Co-Signers

Co-signers, also known as non-occupant co-borrowers, are permitted only in accordance with the following requirements:

a) Co-signers may not take title to the property and may not be vested on the Warranty Deed or other instrument conveying ownership of the property. Co-signers who take title property or reside in the property are considered co-applicants;
b) Co-signers must sign the Note and any Security Deed or other documents required by the applicable Mortgage Insurer or GSE;
c) The Co-signers' income is not included in Household Annual Income, but may be used as qualifying income;
d) The Underwriting Package must contain complete credit documentation for the co-signer along with a completed FHA Loan Transmittal, VA Loan Analysis, or 1008 Underwriting Transmittal Summary;
e) Co-signers' credit and ratios must meet the requirements of the applicable Mortgage Insurer or GSE

303.6

The Applicant must not have liquid assets immediately *after** loan closing in excess of the greater of $20,000 or 20% of the sales price, unless the

Liquid Assets Limitation

liquid assets over the allowable amount have been or will be consumed by a documented emergency or other extraordinary event beyond the control or planning of the Applicant or will be used in the purchase transaction.

Gifts in excess of $5,000 are considered liquid assets and are then included in the aforementioned liquid assets maximum of the greater of $20,000 or 20% of the sales price. Stocks and other readily salable securities are considered liquid assets, unless they are restricted by IRA, 401(k) or other similar requirements. IRAs, 401(k) plans and other similarly qualified retirement accounts are not considered to be liquid assets.

Applicants approaching retirement age may have retirement savings, but such savings may not exceed an amount considered reasonable for a person of low or moderate income. Some exceptions may be made due to the nature of the source of funds. For example, insurance settlements that compensate an Applicant for lost wages during disability or death of a spouse may not be considered excessive.

DCA underwriters will be alert to any unusual activity or transfer of funds in and out of the accounts to meet the allowable amount.

*Assets considered liquid including gifts **minus** funds needed to close per the Closing Disclosure may not exceed the greater of $20,000 or 20% of the sales price

304 Household Annual Income

Household Annual Income is all amounts, which will go to, or will be provided on behalf of any Household Member who will occupy the subject property within the 12-month period immediately following loan closing. DCA will accept the effective qualifying income amount calculated by the lender's underwriter, provided the income is annualized using the methodology required by the mortgage insurer or GSE applicable for the loan product. The annualized income may not exceed the applicable income limitation based on product, household size, and/or product type.

The income of all Non-Applicant Adult Household Members must be included in Household Annual Income.

The Lender is required to ensure that all Household Members who will occupy the property within 12 months of the closing date have disclosed their income as required on form SF-12 Applicant Affidavit and form SF-15 Affidavit of Non-Applicant Household Member (if applicable). While it is not common lending practice to request information for Non-

Applicants, loans made through the Program require verification the Household Annual Income is within Household Annual Income limits.

304.1 Household Members

"Household Member" includes:

a) the Applicant, co-Applicant, spouse (unless it can be shown that a spouse resides elsewhere), and parents or children who live with the Applicant and co-Applicant at least six (6) months of each year;
b) any related or un-related person who will reside in the mortgaged property during the 12-month period immediately following closing; and
c) any person who has resided with the Applicant and/or co-Applicant prior to closing and whose financial affairs are combined with the Applicant's and/or the co-Applicant's according to the documents in the Underwriting Package. (If such person will not occupy the mortgaged property, his or her income may be excluded from Household Annual Income if the Underwriting Package contains a sufficient explanation from the Applicant as to the person's future residence plans).

"Household Member" does not include foster children; live-in aides and children of live-in aides; unborn children; and children being pursued for legal custody or adoption who are not currently living with the household.

Sufficient documentation may be required by DCA to confirm possible status as a Household Member.

Non-Applicant adults (18 years of age or older) who are also full time high school or college students must provide evidence of enrollment from the high school or college at the time of application.

304.2 Household Income Limitations

The Applicant's total Household Annual Income, including the income for a Non-Applicant 18 years of age or older (as stated on Forms SF-12 and SF-15), must not exceed the following amounts based on the Household size and the location of the property for a particular county or MSA* or statewide:

Atlanta-Sandy Springs-Roswell, GA HUD Metro FMR Area

Barrow County, Bartow County, Carroll County, Cherokee County, Clayton County, Cobb County, Coweta County, Dawson County; DeKalb County, Douglas County, Fayette County, Forsyth County, Fulton County, Gwinnett County, Heard County, Henry County, Jasper County, Newton County, Paulding County, Pickens County, Pike County, Rockdale County, Spalding County, Walton County

1-2 persons	$137,555
3 or more persons	$158,188

Athens, GA, MSA Clarke County, Madison County, Morgan County, Oconee County, Oglethorpe

1-2 persons	$118,152
3 or more persons	$135,875

All Other Georgia Counties

1-2 persons	$101,700
3 or more persons	$116,955

*** See Appendix II for counties in the MSAs**

304.3 Calculating Household Income

Each Underwriting Package must include a completed Household Income Worksheet. The Household Income Worksheet is located in the Worksheet section of this Guide. DCA may, in its sole discretion, require additional documentation to determine Household Annual Income.

The income calculation shown on the Household Income Worksheet and the supporting documents for each Household member must agree.

Income calculations for DCA compliance underwriting may be different from income calculations for effective qualifying underwriting income. This may be due in part to the addition of a Non-Applicant Household Member's income used in DCA compliance underwriting but not as effective qualifying underwriting income recognized by mortgage insurers and GSEs.

DCA will calculate each Applicant's income and each Non-Applicant's income in the same manner as the applicable mortgage insurer or GSE. The combined total income may not exceed the program limit for the product, household size, and property location.

If income is omitted from either effective qualifying underwriting income or Household Annual Income but appears likely to be received, DCA may require additional documentation to ensure Household Annual Income is not understated.

Lenders must make every reasonable effort to include the income of all Household members on Forms SF-12 and SF-15, as applicable. DCA will review copies of the Verifications of Employment (VOE), W-2's, pay

stubs and/or copies of additional income verifications to substantiate income calculations.

Each Non-Applicant must complete and sign the Affidavit of Non-Applicant Household Member (Form SF-15). The Non-Applicant's income must be documented by providing the most recent two (2) consecutive years W-2s and a current pay-stub (or similar third party document for other types of income) dated within forty-five (45) days of Lender's underwriter's approval. DCA underwriters may require, at their discretion, the Non-Applicant's tax transcript. Non-Applicant income is excluded from the total Household Annual Income calculation if the individual has not maintained a consistent employment or income history for at least the most recent two (2) consecutive years. Non-Applicant income that is intermittent, unstable, or otherwise sporadic is not considered stable for Household Annual Income calculation purposes.

No adjustments or deductions are made to Household Annual Income with respect to childcare expenses, medical expenses, or adjustments for family size.

Household Annual Income includes, but is not limited to:

a) the full amount, before any payroll deductions, of wages and salaries, overtime, commissions, fees, tips, bonuses and other compensation for personal services (including raises indicated by the employer on the VOE which are expected to take effect prior to closing);
b) net income from operation of a business or profession;
c) income from trusts, investments, interest, dividends, royalties, net rental income and other net income from real or personal property;
d) periodic payments from Social Security (including that received on behalf of children), annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic payments;
e) payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay;
f) Welfare Assistance, where payments include amounts specifically designated for shelter and utilities;
g) periodic and determinable allowances such as alimony and child support, and regular contributions or gifts received from organizations or persons not residing in the dwelling;
h) all housing allowances and similar allowances which are not reimbursement for job-related expenses;
i) all regular and special pay, and allowances of members of the Armed Forces (whether living in the dwelling) who are the head of the family or the spouse;
j) undocumented non-payroll deposits, extrapolated to an annualized amount;

k) earnings up to $480 annually for each full-time student 18 years or older who is not the head of household and spouse (must provide evidence of enrollment from the high school or college at the time of application; and
l) adoption assistance payments up to $480 annually per adopted child.

Household Annual Income excludes:

a) non-reoccurring, sporadic, or irregular income, including gifts;
b) amounts received by an employee as employer-paid benefits under a "cafeteria plan" and included as income on pay documents, but which would be discontinued if employee declined benefits;
c) amounts included as income on a W-2, but claimed by the employee as un-reimbursed business expenses for federal tax purposes;
d) amounts which are specifically for reimbursement of medical expenses of a family member;
e) lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;
f) amounts of educational scholarships paid directly to the student or the educational institution;
g) special pay to a military head of a family who is away from home and exposed to hostile fire;
h) foster child or foster adult care payments;
i) income from the employment of children (including foster children) under the age of 18 years;
j) income of a live-in aide;
k) amounts received under training programs funded by HUD;
l) amounts received by a disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
m) amounts received by a participant in publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program;
n) reparation payments made by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
o) earnings in excess of $480 annually for each full-time student 18 years or older (excluding the head of household and spouse);
p) adoption assistance payments in excess of $480 annually per adopted child;
q) a resident service stipend (not to exceed $200 per month);
r) compensation from state or local employment training programs and training of a family member as resident management staff;

s) deferred period payments of Supplemental Security Income and Social Security benefits that are received in a lump-sum payment;
t) amounts received by family in form of refunds or rebates under state or local law for property taxes paid on the dwelling unit;
u) amounts paid by state agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the disabled family member at home;
v) amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. For further information, a list is published by HUD periodically in the Federal Register.

304.4 Termination of Employment

Household members whose employment has terminated less than three (3) months before the date of loan application must provide a detailed explanation of the reason for termination and their intent of future employment. Verification from the employer of the termination of employment will be required. DCA will be alert to any indication that employment termination is temporary and/or may be for the purpose of meeting the Household Annual Income guidelines.

At DCA's discretion, termination of employment during this timeframe may not exclude income from household income limits.

304.5 Child Support/ Alimony

If the Underwriting Package contains legal documents (such as divorce decrees) detailing the amount of child support to be paid, child support and/or alimony in the amounts received by the Applicants will be included in the calculation of Household Annual Income so long as a reasonable explanation is included in the Underwriting Package.

304.6 Overtime/ Bonuses

For applicants with variable earnings (overtime, bonus, commission, and/or shift differential), Household Annual Income must be calculated based on the mortgage insurer or GSE guidelines.

304.7 Unemployment Compensation

Unemployment compensation is included in the calculation of Household Annual Income by multiplying the weekly benefit times 52 weeks, regardless of the amount of unemployment benefits remaining. This approach is based upon the assumption that the discontinuance of unemployment compensation will be accompanied by re-employment.

304.8 Self-Employed Applicants

The income reported by the applicant on the previous years filed income tax return on the applicable Schedule C, 1065, 1120, 1120S, applicable K-1s, per the mortgage insurer or GSE is used to calculate Household Income for a self-employed Applicant. A current unaudited year-to-date Profit and Loss Statement (P&L) must be provided which reflects stable

and non-declining self-employed income. The lender must follow the applicable mortgage insurer or GSE guidelines if using a CPA prepared audited year-to-date P&L as effective qualifying income and Household Annual Income. An unaudited year-to-date completed P&L may be self-prepared if the self-employed business is a Schedule C sole proprietorship and supported with bank statements.

304.9 Student Loans

Student loan debt documentation must conform to the applicable mortgage insurer's or GSE's guidelines.

305 Bank Statements and Paystubs

For all Applicants, the Underwriting Package must include the most recent bank statement for all accounts and must cover thirty (30) consecutive days. Georgia Dream underwriters will examine the statements to determine if there are deposits or patterns that indicate additional nondisclosed income. All non-payroll deposits reflected on the bank statement(s) equal to or greater than 50% of each borrower's gross monthly income must be documented and included as Household Annual Income in the last section of the DCA Household Income Worksheet. Any deposits not included in Household Annual Income must be clearly and fully explained in a letter that is signed and dated by the borrower and included in the Underwriting Package.

Education refunds cannot be used toward Minimum Required Investment and must be deducted from account balance. Education refunds are unsecured and therefore an unacceptable source.

The letter should include:

a) a complete description of the deposit;
b) the date(s) the deposit(s) posted to the bank statement and the frequency of the deposits;
c) the source of the funds;
d) a reason why the funds should not be included as income;
e) The following certification:
   Warning: Section 1010 of Title 18, U.S.C. Federal Housing Administration provides "*Whoever, for the purpose of influencing in any way the action of such administration Makes, Passes, Utters, or publishes any statement, knowing the same to be false shall be fined not more than $5,000 or imprisoned not more than two years or both".*

For all Applicants, the Underwriting Package must also include the current year to date paystubs from each employer and must be dated within forty-five (45) days of the Lender's underwriting approval.

306 Tax Transcripts & Taxes Owed

For each Applicant, legible copies of IRS tax transcripts for each Applicant for the most recent three (3) year period and the most recent W-2s must be submitted with the Underwriting Package. At DCA's

discretion, DCA may accept signed tax returns in lieu of IRS tax transcripts. Signatures may be photocopies.

If the Applicant itemized deductions during any of the three (3) previous years, we must have a copy of the IRS Form 1040 and Schedule A. Tax transcripts from the IRS are acceptable for an Applicant who itemized if the printouts attached include Schedule A.

DCA will review the tax transcripts to verify Applicant's eligibility for the Program, including a review (1) whether the Applicant claimed a mortgage interest deduction or payment of real estate taxes within 36 months of the closing on the new home; (2) whether the basic demographic information (such as names, social security numbers, addresses, marital status and dependents) is consistent with the remainder of the Underwriting Package; and (3) any other items necessary to verify eligibility for the loan.

If the borrower was not required to file federal tax returns for any period during the last 3 years, the borrower will be required to complete DCA form SF-6012 and the lender to provide transcripts for each year to show no record of tax return filing found.

DCA at its discretion, may require any past due Federal and State taxes to be paid in full prior to or at closing. If taxes are owed and a repayment plan has been established, the lender must provide evidence of the repayment plan with at least three (3) consecutive payments having been made into the plan. Prepayment of the three (3) consecutive payments is not permitted.

307 Home Buyer Education

Homebuyer education is required for all Georgia Dream loans. At least one owner-occupant applicant must attend and complete a home buyer education workshop or individual housing counseling session(s) with a DCA or HUD approved Housing Counseling agency **OR** complete the online homebuyer education course at www.ehomeamerica.org/dca. The home buyer education or individual housing counseling may be provided by:

a) Community-based organizations under contract with DCA
DCA contracts with a number of communities based non-profit organizations around the State who provide home buyer education at no cost to the home buyer. These organizations are listed in Appendix VIII.

b) *Other non-profit or for profit organizations.*
The Applicant may receive the required home buyer education from other DCA or HUD approved providers and is allowed to pay for the service.

c) *Online counseling services.*

The E-Home Online Homebuyer Course is available at www.ehomeamerica.org/dca at a cost of $50.00. Topics covered include: Are You Ready to Buy a Home, Managing Your Money, Understanding Credit, Getting A Mortgage Loan, Shopping For A Home, Keeping Your Home, and Managing Your Finances. Course vouchers are available to homebuyers' whose household income is at or below Very Low Income, Extremely Low Income or Low-Income based on HUD's current Statewide Income Limits for Georgia. Lender may complete and submit the Certification of Income Form to be provided such voucher.

Any fees paid for home buyer education must be paid to a third party provider and may not exceed $100.00. DCA will not pay this fee and will not be responsible for ensuring the fees are paid to the provider. This fee is generally paid prior to closing and may be shown on the Closing Disclosure. If paid by the Applicant, the fees can be counted towards meeting the Applicant's Required Funds.

The Underwriting Package must contain a copy of the Certificate of Completion issued by the home buyer education provider evidencing the Applicant's completion of the home buyer education course within 12 months prior to closing.

For a cost of $50.00, Applicants with a low middle credit score of less than 640 can complete an online Money Management course (available at www.ehomeamerica.org/dca) and receive three free personalized housing counseling sessions with a housing counselor. Participants will receive an Action Plan which will provide them with tangible steps to increase their credit score. This is not a substitute for required homebuyer education.

308 Eligible Properties

Loans must be secured by property that is a one (1) unit single family dwelling which:

a) is located in the state of Georgia; and
b) the title is held by the mortgagor at the time of closing as fee simple or under an eligible leasehold interest (the terms of the ground lease must extend beyond the maturity date of the loan and only the land may be under a ground lease; the improvements must be owned by the mortgagor).

308.1 Maximum Purchase Price

The Purchase Price or Acquisition Cost is the total cost to acquire the completed single family residence, excluding financing costs such as closing costs and prepaid items. Form SF-16 must be used to calculate the Acquisition Cost.

The Maximum Purchase Price for existing and newly constructed properties must be equal to or less than the following amounts based on the location of the property:

$625,000 Atlanta-Sandy Springs-Roswell, GA HUD Metro FMR Area

Barrow County, Bartow County, Carroll County, Cherokee County, Clayton County, Cobb County, Coweta County, Dawson County; DeKalb County, Douglas County, Fayette County, Forsyth County, Fulton County, Gwinnett County, Heard County, Henry County, Jasper County, Newton County, Paulding County, Pickens County, Pike County, Rockdale County, Spalding County, Walton County

$525,000 Athens, GA MSA

Clarke County, Madison County, Morgan County, Oconee County, Oglethorpe County

$475,000 All Other Georgia Counties

*See Appendix II for a listing of all counties in the MSAs.

When the Applicant is also the builder, DCA requires the following: a copy of the construction contract or cost to build (including receipts) to be in the Underwriting Package to document the Acquisition Cost and to ensure it is not over the Maximum Purchase Price limit; the LTV ratio is to be calculated using the total Acquisition Cost or the Appraised Value, whichever is less; and all credit and closing documents to indicate the transaction as a purchase or construction to permanent financing. It must not be presented as a refinance transaction.

(Reserved for future use).

308.2 Manufactured & Modular Homes

Manufactured homes are eligible properties under the Georgia Dream Program subject to the following requirements.

All borrower(s) must have a minimum middle credit score of at least 660 using the lowest score of all borrowers.

Eligible Homes:

a) Constructed in compliance with the HUD Code effective July 13, 1994, as evidenced by the HUD Data Plate and Certification Labels or

verification through the Institute for Building Technology and Safety (IBTS), available at https://lvr2.ibts.org/

b) Multi-section only (doublewides or triplewides)
c) Properly affixed to a permanent foundation and legally converted to real property with title cancellation in process at closing and completed prior to purchase

Ineligible Homes:

a) Constructed prior to July 13, 1994
b) Singlewide units
c) Units not permanently affixed to the land or located on leased land
d) Units not titled to the borrower prior to conversion or with unresolved personal property liens
e) Units lacking HUD labels and a Data Plate without acceptable IBTS verification
f) Existing units that have been moved from a previous site to the current site
g) Fannie Mae financing for new construction two-time close since treated as a limited cash-out refinance

Permanent Affixture and Installation:

a) At appraisal, the home must be permanently affixed to the land, and the borrower must hold fee simple title at closing
b) Foundation certification by a licensed engineer experienced in manufactured home foundations is required, confirming compliance with HUD and GSE agency standards
c) All transport equipment must be removed (hitch, tongue, axles, wheels) and permanent utilities/skirting must be installed

Conversion from Personal Property to Real Property

a) Execute Georgia Department of Revenue Form T-234 at closing available at https://dor.georgia.gov/t-234-mobile-manufactured-home-certificate-permanent-location
b) Ensure T-234 is signed by homeowner and secured parties.
c) Retain T-234 certified copy for closing package
d) Submit T-234 and original titles to county tag office for Department of Revenue title cancellation; evidence required in closing package
e) Provide final evidence of cancellation (DRIVES receipt, county acknowledgment, or stamped intake receipt)

HUD Data Plate and Certification Labels

a) HUD Certification Label affixed to exterior of each section
b) HUD Data Plate inside the home (electrical panel, cabinet, or closet)
c) Missing labels require IBTS verification
d) Verification must show construction date on or after July 13, 1994

Title Insurance Requirements

a) Title commitment must insure manufactured home as part of real property, describing year, make, model, and VINs
b) Existing Construction: ALTA 7 endorsement required
c) New Construction: ALTA 7.1 endorsement required

Appraisal and Comparable Sales Requirements

a) Appraisal must comply with insurer or agency standards
b) At least two comparable multi-section manufactured sales required, closed within 12 months
c) Appraiser must verify HUD Data Plate and HUD Labels or include IBTS documentation; photos must document labels, Data Plate, foundation, and removal of transport equipment

Closing

a) Two-time close: DCA will only permit two-time close structures on *new construction* properties only.
b) Cash back policy: If cash back to the borrower is generated at closing of the interim loan, the amount must be immediately applied as a principal reduction

Two-Time Close New Construction Sales Price Derivation:

a) FHA: Home + Land + Site Prep + Payoff of Interim Loan (lesser of appraised value or documented acquisition cost)
b) VA: Home + Land + Site Prep + Payoff of Interim Loan (lesser of NOV or acquisition cost)
c) USDA: Home + Land + Site Prep + Payoff of Interim Loan (eligible site prep includes utilities, grading, driveways)
d) Fannie Mae: Ineligible
e) Freddie Mac: Home + Land + Site Prep + Payoff of Interim Loan (lesser of appraised value or documented acquisition cost). Borrower *cannot* have been the obligor on the interim construction financing or installation. Builder/Seller must have carried all the interim financing to be eligible as a purchase money transaction.

Modular homes (Industrialized Buildings) may be purchased if they bear the "DCA insignia" described in O.C.G.A. 8-2-112(b)(1) and are built under the standards of the State of Georgia's Industrialized Building Program. Modular homes must also be built to comply with all city and county building codes which apply to site built homes.

308.3 Condominium

Lenders must provide evidence of project approval for any loan secured by a condominium, PUD, or town home. The property must also meet the applicable Mortgage Insurers' or GSE requirements.

We require a HO-6 or "all inclusive" hazard policy and a completed Limited Review Condominium Questionnaire on all condominium loans to include, but not limited to reserve budgets. Fees for this policy must be included in the PITI and escrowed.

FHA spot condominium approvals are allowed. The FHA case number assignment must reflect Site Condo with Single-Unit Approval. HUD-9991 must be fully complete and with any supporting documentation.

We reserve the right to reject any loan for the purchase of a condominium if we determine, in our sole discretion, that it would constitute an excessive underwriting risk.

308.4 Trade, Business, or Investment Property

The property itself may not be used to conduct a trade or business and the property may not be an investment property.

The movement of people and/or materials onto the property is indicative of the property being used as a trade or business. Examples of residential property business use which are not acceptable include:

a) car repair;
b) childcare;
c) hair styling;
d) merchandise distribution; and
e) farming.

Some home-based businesses may be acceptable. Examples of acceptable home-based businesses include:

a) sales positions requiring some record keeping and telephoning at the home.

If there is any question as to whether a type of business is acceptable, contact DCA's Underwriting staff before processing the loan.

309 Property Standards

The loan must be secured by a property that is safe, decent, sanitary, structurally sound, and functionally adequate to meet the present and foreseeable housing needs of the Applicant.

To ensure satisfactory long-term security, the property should be compatible with the surrounding properties in terms of those factors that affect marketability, such as function, design, and quality of construction.

Neither the mortgaged property nor any adjacent property should pose a specific physical or environmental risk which could endanger the health and/or safety of the occupants. The present or anticipated use of adjacent real estate should not adversely affect the livability, value, or marketability of the property for residential use.

We will examine the following:

a) Appraiser's assessment of the property and market conditions of the neighborhood;
b) sewer, water, and other utilities;
c) accessibility by roads meeting local standards;
d) agreements for shared driveways and private road maintenance.

309.1 Private Wells Water Testing

DCA will follow the applicable mortgage insurer's or government sponsored entity's requirements.

309.2 Septic Systems

DCA will follow the applicable mortgage insurer's or government sponsored entity's requirements.

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309.3 New Construction

DCA considers a property to be new construction when it is being sold to the Applicant by the builder and all the original warranties are in place. All newly constructed residences must be inspected during construction to ensure compliance with all applicable minimum building and housing codes. The inspections must be performed in accordance within the requirements of the Mortgage Insurer's most recent handbooks, mortgagee letters, lender letters and/or notices.

For USDA/RD Guaranteed loans originated by USDA/RD, the RD HB-1-3555, Paragraph 12.9, Documentation Requirements for New Construction Stick Built Homes must be met. Additionally, RD form 1924-25, Plan Certification, must be complete and signed by the applicable licensed architect.

All construction must be complete, and a clear final inspection included in the Purchase Package. If the loan was closed with the establishment of an escrow account for minor completion work (including landscaping), Lender must ensure the work is complete, disburse the escrow funds, and provide a clear final inspection.

Monthly real estate tax estimates for new construction properties must be based on an annualized rate of 1.25% of the sales price divided over twelve (12) months. Tax escrow accounts must also be established at closing using this same 1.25% annualized rate.

309.4 Acreage

The full value of the land may be financed by the loan only if documentation is provided verifying that such land is needed to reasonably maintain the basic livability of the residence and does not provide, other than incidentally, a source of income to the mortgagor. The land value must be no more than 40% of the total Appraised Value of the property unless we have given prior written approval specific to the issue.

309.5 Environmental Review

During the physical inspection of the property, the appraiser must be alert for any indication of the presence of any hazardous materials on the subject property or any adjacent or nearby properties (including, but not limited to, asbestos or polychlorinated biphenyls (PCBs) or any indication that the property or any nearby site is or has been used as a landfill or the site of activity related to or used for the storage of oil, asbestos, PCBs, other hazardous wastes or other toxic substances). Lender must notify us in writing of any report by the appraiser indicating the possible presence of hazardous materials at the time the Underwriting Package is submitted.

309. 6 Flood Hazard Zone Certification

A flood hazard zone certification must be obtained in accordance with federal law and the guidelines of the applicable Mortgage Insurer or GSE and included in the Underwriting Package. The flood hazard zone certification must be for the life of the loan and transferable to the Servicer of the loan.

309.7 Utilities and Appliances

Lenders must provide a copy of clear plumbing, electrical, and heating certifications if the appraiser indicated the property was vacant and/or the systems were not operational at the time of the appraisal inspection. Clear plumbing, electrical and heating certifications will also be required if the appraiser recommends them or there is an indication in the appraisal or the agreement of sale that there is an existing or potential problem with the plumbing, electrical and/or heating system(s). A stove/oven in working condition must be installed at the property.

309.8 Lead Paint

The Applicant must be provided with a copy of the HUD/EPA pamphlet "Protect Your Family From Lead in Your Home" on properties built prior to 1978. The "Notice to Purchasers of Housing Constructed Before 1978" exhibit must be signed and made a part of the Sales Contract.

309.9 Swimming Pools

Properties with indoor pools are not eligible. All outdoor swimming pools must be fully functional at the time of closing and documented by the appraiser. Non-operational pools or pool equipment are considered an adverse condition that may impair the property's marketability and value.

310 Appraisal Guidelines

The Appraisal must be reported on the most recent version of the Uniform Residential Appraisal Report (URAR). All appraisals must conform to the Uniform Standards of Professional Appraisal Practice, the Home Valuation Code of Conduct (conventional loans only) and the DCA appraisal guidelines contained in this Guide. The appraiser must complete these forms in a manner that will clearly reflect the thoroughness of his or her investigation and analysis and provide the rationale for the estimate of market value. The Lender must disclose to the appraiser any and all information about the subject property that affects either the marketability of the property or the appraiser's estimate of its market value.

All appraisals must conform to the following requirements:

a) The property must have been appraised within the 120 days that proceeded the date of the note and mortgage or in accordance with

the applicable Mortgage Insurer or GSE requirements based on loan type.

b) The subject property must be identified by its complete property address and legal description.

c) The appraisal must show the census tract or block number in which the subject property is located.

d) When there are incomplete items or conditions that affect the livability of the property or physical deficiencies that could affect the soundness or structural integrity of the improvements, the property must be appraised subject to completion. In such cases, the Lender must obtain a clear final inspection from an appraiser before they submit the Purchase Package.

e) If the subject property is located in an area in which there is a shortage of recent truly comparable sales either because of the nature of the improvements of the subject property or the relatively low number of sales transactions in the neighborhood and the appraiser utilizes comparables that are not truly comparable to the subject property, the appraiser must adequately document his or her analysis in the appraisal report and explain why such comparable(s) are used.

f) The neighborhood analysis must identify the area (based on common characteristics or trends) that is subject to the same influences as the subject property. The sales prices of comparable properties in the identified area should reflect the positive and negative influences of the neighborhood. The results of the neighborhood analysis should enable the appraiser to define the area from which to select comparables, to understand market preferences and price patterns and to identify any other value influences affecting the neighborhood. The appraiser and the Lender's underwriter must be sensitive to the varying conditions that characterize different types of locations.

g) Any and all additional comments made by the appraiser and the limiting conditions statement must accompany the appraisal in the Underwriting Package.

For existing properties, any improvements to the subject property must be completed when the Purchase Package is delivered to us. The appraisal may be based on the "as is" condition of the property if minor conditions exist that do not affect the livability of the property. The Lender must carefully review the appraisal for a property appraised in an "as is" condition to assure that the property does not have any physical deficiencies or conditions that would affect its livability, or health and safety of the occupants.

For proposed construction, the appraisal may be based on plans and specifications if the Lender obtains a certification of completion before the Purchase Package is submitted to us. This certification should be completed by the appraiser and must be accompanied by photographs of

the completed improvements. The appraiser must certify that the improvements are completed in accordance with the requirements and conditions stated in the original appraisal report.

The following are required to support each appraisal report:

a) Clear, descriptive original color digital images or color photographs of the front, back, and street scene of the subject property.
b) Clear, descriptive color digital images or photographs that show the front of each comparable sale and that are appropriately identified.
c) Certification of completion and value, either as a letter or as a form that provides the necessary information, if applicable.
d) A street map that shows the location of the subject property and of all comparables that the appraiser used.
e) Any other information, as an attachment or addendum to the appraisal report form, which is necessary to provide an adequately supported estimate of market value.
f) All mortgage insurer required appraisal addendums (i.e. 1004 MC, Market Conditions Addendum).

310.1 Standards for Appraisers

Upon request, Lender must furnish evidence the appraiser has appropriate experience and approvals from the applicable Mortgage Insurers and/or GSEs.

Generally, the appraiser must:

a) be a real estate appraiser certified with the State of Georgia;
b) have successfully completed a nationally recognized basic appraisal course and have appropriate appraisal experience;
c) have demonstrated a high level of integrity, professional ethics, and technical ability; and
d) be approved by HUD to perform FHA and/or VA appraisals, as applicable (for Conventional Loans, the FHA or VA status is not required unless there is an accompanying Georgia Dream Second Mortgage Loan.)

310.2 FHA Appraisals

For FHA Loans, the appraisal must be accompanied by a HUD Form 92800.5B, "Conditional Commitment/Direct Endorsement Statement of Appraisal Value."

A VA Certification of Reasonable Value that has been converted from a HUD Conditional Commitment or vice versa will be accepted. If submitted, photos of the property are not required.

310.3 FHA Single Family Property Disposition Program

We encourage the use of Georgia Dream Mortgage loans for the purchase of HUD Real Estate Owned (REO) property.

The maximum allowable mortgage amount is determined by using the lesser of the sales price or:

a) The "as-is" appraised value as determined by the HUD REO or updated appraisal.
b) The "as repaired" value as determined by an FHA appraisal for 203b or 203k loans.

All HUD REO appraisals will be valid for a period of 120 days from the effective date of the appraisal. A valid HUD REO sales contract must be ratified within 120 days of the appraisal effective date or a new appraisal or an appraisal update is required in accordance with FHA guidelines to support the mortgage transaction. An updated appraisal may be obtained in accordance with FHA guidelines when repairs are required by the FHA appraiser.

If the sales price is more than the appraised value, the difference must be paid by a documented cash investment from the borrower. Georgia Dream Second Mortgage funds may not be used to fund this difference.

310.4 USDA/RD Guaranteed Loans

USDA/RD Guaranteed loans require an appraisal that complies with USDA requirements and applicable HUD minimum property standards and is completed by a qualified Georgia state-licensed appraiser.

310.5 VA Loans

For VA loans, the appraisal must be accompanied by a VA Form 26-1843, "Certificate of Reasonable Value" (CRV) or the Notification of Value letter for automatic approval lenders.

310.6 Conventional Loans

For Conventional loans, the appraisal report must meet GSE minimum property standards. Appraisals with Submission Summary Report (SSR) scores over 2.5 may require a second appraisal or field review in which case DCA will use the lowest appraised value.

311 Loan Closing Documents

All closing documents and legal documents must reference "Georgia Housing and Finance Authority" (GHFA) and not DCA. GHFA is the legal entity that will purchase the loan from the DCA Lender.

311.1 Warranty Deed, Transfer & MERS

All property must be conveyed by a Warranty Deed, with an interest in the same property granted to Lender by a Security Deed. The Security Deeds must be transferred from Lender to the Georgia Housing and Finance Authority via a completed Form SF-44A Transfer & Assignment for the first mortgage and Form SF-44B for the second mortgage. The Georgia Housing and Finance Authority will not accept Assignments of Security Deeds from MERS (Mortgage Electronic Registration System).

In accordance with O.C.G.A. §14-2-151, the Transfer & Assignments must be signed by an authorized officer and attested to by another officer who the Lender's current bylaws or corporate resolution say can authenticate the document. GHFA may require a copy of the Lender's

current bylaws or corporate resolutions to verify compliance. If not signed by the president or a vice-president, then the document must have the corporate seal.

311.2 Survey

A survey may be required in accordance with the requirements of the applicable Mortgage Insurer and/or GSE. The survey must be signed and sealed by a licensed surveyor or engineer showing the boundaries, improvements, setback lines, easements and encroachments onto or off the mortgaged property and certifying whether the mortgaged property or any portion thereof is located in a special flood hazard area as identified by the Mortgage Insurer.

311.3 Title Insurance Policy

Each loan must be insured by a title insurance policy on the current standard form of the American Land Title Association in an amount at least equal to the principal amount of the mortgage indebtedness. The title insurance policy must show the insured as the Lender, Mortgage Insurer and successors and assigns as their interest may appear. The title insurance policy must be endorsed to the Georgia Housing Finance Authority, showing all recorded transfers and assignments. A chain of title will be required for no less than the most recent 12 months as of the date of loan application.

The title insurer must be licensed to conduct business in the State of Georgia and approved by Fannie Mae, Freddie Mac, or Ginnie Mae. The policy must ensure the loan is a valid and recorded first lien on the mortgaged property. Additionally, the policy cannot be subject to any exceptions other than those previously approved by the Mortgage Insurer. Lender must receive prior written approval for deviation in the title policy from this requirement.

The Short Form Residential Loan Policy or Master Residential Loan Policy showing the Lender, the Mortgage Insurer, and its successors and assigns as the insured is also acceptable.

In the event the policy identifies a Fi.Fa, it must be cleared to the satisfaction of DCA and a clear and marketable title provided as per insurer requirements must be provided.

DCA does not allow affirmative coverage or "insuring over" of title defects. Any title defects or corrections must be cleared or resolved to the satisfaction of DCA prior to or at closing in order for DCA to obtain clear and marketable title.

311.4 Hazard Insurance

Lender must ensure the property securing the loan is covered by hazard insurance that, at a minimum, meets the following requirements:

a) *Term*. Policies must be for a period of at least one (1) year, effective as of the date of closing of the loan;

See (d) for Mortgagee Clause

b) *Ratings*. Policies must be issued by an insurance carrier specifically licensed or authorized by law to transact business within the State of Georgia. The firm must have a financial rating of Class VI or better by Best's Insurance Reports and a Best's general policyholder's rating of B or better. We will allow coverage with a Reinsurance Agreement, whereby an insurer with a classification lower than Class VI is covered by reinsurance from a company satisfying the aforesaid rating requirements;

c) *Fire and Extended Coverage*. Policies must afford protection against loss or damage from fire and other hazards covered by the standard extended coverage endorsement in an amount at least equal to the lesser of the outstanding principal balance of the loan at the time Lender delivers it for purchase or the maximum insurable value of the improvements, determined by subtracting the land value as shown on the Uniform Residential Appraisal Report from the final reconciliation of value as calculated on the report or with a replacement cost estimator from the actual insurance company with full replacement cost guarantee coverage;

d) *Mortgagee Clause*. Policies must contain a standard mortgagee clause endorsed in favor of the Lender and/or its successors or assigns, as their interest may appear. Upon assignment of the loan to GHFA, an endorsement must be obtained which contains the standard mortgagee clause endorsed in favor of GHFA and/or its successors or assigns, as their interest may appear. When there is a concurrent second down payment assistance Georgia Dream second lien with GHFA/DCA being in first lien position, GFHA/DCA does not need to be listed as a second mortgagee on the insurance policy;

e) *Deductible: The maximum allowable deductible, for all required property insurance perils for one-to-four unit properties, is 5% of the property insurance coverage amount. The Georgia Dream program will update this policy periodically to remain in compliance with the most up-to-date applicable mortgage insurer's or GSE's guidelines.*

f) *Wind and hail Coverage in Coastal Areas*. Policies must afford protection against loss or damage from wind and hail as a result of tropical cyclones or named hurricanes. The maximum deductible for this coverage may be no greater than 5% of the total dwelling coverage; and

g) We require a HO-6 or all-inclusive master hazard policy on all condominium loans. Fees for this policy must be included in the PITI and escrowed.

311.5 Flood Insurance

If any portion of the mortgaged property is located in an area identified by the Federal Emergency Management Agency (FEMA) as an area having special flood hazards (unless the improvements themselves are not located in a special flood hazard area), and if insurance is available under the National Flood Insurance Act of 1968, Lender must ensure that

flood insurance is obtained in the amount of the outstanding principal balance of the loan or the maximum limit of coverage available under the 1968 Act, whichever is less. Lender must also comply with provisions of the Flood Disaster Protection Act of 1973 whenever applicable to any loan.

A flood insurance policy containing a maximum $5,000 deductible clause for both new construction and existing properties is acceptable. Policies with a higher deductible must be approved by DCA prior to closing.

311.6 Termite Letters

The property securing the loan must have been inspected for termites and other pest infestation in accordance with the requirements of the Mortgage Insurer.

New construction must be built on ground which has been treated prior to the construction of the property.

The Applicant must sign the termite letter. If there is evidence of previous infestation, the graph showing locations of the infestation must be attached. If a structural engineering inspection is required by the termite inspector, Lender must provide a copy of the report.

If the sales contract states a termite inspection is required, the termite report must be included in the purchase package.

311.7 Note & Endorsement

Each loan must be evidenced by a properly executed Note, endorsed to the Georgia Housing and Finance Authority. The endorsement must read "Pay to the Order of the Georgia Housing and Finance Authority Without Recourse." An Allonge for endorsement of the Note, if necessary, will be accepted only if sent with the original Note.

Lender must include a provision in the Note for an enforceable late charge of the monthly principal and interest payment on any installment that is not received by the 15th day after it is due. A late charge of 4% is required on FHA and VA loans and a late charge of 5% is required for Conventional loans and USDA/RD Guaranteed loans.

311.8 Mortgage Loan Estimate & Closing Disclosure

The Loan Estimate and Closing Disclosure must state that there will not be a prepayment penalty and if a FHA, VA, or USDA loan that it may be assumed. GHFA does not require or allow a prepayment penalty on any type of loan.

311.9 Tax Exempt Financing Rider

Lender must record an executed Tax-Exempt Financing Rider (Form SF-40) with the Georgia Dream Standard and Georgia Dream Peach Select First Mortgage loan. The Tax-Exempt Financing Rider is not required for either the Georgia Dream Peach Plus or Georgia Dream Peach Advantage products.

312 Closing Costs and Lender Fees

Origination Fee. The Participating Lender may charge an origination fee to the borrower of up to two percent (2%) of the First Mortgage Loan amount except VA loans. Any VA loans are limited to a one percent (1%) origination fee to the borrower of the First Mortgage Loan amount. Sellers may pay for origination fees above the maximum charges to the borrower provided the interested party contribution is not exceed per the mortgage insurer's or GSE's guidelines.

Other Lender Fees. The Participating Lender may charge "reasonable and customary" fees to the Borrower provided the fees do not exceed the amounts charged in the area for similar non-Georgia Dream loans, Participating Lender must adhere to applicable agency, insurer, and guarantor or Fannie Mae or Freddie Mac guidelines with respect to points and fees limitations.

Program Specific Fees. For a Second Mortgage Down Payment Assistance, should reflect only the following fees: Attorney Fees - Maximum of $150, Filing and Recording Fees – Actual Costs; Transfer and Intangible Taxes – Actual Costs; Georgia Residential Mortgage Act (GRMA) Fees. No other fees may be charged:

a) No fee shall be charged solely because the Mortgage Loan is originated under a Georgia Dream program and/or is intended for sale to Georgia Dream. The fees may be called an application, processing or underwriting fee, or other similar name, as long as the name is not unique to our loans and does not include GHFA, Georgia Dream or DCA by name

b) All charges in connection with closing, including prepaid items and closing costs, must be included in the Closing Disclosure and must reflect to whom charges are payable.

312.1 Calculating the Prepaids

The prepaid expenses which are eligible for payment with the Georgia Dream Second Mortgage loan proceeds include the amounts required by the Mortgage Insurer to be deposited in the escrow account for property taxes, hazard insurance, homeowner association or condominium fees and prorated interest expenses up to the first payment date.

312.2 Interest Credit at Closing

If the loan closes during the first seven (7) calendar days of the month, the first payment due date may be no later than the first day of the second complete calendar month after closing. (Example: the loan closes March 7, the first payment due date may be April 1 with interest credit given at closing or may be May 1 with interest paid at closing). Interest credit given at closing must be shown on the Closing Disclosure.

If the loan closes after the 7th day of the month, the first payment due date must be the first day of the second complete month after closing. (Example: the loan closes March 17, the first payment due date must be May 1 with interest paid at closing).

312.3 Cash Out at Closing

Regardless of any greater allowances permitted by the Mortgage Insurer and/or the GSE, the Borrower may not receive funds in excess of POC items and EMD (Earnest Money Deposit) back at closing. Costs must be shown as POC to be included in allowable cash back to borrower. Any principal reductions cannot exceed $250.

312.4 Taxes, Special Assessments and Contractor Liens

The closing attorney must submit payment for all taxes and special assessments to the applicable entity within 45 days of the loan closing. All outstanding contractors' liens must be satisfied prior to submission of the loan to us for purchase.

313 Loan Assumptions

Lender must make Applicant aware that any household seeking to assume the loan must:

a) occupy the property as a principal residence;
b) be an Eligible Applicant as defined in this Chapter;
c) purchase the residence at a price that does not exceed the federal Purchase Price limitations in effect for existing property at the time of the assumption;
d) have a Household Annual Income that does not exceed the limits established by the Internal Revenue Code at the time of the assumption;
e) be aware that as the new owner(s), he or she will be subject to potential Recapture Tax as outlined in this Guide.

314 High Cost and HOEPA Loans

"High Cost" loans as defined by the Georgia Fair Lending Act (GFLA) are not permitted. Loans originated under the Georgia Dream program must not exceed HOEPA high-cost mortgage thresholds as defined by Regulation Z under 12 CFR § 1026.32, including Annual Percentage Rate (APR), points and fees, and prepayment penalty limits. To note, Georgia Dream does not allow a prepayment penalty on any loan products.

315 Recapture Tax

The recapture tax is a potential tax owed to the IRS as a result of a tax code provision applicable to Georgia Dream loans, because the loans are funded with the proceeds of tax-exempt bonds.

Under the tax code provision, the borrower may have to pay a recapture tax to the IRS if the home is sold or otherwise transferred by the borrower ***within 9 years of purchase***. Based on DCA's experience, it is a rare occurrence for a borrower to owe any recapture tax.

In general, the borrower will not have to pay recapture tax unless all 3 of the following apply:

a) the property is transferred within 9 years of purchase,
b) the borrower earns money on the transfer; and
c) the borrower's income at the time of sale is more than the recapture income limits as set forth for the year the property was purchased.

The actual recapture amount owed can only be calculated after the borrower's home is transferred as it depends on the amount earned by the borrower and is minimized in the following ways:

a) The maximum amount owed by the borrower is limited to the smaller amount of either 6.25% of the amount of the Georgia Dream loan or 50% of the net amount earned when the property is transferred.
b) Real estate commission, legal fees and closing costs are subtracted from the amount earned and only a percentage of the amount earned is owed to the IRS, depending on the number of years the borrower has owned the property (starting at 20% in year 1, going up to 100% in year 5 and then decreasing back down to 20% in year 9).
c) The borrower will not owe any recapture tax if borrower's Income at the time of sale is less than the recapture tax income limit at time of purchase (plus 5% for each year since the purchase of the home) for the borrower's current family size. If the borrower's income is within $5,000 of this amount, then the borrower will owe a reduced portion of the amount earned on the sale.

Special circumstances:

a) If the borrower receives insurance proceeds from a forced disposition of the property (fire, storm, etc.), then the property is assumed to be sold at fair market value. However, no recapture tax is due if another home is purchased on the same site within 2 years of receiving the insurance proceeds.
b) If property is transferred because of borrower's death or to a spouse/former spouse as a result of a divorce, then generally no recapture tax due.
c) No recapture tax is due upon refinancing, but the borrower remains liable for potential recapture tax owed. If the property is refinanced within 4 years of purchase, then the period for being potentially liable for recapture is less than the typical 9 years.

315.1 IRS Reporting and Calculation of Recapture Tax

DCA will report the name, address and social security number of all borrowers receiving a Georgia Dream loan but is not responsible for reporting the sale or transfer of a borrower's property to the IRS and/or any potential recapture tax owed.

All Applicants will need to complete IRS Form 8828, Recapture of Federal Mortgage Subsidy, when they file their federal income taxes for the year in which the home is sold or otherwise disposed. IRS Form 8828 calculates any Recapture Tax that may be due.

315.2 Refinancing

If the Applicant refinances his or her loan which is subject to Recapture Tax, the refinancing does not trigger the calculation of Recapture Tax because the property has not been disposed of or sold. If the Applicant does not sell or dispose of the home within nine (9) years of the closing date of the Georgia Dream First Mortgage loan, a Recapture Tax will not be due. If the Applicant, after a refinance, does sell or dispose of the home within nine (9) years of the closing date of the Georgia Dream First Mortgage loan, the Notice to Purchaser of Potential Recapture Tax on Sale of Home (Form SF-50) cannot be used to calculate the Recapture Tax, if any, that is due. The assistance of the IRS or a tax preparer will be required to calculate any Recapture Tax due.

315.3 Assumptions

If the loan, which is subject to Recapture Tax, is assumed within nine (9) years of the closing date of the Georgia Dream First Mortgage loan, calculation of any Recapture Tax due is triggered because the property has been sold or transferred. The Applicant who assumes the loan will also be subject to Recapture Tax for a nine (9) year period beginning on the date of assumption.

The Servicer of the loan can provide information to the Applicant about processing the assumption.

315.4 Lender's Responsibility

The Applicant must be made aware of the federally imposed Recapture Tax law at the time of loan application using the disclosure provided in the Application Affidavit (Form SF-12). Lender should be prepared to respond to questions from Applicants about the Recapture Tax but should refrain from assisting Applicants in calculating an expected tax. Lender should advise the Applicant to consult with a tax advisor or the IRS for further information.

315.5 Notice at Closing

The Notice to Applicant of Potential Recapture Tax on Sale of Home (Form SF-50) must be executed at closing. Applicants' signatures must appear on page 1 and Lender must complete the information on page 2 as follows:

a) *Address of Property*. Insert the street address of the mortgaged property.
b) *Lending Institution*. Insert the name and address of your company.
c) *Loan Closing Date*. Insert the date of the closing of the Georgia Dream First Mortgage loan.
d) *Federal Subsidized Amount*. Multiply the original loan amount by 6.25% and insert that number in the blank.
e) *Targeted Area*. Check whether the mortgaged property is in a targeted census tract or other Targeted Area

Chapter 4
Georgia Dream Second Mortgage Programs

The Georgia Dream Second Mortgage Program provides first time home buyers with a deferred payment subordinate mortgage loan for the down payment, closing costs, prepaid expenses or principal reduction associated with the purchase of a home. Georgia Dream Second Mortgage Loans must be used in conjunction with a Georgia Dream First Mortgage Loan. Please see Chapter 8 for the Georgia Dream Peach Advantage Second Mortgage Program.

401 Loan Terms

The Georgia Dream Second Mortgage Loan is a deferred repayment subordinate mortgage loan. In general, the Georgia Dream Second Mortgage Loan is in second lien position.

The Georgia Dream Second Mortgage Loan is non-forgivable throughout the life of the loan and must be repaid in full if the Applicant:

a) sells or transfers the property;
b) refinances the first mortgage; or
c) no longer uses the mortgaged property as the principal residence.

401.1 Interest Rate

The interest rate for Georgia Dream Second Mortgage Loans is 0% per annum.

401.2 Loan Amount

Georgia Dream Second Mortgage Loans provide the amounts of down payment assistance outlined in this Section to Georgia home buyers. These loan amounts cannot be combined. The borrower may utilize less than the limits below as there is no minimum loan amount.

*Effective February 8, 2024, the amounts of each loan type were revised to the following limits:

STANDARD DPA, 5% (five percent) of the property purchase price or a maximum $10,000 whichever **is the lesser** amount.

PEN/CHOICE DPA, 6% (six percent) of the property purchase price or a maximum of $12,500 whichever **is the lesser** amount.

401.2a Standard

The *Standard* Loan provides up to $10,000 subject to the conditions in section 401.2*.

401.2b Protectors, Educators,

The *PEN* Loan provides up to $12,500 subject to the conditions in section 401.2* to the following Georgia heroes:

a) Protectors- Employees and/or active duty personnel of the following:

and Nurses (PEN)

(i) a police department, sheriff's office, corrections department*, Georgia Department of Motor Vehicles or other law enforcement agency administered by or part of a local, state, or federal government or other political subdivision of the state, that is responsible for the enforcement of the penal, traffic, or highway laws or the incarceration or detention of offenders;

(ii) a local, state, or federal fire department, including volunteer firefighters, that are responsible for at least one of the following: natural disaster response, fire suppression, emergency medical response and patient care, fire and injury prevention, arson investigation, hazardous materials, incident response and management, and/or response to acts of terrorism;

(iii) the armed forces of the United States of America consisting of the United States Army, United States Navy, United States Air Force, United States Marine Corps, United States Coast Guard;

(iv) the Army National Guard;

(v) the Air National Guard;

(vi) Civil Servants for a Military Base

*Including Homeland Security and/or the correction departments that are administered by a private corporation under State or Federal guidelines; and/or

(vii) Actively drilling United States military reservists

b) Educators - Employees of the following:

(i) a local, city or county school board that is recognized by the state or accredited by a state or regional accrediting association. This would include Head Start programs, Pre-K, elementary and high school teachers and all other employees of a school or board of education, school Bus drivers working for an accredited school system, even if outsource;

(ii) a private school system that is recognized by the state or accredited by a state or regional accrediting association;

(iii) state-certified teachers of a Head Start, Pre-K program or day care provider not connected to a local school board system that can provide evidence of current certification in the state of Georgia at time of DCA underwriting; and

(iv) post-secondary institutions accredited by a State or Regional Accreditation Association, including employees of agencies that are "units" of a University System who are eligible for participation in the Teachers Retirements System and employees of Sylvan and Total Learning Center as long as they can provide a current teaching certificate.

c) Nurses (health care workers) - Employees of a state licensed health care facility including but not limited to: hospitals, medical and dental offices, health departments, nursing homes, lab technicians, pharmacy technicians, assisted living workers, red cross employees, home health care workers, Georgia Department of Community

Health, public health care, county health care and residential mental health facilities.

401.2c CHOICE

A Consumer Homeownership & Independence Choices for Everyone (*CHOICE)* Loan provides applicants with disabilities, or those who have a disabled dependent or disabled non-dependent as a household member, with up to $12,500 subject to the conditions in section 401.2*. A letter of explanation statement from the applicant with 1010 language may be required to validate the disabled person's intent to reside in the subject property.

401.3 Mortgage Insurer Requirements

Lender must ensure the Georgia Dream Second Mortgage Loan meets the requirements of the Mortgage Insurer of the Georgia Dream First Mortgage Loan. You should check with the Mortgage Insurer to verify the precise requirements.

a) *FHA Loans.* FHA has approved the Georgia Dream Second Mortgage Program as provided under Mortgagee Letter 94-2. The LTV for all mortgages cannot exceed 96.50% of the cost to acquire the property, plus any normal prepaid expenses, as described in HUD SF Handbook 4000.1 Per HUD Mortgagee Letter 2013-14 the Georgia Dream Second Mortgage Loan directly provides the borrower's required cash investment through secondary financing as an instrumentality of the State of Georgia. DCA incurs a legal enforceable obligation as a result of it agreement to provide funds towards the borrower's minimum cash investment.
b) *VA Loans.* The Georgia Dream Second Mortgage Loan may be used with a VA guaranteed loan.
c) *USDA/RD Loans.* The Georgia Dream Second Mortgage Loan may be used with a USDA/RD Loan. The USDA/RD Loan and the Georgia Dream Second Mortgage Loan amounts may exceed the appraised value of the property only by an amount equal to closing costs and prepaid expenses.

401.4 Use of the Georgia Dream Second Mortgage Loan Amount

The Georgia Dream Second Mortgage Loan funds may be used for principal reduction, down payment, allowable closing costs and prepaid expenses associated with the home purchase. If the Applicant's required costs for the principal reduction, down payment, closing costs, and prepaid expenses associated with the home purchase are more than the Georgia Dream Second Mortgage Loan amount, the amount over the Loan amount must be provided by the Applicant, the seller or another party acceptable to the Mortgage Insurer.

Georgia Dream Second Mortgage Loan proceeds may not be used for buy downs or repairs.

When purchasing a HUD REO property where the maximum loan amount,

based on the "as-is" appraised value, is less than the sales price, Georgia Dream Second Mortgage Loan proceeds may not be used as the borrowers cash investment for the difference.

401.5 Debarred and Suspended Lists

The borrower(s), seller(s), realtor(s) or any other parties to the second mortgage transaction may not appear on the current HUD Debarred or Suspended lists as per mortgage insurer guidelines. Lender is responsible for certifying that it has checked the most recent HUD lists to verify the parties to the transaction do not appear on either list by signing page 2 of the SF-60, Lender Certification.

401.6 Recapture Tax

Georgia Dream Second Mortgage Loans which close after January 1, 1991 and are financed with tax exempt bond funds may be subject to Recapture Tax. It will be noted on the Underwriting Approval Letter if the loan is financed with tax exempt bond funding. Lenders must refer to Chapter 3 of this Seller Guide for information regarding Recapture Tax requirements and disclosures.

402 Eligible Applicants

Federal and state laws and regulatory guidelines define who is eligible for assistance under our programs.

Generally, the Applicant must be a first-time home buyer, with the following exceptions:

a) The Applicant does not have a present ownership interest and has not had an ownership interest in a home used as his or her principal residence in the three (3) years prior to closing on the Loan;
b) The Applicant is purchasing a home in a Targeted Area, or
c) The Applicant is a veteran (as defined in section 101 of title 38, United States Code)

Non-applicant household members are not required to be first time home buyers.

See Chapter 3 of this Guide for complete definitions of ownership interest.

403 Household Annual Income

The Applicant's total Household Annual Income, including the income of Non-Applicants 18 years of age and older (as stated on Forms SF-12 and SF-15), must not exceed the following amounts based on the Household size and the location of the property for a particular county or MSA* or statewide.

Atlanta-Sandy Springs-Roswell, GA HUD Metro FMR Area

Barrow County, Bartow County, Carroll County, Cherokee County, Clayton County, Cobb County, Coweta County, Dawson County; DeKalb County, Douglas County, Fayette County, Forsyth County,

Fulton County, Gwinnett County, Heard County, Henry County, Jasper County, Newton County, Paulding County, Pickens County, Pike County, Rockdale County, Spalding County, Walton County

1-2 persons	$137,555
3 or more persons	$158,188

Athens, GA MSA

Clarke County, Madison County, Morgan County, Oconee County, Oglethorpe County

1-2 persons	$118,152
3 or more persons	$135,875

All Other Georgia Counties

1-2 persons	$101,700
3 or more persons	$116,955

*** See Appendix II for counties in the MSAs**

404 Eligible Properties

Properties secured by a Georgia Dream Second Mortgage Loan must meet the property requirements described in Chapter 3 of this guide.

405 Appraisal Requirements

Georgia Dream Second Mortgage Loans will use the applicable concurrent DCA first mortgage appraisal and/or follow this Seller Guide requirements with section 310 Appraisal Guidelines and all its subsections.

406 Additional Documents for Underwriting Package

The following is required in the DCA Underwriting Package as evidence that the Applicant meets the requirements of the Program being used:

PEN: Documentation verifying to the satisfaction of DCA that the applicant(s) is a Georgia Hero as described in this Chapter.

CHOICE: Documentation verifying the status of the disability and dependency, either (1) a Social Security Disability Determination Letter or (2) a certified denial from SSI which states that a disability exists but the applicant is not income eligible for funds, or (3) documentation from an acceptable medical source that indicates the existence of an impairment listed on the Social Security Administration's website "listing of Impairments", https://www.ssa.gov/disability/professionals/bluebook/listing-impairments.htm or (4) a Veterans Administration Disability Determination Letter.

A disability determination is only acceptable for the applicant, the applicant's spouse or a dependent of an applicant.

407 Loan Closing and Purchase

All closing documents and legal documents must reference "Georgia Housing and Finance Authority" (GHFA) and not DCA. GHFA is the legal entity that will purchase the Loan from the DCA Lender.

408 Subordinate Financing

Any additional subordinate financing to be utilized with the Georgia Dream Second Mortgage Loan Program must be approved by GHFA management. Employer assisted home buyer down payment grant programs are permitted in third position behind the Georgia Dream Second Mortgage.

409 Purchase Documents

Georgia Dream Second Mortgage Loans require the following purchase documentation: (See Purchase Package Checklist)

a) *Note and Deed.* All Georgia Dream Second Mortgage Loans must be evidenced by the Georgia Dream Second Mortgage Note (Form SF-82) and the Georgia Dream Second Mortgage Subordinate Security Deed (Form SF-84). The Note should be endorsed as follows: "Pay to the order of the Georgia Housing and Finance Authority without recourse."

b) *Transfer and Assignment*. All Georgia Dream Second Mortgage Loans must have a completed and signed original recorded Transfer and Assignment (Form SF-44B) reflecting the second mortgage loan amount.

c) *First Mortgage Closing Disclosure*. The Georgia Dream Second mortgage Loan (Georgia Dream whole dollar amount) must be shown on Lines 06-07 under Section L, Other Credits of the Georgia Dream First Mortgage Loan Closing Disclosure.

d) *Second Mortgage Closing Disclosure.* The Georgia Dream Second Mortgage Loan Closing Disclosure should reflect only the following fees:

- Attorney Fees; Maximum of $150
- Filing and recording fees; Actual costs
- Transfer and Intangible Taxes: Actual costs
- Georgia Residential Mortgage Act (GRMA) Fees

A second Mortgage Closing Disclosure:

- Will be required for **all** second mortgages.
- The prior 1% settlement cost threshold is eliminated as of the Seller Guide version 2025-10-23.
- Truth in Lending (TIL) statements will no longer be accepted in lieu of a Closing Disclosure.

410 Loan Purchase

At the time of funding, the original principal balance of the Georgia Dream Second Mortgage Loan will be disbursed to the DCA Lender using the wiring instructions that provided by Lender on the lender application.

411 Applicant Funds Required

The Applicant must contribute a minimum of $1,000 to the purchase transaction. Funds may be a gift or a loan documented in accordance with the Mortgage Insurer's requirements.

The funds may be contributed to the transaction prior to closing and/or at closing. Examples of items which may be included in determining the amount contributed by the Applicant include:

a) Earnest money;
b) credit report fee paid outside of closing (POC), even if credited back at closing;
c) appraisal fee (POC), even if credited back at closing;
d) hazard insurance if paid for by Applicant prior to closing;
e) homeowner's title insurance if paid for by Applicant prior to closing;
f) home inspection fees paid (POC) by the Applicant; and or
g) cash brought to closing

Chapter 5
Georgia Dream HHF DPA Program
(Program ended December 2020)

501 Georgia Dream HHF DPA Program

The Georgia Dream Hardest Hit Funds Down Payment Assistance (HHF DPA) Program was created to provide an incentive to qualified applicants to purchase a primary residence and thereby stabilize the housing market in those counties that have been the hardest hit with serious delinquency, negative equity, distressed sales and foreclosures. Funding for the program is provided by the U.S. Department of Treasury. The down payment assistance will be available on a first come, first served basis until the allotted funds for the program are depleted.

Chapter 6
Georgia Dream Peach Select Veterans Assistance Loan Program

601 Georgia Dream Peach Select Veterans Assistance Loan Program

The VA without Georgia Dream down payment assistance can be stacked with an outside down payment assistance program. However, the borrower is prohibited from using Georgia Dream down payment assistance program with this product (the new Georgia Dream Veterans Assistance No DPA Loan product). The Georgia Dream Veterans Assistance (GAVA) Program offers qualified military veterans mortgage loans at below market interest rates. Funding for the program is provided by Georgia Housing Financing Authority (GHFA). The program will operate for the duration that funding reserves are available.

This policy applies to all loans reserved from March 15th, 2024.

The Georgia Dream VA Program loan will be provided in the form of a low interest first mortgage loan originated through an approved Georgia Dream Lender. Funds can only be used toward payment of the acquisition cost of the subject property and must be the equivalent of the final purchase price.

602 Required Documents

- VA Form 26-1843: "Certificate of Reasonable Value" ***OR*** VA Notification of Value Letter (must be signed/dated by Lender's VA LAPP/SAR Underwriter),
- VA Case Number Assignment and CAIVRS
- VA Certificate of Eligibility dated within the most recent 4 months
- VA Form 26-0592 Counseling Checklist for Military Homebuyers ***IF*** Active Duty

603 Eligible Properties

The subject property must meet the requirements specified in this Seller Guide and be a single-family home (including a condominium unit, townhome, manufactured, and modular home) located in any of the 159 counties in the State of Georgia.

604 Eligible Loans

The Georgia Dream VA Program funds must comply requirements contained in Chapter 303.1c of this Seller Guide, First-Time Home Buyer Requirement, including but not limited to the minimum required investment of $500, are applicable unless there is a specific exception stated in this chapter.

For active-duty military borrowers, Georgia Dream will permit the borrower to:

- Acquire a new primary residence provided there are U.S. Military Orders supporting the need for relocation, and
- Retain their departure residence, and
- Waiver the 303.3 No Ownership of Other Residential Real Estate, and
- Under no circumstances may the borrower have ownership interest except for the subject property being acquired as a primary residence and their one departure residence, and
- The Applicant is a veteran (as defined in section 101 of title 38, United States Code) that has not received bond-financed mortgage assistance on their departure residence, and
- Have sufficient VA entitlement on both the subject property being acquired and/or their departure residence

The Georgia Dream VA first mortgage Program funds can be combined with other down payment assistance funds, that must take subordinate position, in addition to terms and conditions stipulated in Section 401 of this Seller Guide.

605 Loan Terms

All loans must comply with all the requirements of this Seller Guide except as stipulated below.

- The first mortgage loan is available only to qualified military veterans who submit a Certificate of Eligibility (COE).
- The Loan-to-Value ratio should not exceed 100% of the lesser of the sales price or appraised value with a supporting Notice of Value from the VA LAPP/SAR lender underwriter excluding the applicable VA funding fee.
- The maximum Debt-to-Income ratio will be per AUS approval.
- Refer to the daily rate sheet for current pricing.

- The minimum investment requirement from the borrower is $500.
- The asset requirement is waived regarding the borrower having no more than the greater of $20,000 or 20% of the sales price after closing.
- The Household Income Limitations are those listed in Section 304.2 of this Seller Guide
- The Maximum Purchase Prices are those listed in 308.1 of this Seller Guide

606 Eligible Borrowers

Eligible borrowers must comply with all requirements of the Georgia Dream Homeownership Program, including income requirements, and pre-purchase counseling in addition to the following:

- A surviving spouse of a service member who died while serving or died from a service-related disability.

- The borrower must submit a valid Certificate of Eligibility (COE) or DD-214 and/or DD-4 documentation with their application package.

607 Loan Closing

All closing documents and legal documents must reference "Georgia Housing Finance Authority" (GHFA), as the legal entity that will fund the Loan.

In addition to any disclosures required under state or federal law, you must use the closing documents as required by the Georgia Dream investor guideline (see section Chapter Section 210 of this Seller Guide)

Chapter 7

Georgia Dream Peach Plus Loan Program

701 Georgia Dream Peach Plus Program

The Georgia Dream Peach Plus *(*hereafter also referred to as "Peach Plus"), aims to serve homebuyers who may not qualify for the current Georgia Dream program due to limits set by non-taxable MRB program. Peach Plus offers a higher income and purchase price limit for qualifying homebuyers.

The Peach Plus loan will be provided in the form of a first mortgage loan originated through an approved Georgia Dream Lender. Funds can only be used toward payment of the acquisition cost of the subject property and must be the equivalent of the final purchase price.

702 Eligible Properties/Occupancy

The subject property must meet the requirements specified within Chapter 3 of this Seller Guide and be a single-family home (including a condominium unit, townhome, modular home, located in any of the 159 counties in the State of Georgia. One of the borrowers must occupy the property as their primary residence within 60 days of closing.

703 Eligible Loans

The Peach Plus program funds must comply with requirements of FHA and VA within Chapter 3 of this Seller Guide, including but not limited to the minimum required investment of $1,000.

Borrowers may use other forms of down payment assistance in conjunction with the down payment assistance received from Ga. Dream Program. The additional down payment assistance received must take a third subordinate lien position, to the first mortgage, and DCA's (2^{nd}) second lien position. In addition, to the terms and conditions stipulated in Section 401 of this Seller Guide.

704 Loan Terms

All loans must comply with all the requirements of this Seller Guide except as stipulated below.

- Standard DPA, 3.5% of the purchase price or a maximum $10,000 whichever is the lesser amount.

- PEN/CHOICE DPA, 4 % of the purchase price or a maximum of $12,500 whichever is the lesser amount.

- The maximum Loan-to-Value is subject to FHA guidelines and must not exceed 96.5% and VA guidelines and must not exceed 100%.

- The interest rate for the Peach Plus loans is the rate that is in effect at the time of Reservation is received by DCA. Refer to the weekly rate sheet for current pricing.

705 Eligible Borrowers

Borrowers may be either first-time or recurring homebuyers with no first-time homebuyer requirement. Eligible borrowers must comply with all requirements of the Georgia Dream Homeownership Program, including income requirements, and purchase limits in addition to the following:

Credit Score	DTI Ratio	Reserve Requirement	Allowable Exceptions
700+	Per AUS approval	Per FHA	N/A
640 – 699 (660+ for manufactured homes)	≤45%	Per FHA	up to 47% + two months of reserves minimum, & Management approval

706 Income Limitations

The Applicant's total Household Annual Income, including the income for a Non-Applicant 18 years of age or older (as stated on Forms SF-12 and SF-15), must not exceed the following amounts based on the Household size and the location of the property for a particular county or MSA or statewide:

Atlanta-Sandy Springs-Roswell, GA HUD Metro FMR Area

Barrow County, Bartow County, Carroll County, Cherokee County, Clayton County, Cobb County, Coweta County, Dawson County; DeKalb County, Douglas County, Fayette County, Forsyth County, Fulton County, Gwinnett County, Heard County, Henry County, Jasper County, Newton County, Paulding County, Pickens County, Pike County, Rockdale County, Spalding County, Walton County

1-2 persons	$206,333
3 or more persons	$237,282

Athens, GA, MSA Clarke County, Madison County, Morgan County, Oconee County, Oglethorpe

1-2 persons	$177,228
3 or more persons	$203,813

All Other Georgia Counties

1-2 persons	$152,550
3 or more persons	$175,433

707 Purchase Price Limitations

The Purchase Price or Acquisition Cost is the total cost to acquire the completed single-family residence, excluding financing costs such as closing costs and prepaid items. Form SF-16 must be used to calculate the Acquisition Cost.

The Maximum Purchase Price for existing and newly constructed properties must be equal to or less than the

following amounts based on the location of the property:

$725,000 Atlanta-Sandy Springs-Roswell, GA HUD Metro FMR Area

Barrow County, Bartow County, Carroll County, Cherokee County, Clayton County, Cobb County, Coweta County, Dawson County; DeKalb County, Douglas County, Fayette County, Forsyth County, Fulton County, Gwinnett County, Heard County, Henry County, Jasper County, Newton County, Paulding County, Pickens County, Pike County, Rockdale County, Spalding County, Walton County

$650,000 Athens, GA MSA

Clarke County, Madison County, Morgan County, Oconee County, Oglethorpe County

$575,000 All Other Georgia Counties

708 Loan Closing

When the Applicant is also the builder, DCA requires the following: a copy of the construction contract or cost to build (including receipts) to be in the Underwriting Package to document the Acquisition Cost and to ensure it is not over the Maximum Purchase Price limit; the LTV ratio is to be calculated using the total Acquisition Cost or the Appraised Value, whichever is less; and all credit and closing documents to indicate the transaction as a purchase or construction to permanent financing. It must not be presented as a refinance transaction.

All closing documents and legal documents must reference "Georgia Housing Finance Authority" (GHFA), as the legal entity that will fund the Loan.

In addition to any disclosures required under state or federal law, you must use the closing documents as required by the Georgia Dream investor guideline (see section Chapter Section 210 of this Seller Guide).

Chapter 8

Georgia Dream Peach Advantage Loan Program

801 Georgia Dream Peach Advantage Program

The Georgia Peach Advantage program is a non-bond, conventional loan product with down payment assistance (DPA), tailored for both first-time and repeat homebuyers. The program offers 30-year fixed rate conventional loans originated by participating delegated lenders and purchased by Lakeview Loan Servicing, LLC (Lakeview).

A second mortgage DPA, offered by the Georgia Department of Community Affairs (DCA), is available in amounts of 0%, 2%, 3%, 4%, or 5% of the first mortgage base loan amount. The second mortgage is non-forgivable, carries a 0% interest rate, and requires repayment upon sale, refinance, or non-owner occupancy.

The Georgia Dream Peach Advantage Program uses the same first mortgage guidelines as Lakeview Loan Servicing, LLC.

Except for rules that only apply to mortgage revenue bond programs, Peach Advantage also follows the same standards found in Chapters 1 and 2 of the Seller Guide. This includes lender approval and renewal, quality control, repurchase policies, and the process for reserving, closing, and funding loans.

Borrowers must meet Chapter 3, section 303.3, No Ownership of Other Residential Real Estate.

Bond specific items, such as purchase price/acquisition costs limits, household income limitations, targeted area rules, recapture tax disclosures, tax exempt bond riders, and bond-fund availability controls, do **not** apply.

Participating lenders must be approved by, and meet all delivery requirements of, both the Georgia Department of Community Affairs (DCA) and Lakeview Loan Servicing, LLC.

802 Eligible Loans

Borrowers may use other forms of down payment assistance in conjunction with the down payment assistance received

from Georgia Peach Advantage. The additional down payment assistance received must take a third subordinate lien position, to the first mortgage, and DCA's (2nd) second lien position. In addition, to the terms and conditions stipulated in Section 401, 401.1, and 408 of this Seller Guide.

803 Loan Terms

All loans must comply with all the requirements as stipulated below.

- DPA, is available in amounts of 0%, 2%, 3%, 4%, or 5% of the first mortgage base loan amount.
- The second mortgage is non-forgivable, carries a 0% interest rate, and requires repayment upon sale, refinance, or non-owner occupancy
- The maximum Loan-to-Value is subject to Fannie Mae or Freddie Mac guidelines and must not exceed 97%
- The maximum Combined Loan-to-Value is subject to Fannie Mae or Freddie Mac guidelines and must not exceed 105%.
- The interest rate for the Georgia Peach Advantage loans is the rate that is in effect at the time of Reservation is received by DCA. Refer to the daily rate sheet for current pricing.

804 Eligible Borrowers

Borrowers may be either first-time or recurring homebuyers with no first-time homebuyer requirement. Eligible borrowers must comply with all requirements of the Georgia Dream Homeownership Program, including income requirements, and purchase limits in addition to the following:

Credit Score	DTI Ratio	Reserve Requirement
700+	Per AUS approval	Per AUS
640 – 699 (660+ for manufactured homes)	≤45%	Per AUS

805 Income Limitations

The Applicant's total Household Annual Income must not exceed 150% of the Area Median Income (AMI), as determined by the selected GSE – either Fannie Mae's HFA Preferred ***or*** Freddie Mac's HFA Advantage.

- Fannie Mae's AMI Lookup Tool can be found at Fannie Mae AMI Lookup Tool.
- Freddie Mac's AMI Lookup Tool can be found at Freddie Mac AMI Lookup Tool.

806 Purchase Price Limitations

The Maximum Purchase Price for existing and newly constructed properties must be equal to or less than the following amounts based on the location of the property:

$725,000 Atlanta-Sandy Springs-Roswell, GA HUD Metro FMR Area

Barrow County, Bartow County, Carroll County, Cherokee County, Clayton County, Cobb County, Coweta County, Dawson County; DeKalb County, Douglas County, Fayette County, Forsyth County, Fulton County, Gwinnett County, Heard County, Henry County, Jasper County, Newton County, Paulding County, Pickens County, Pike County, Rockdale County, Spalding County, Walton County

$650,000 Athens, GA MSA

Clarke County, Madison County, Morgan County, Oconee County, Oglethorpe County

$575,000 All Other Georgia Counties

807 Underwriting

Unlike Georgia Dream bond-funded programs, DCA will ***not*** perform compliance underwriting. All underwriting, compliance responsibilities are fully delegated to the originating and participating Georgia Dream lender, in accordance with Lakeview Loan Servicing, LLC product requirements.

808 Loan Closing

The second mortgage Promissory Note must reference "Georgia Housing Finance Authority" (GHFA), as the legal entity that will fund the Loan. This Promissory Note is identified within this Seller Guide as SF-83 which is the exclusive Promissory Note for the Peach Advantage Program.

The second mortgage security deed must be used. This security deed is identified within this Seller Guide as SF-85.

The applicant(s) must also execute the Down Payment Assistance Acknowledgement Form identified in this Seller Guide as SF-81.

In addition to any disclosures required under state or federal law, you must use the closing documents along with those as required by Lakeview Loan Servicing, LLC.

809 Post-Closing

Unlike Georgia Dream bond funded programs, DCA will ***not*** perform post-closing review for Peach Advantage loans. All compliance and post-closing responsibilities are fully delegated to the originating and participating Georgia Dream lender, in accordance with Lakeview Loan Servicing, LLC product requirements.

810 Loan Purchase & Delivery

Lakeview Loan Servicing, LLC (Lakeview) purchases both the first and second mortgages subject to their purchase policies. See the Georgia Dream Peach Advantage matrix for product details or Lakeview Affordable Lending Product Matrices located in the Lakeview Correspondent Lending Library at www.lakeviewcorrespondent.com and for those items not addressed in this Seller Guide. It is the Lender's responsibility to ensure use of the most current matrices, Georgia Dream Seller Guide, Lakeview Affordable Lending Product Matrices, and Lakeview's policies and procedures when originating and delivering loans.

Reserved for Future Use

Georgia Dream/Peach Select Total Household Income Worksheet

Input Total Income for Applicant, Co-Applicant, and Adult Non-Applicant pursuant to Chapter 3 of the Seller Guide.

County: Appling **Family Size:** 1 Person

Maximum Household Income Limit: $101,700

The maximum purchase price for all properties must be equal to or less than the following:

For Purchase Price Limits, please refer to section 308.1 of the Seller Guide.
or click this link to go to our website.

Employment Income	**Applicant 1**	**Applicant 2**
Name of Person Employed		
Company Name		

Applicants Incomes *UW's Gross Monthly Income from 1003, AUS, FHA-LT or VA Loan Analysis or FNMA 1008 where all match*	**Applicant 1**	**Applicant 2**
Enter Final Gross Monthly Underwritten Income:		
Enter **12** Pay Periods per Year:		
Line 1 Multiplied by Line 2:	**0.00**	**0.00**

Other Income / Child Support and Non-Applicant Income

Recipient	Source	Amount Received	Number of Periods in Year	Totals
				0.00
				0.00
				0.00
			SubTotal	**0.00**

Non-Payroll Deposits - more than 50% of each borrower's gross mon

Bank Name & Account Number	Total of Deposits Not Included Above	Enter Number of Monthly Statements	Total deposits divided by number of statements multiplied by 12
			0.00
		SubTotal	**0.00**

Grand Total Can Not Exceed Program Income Limits.
Green is acceptable and Red is over the limit.

GRAND TOTAL **$0.00**

Peach Plus Total Household Income Worksheet

Input Total Income for Applicant, Co-Applicant, and Adult Non-Applicant pursuant to Chapter 3 of the Seller Guide.

County: Appling **Family Size:** 1 Person

Maximum Household Income Limit: $152,550

The maximum purchase price for all properties must be equal to or less than the following:

For Purchase Price Limits, please refer to Chapter 7 of the Seller Guide.
or click this link to go to our website.

Employment Income	**Applicant 1**	**Applicant 2**
Name of Person Employed		
Company Name		

Wage Earner Income	**Applicant 1**	**Applicant 2**
UW's Gross Monthly Income from 1003, AUS, FHA-LT or VA Loan Analysis or FNMA 1008 where all match		
Enter Final Gross Monthly Underwritten Income:		
Enter **12** Pay Periods per Year:		
Line 1 Multiplied by Line 2:	**0.00**	**0.00**

Other Income / Child Support and Non-Applicant Income

Recipient	Source	Amount Received	Number of Periods in Year	Totals
				0.00
		0.00	0	0.00
		0.00	0	0.00
			SubTotal	**0.00**

Non-Payroll Deposits - more than 50% of each borrower's gross monthl

Bank Name & Account Number	Total of Deposits Not Included Above	Enter Number of Monthly Statements	Total deposits divided by number of statements multiplied by 12
	0.00	0	0.00
		SubTotal	**0.00**

Grand Total Can Not Exceed Program Income Limits.
Green is acceptable and Red is over the limit.

GRAND TOTAL **$0.00**

Underwriting Package Checklist

- **Loan will be suspended if not in checklist order & fully approved by lender's underwriter**
- **You must submit loan files no less than 10 business days from the closing date & set expectations with all parties per our TPO Connect portal underwriting turn times.**
- **Not applicable to the Georgia Dream Peach Advantage program.**
- **Submit one PDF in the order below through TPO Connect. If certain documents cannot be read or indexed, separate uploads may be required. If Reserved on/before 7-7-26: upload 1 PDF into Lender Online and the appraisal may be uploaded separately**
- **Always return to TPO Connect, upload any remaining documents, and click "Confirm." The loan file is not submitted to DCA for review until "Confirm" is selected.**

	1.	"Loan Applicant Profile," (Form SF-10) with Underwriters Phone Number fully completed (all areas)
	2.	"Reservation Accepted" screen printed from Lender Online **Loans Reserved ON/BEFORE July 7, 2026** "Lock Confirmation" printed from TPO Connect Product Pricing & Lock **Loans Reserved ON/AFTER July 8, 2026**
	3.	Total Household Income Worksheet completed for applicant(s) and adult non-applicant(s) Household Members
	4.	Fully executed "Application Affidavit," (Form SF-12) __ Household Members complete with birthday and Social Security Number __ Annual Income Section complete __ 3 Year Residence History must agree with other loan documents. Landlord name & address required __ Signed and dated
	5.	"Affidavit of Adult (18 years or older) Non-Applicant Household Member," (Form SF-15), if applicable __Signed by non-applicant. If student provide evidence of enrollment __Documentation for all sources of income: current pay stub or similar third-party documentation, 2-year work history, WVOE/VVOE and W2s.
	6.	Copy of "Acquisition Cost Certification," (Form SF-16) __ Fully Completed, Signed and dated by all Borrowers and Sellers on the same form. __ Print name and title under seller's signature on page 2. __ Corporate Resolution/ Recorded POA, if discrepancy with owner of record/authorized signee
	7.	Internal Final Underwriting Approval with conditions listed with **ONLY** condition being that of DCA Conditional Commitment/Approval. **Signed (live ink or electronically) and dated by Underwriter.**
	8.	Automated Underwriting Findings **a.** Final findings reports on loans approved through DU/LPA/GUS signed and dated by the underwriter **b.** All documents required by the Automated Underwriting System, the Mortgage Insurer or GSE and the Lender's underwriter to determine the credit decision **c. All numbers MUST match the final 1003 and Latest Dated CD -OR- Latest Dated Loan Estimate -OR- Latest Dated Loan Fees Worksheet especially closing costs and funds needed to close. We do not allow AUS tolerances or non-matching numbers.** Non-matching numbers will significantly delay your file decision and may be held in Pre-Check Underwriting until received.
	9.	Copy of the applicable forms all signed and dated by Lender's Underwriter: **a.** FHA Form 92900 LT: "FHA Loan Underwriting Transmittal Summary" and DE Underwriter signature with date. If Georgia Dream Second used, Secondary Financing, Source/EIN of 58-1222605 and "Gov't" checked off **b.** VA form 26-6393: "Loan Analysis" **c.** FNMA Form 1008: "Transmittal Summary" with Mortgage Insurance approval (for USDA/RD Guaranteed Loans verify CAIVRS number is written on the form) **d.** USDA Form 3555-18E Conditional Commitment and Waiver Letter (credit or ratios), if applicable for USDA/RD Guaranteed Loan **e.** Eligibility Summary (Guaranteed Loans originated by USDA/RD only
	10.	Applications and Addendums for primary owner occupant borrower(s) __ Final FNMA Form 1003 with updated PITI, income, assets and details and transactions __Signed FHA Addendum (pages 1,2,3, & 4) with page 3 completed by the UW __DE Approval signed w/approval and expiration dates. UW to sign in all applicable areas __Liquid Assets meet program requirements __All financing sources listed in details of transaction __Complete loan originator name and identifier number if applicable

	11.	Credit Report dated within 120 days of the lender's underwriting decision. Any credit supplements or updated reports to be placed in front of original report. ***If credit report reflects a current or previous mortgage, document that borrower has no current property ownership interest in the most recent 3 years***.
	12.	Rental History Verification, if manual review.
	13.	Fraud prevention and data verification report from an acceptable vendor (i.e. Fraudguard, Drive, Lexis Nexus, Corelogic),
	14.	Liens and judgment verification report (if not embedded in fraud prevention report)
	15.	Verbal Verification of Employment (VVOE) for most recent 24 months of employment or VVOE per AUS requirements
	16.	Written Verification of Employment to also breakdown any incomes over and above base, i.e., bonus, overtime, commission, etc.
	17.	Verification of Income dated within **forty-five (45) days of your underwriting decision** date shown on the 92900A __Copy of most recent paystubs for borrower and co-borrower, must reflect year-to-date earnings, **most current paystub to be placed first** __Other sources of income such as child support, SSI, pension, etc. __Most **current** year's W-2's from all jobs worked for year in question. **W-2 TAX TRANSCRIPTS NOT REQUIRED UNLESS ACTUAL W-2s ARE MISSING** __ Self-Employed: Most recent two years personal and business tax returns with K-1's if applicable. CPA prepared unaudited YTD Profit and Loss. Profit and Loss may be self-prepared if Schedule C Sole Proprietorship
	18.	4506C with items #6 – #9 completed in full ***OR*** 8821 with items #3a, 3b, 3c, and 3d. **Either form MUST state most recent 3 years**
	19.	Federal IRS Tax Transcripts for each Borrower for the past 3 years (A SF-6012 Tax Affidavit may be provided for applicable years if no tax return filed. **(Full tax returns, W2's and State tax returns not required unless requested by DCA underwriter)** __If evidence of home mortgage interest or real estate taxes deduction, see Seller Guide 303.1 __Number of dependents consistent with loan application. If not, satisfactory explanation over 1010 language is required
	20.	Co-Signer Documentation (non-occupant co-borrower) __1003 and HUD Addendum if FHA __Credit Report __Data Verification __Lien and Judgment Report __Income Documentation __Asset Accounts
	21.	Bank Statement(s) on **ALL** open accounts for the most recent 30-day period dated **within forty- five (45) days of your underwriting decision** date shown on the 92900A – **put most recent statement on top** __Explanation and source for non-payroll deposits greater than 50% of gross earnings with 1010 warning (attached) __Assets on bank statement(s) must agree with figures on 1003 and Automated Underwriting Findings. (SG 304.8) __Verification of funds source as per insurer guidelines including gift funds __Copy of earnest money and source of funds. Any POC's to be sourced to receive credit on CD __Education refunds deducted from available balance
	22.	Sales Contract and applicable Addenda signed by all parties **a.** Addendum referencing disclosure of Lead-Based paint and Lead-Based paint hazards if property built prior to 1978 **b.** Amendments correcting original sales price/seller paid closing costs or other terms to be on top of sales contract. Must match SF16 and other documentation throughout file **c.** Condo/PUD/HOA Exhibits **d.** FHA Real Estate Certification and/or Amendatory Clause Exhibits **e.** Manufactured home: two-time close include any interim financing, cost of home, site preparation, and land costs
	23.	Appraisal/Uniform Residential Appraisal Report with all addend, E&O, and appraiser's current GA license ****See Specific Loan Type Appraisal Requirements below**** __Manufactured home: Built on/after July 13, 1994 (no singlewides) __Manufactured home: Two comparable sold manufactured home sales within 12 months of the appraisal date __Manufactured home: Engineer's foundation certification __Manufactured home: HUD Data Plate & Certification Label or IBTS verification __Manufactured home: Proof transport equipment removed

	24.	**Appraisal, if FHA Existing Construction Loan**, • FHA Form 92800.5B: "Conditional Commitment/Direct Endorsement Statement of Appraised • Value" (must be signed/dated by Lenders Underwriter) • FHA Case Number Assignment with Success, • FHA Appraisal Logging results with Success • Clear CAIVRS on all credit qualifying borrowers • Clear LDP/GSA SAMS on all parties in the transaction
	25.	**Appraisal, If FHA OR USDA New Construction loan (New property, never occupied, or rehab and not occupied since rehab….USDA: SEE 1-HB-3555, CH 12.9)** • Builder Certification of Plans & Specs & site, HUD form 92541 • Soil Treatment Letter Builder Guarantee, HUD-NPMA99-A, Built w/Steel & Concrete foundation • Subterranean Termite Service Record, HUD-NMPMA-99-B, Built w/wood & wood foundation • Builder Warranty of Completion of Construction, HUD-92544 • Building Permit • If USDA, executed RD form 1924-25 • Certificate of Occupancy • Clear Final Inspection (waived if a Certificate of Occupancy is in the file), • FHA Compliance Inspection Report (CIR) HUD-92051, if applicable due to improper construction
	26.	**Appraisal, If VA Loan, Appraisal & Document Requirements** • VA Form 26-1843: "Certificate of Reasonable Value" ***OR*** VA Notification of Value Letter but does not require the VA LAPP/SAR underwriter's live signature. • VA Case Number Assignment and CAIVRS • VA Certificate of Eligibility dated within the most recent 4 months • VA Form 26-0592 Counseling Checklist for Military Homebuyers ***IF*** Active Duty **If New Construction also obtain:** • Builder's Certification VA Form 26-1852, • Builder's license, Soil Treatment Letter/Guarantee from Builder VA Form NPMA-99A, • Soil Treatment from Pest Control company NPMA-99B, • Certificate of Occupancy, • Clear Final Inspection (waived if a Certificate of Occupancy is in the file), • One Year Warranty on VA form 26-1859 or a 10-year insurance backed warranty
	27.	**Appraisal, If USDA or conventional loan,** 1st mortgage with a DCA 2nd provide evidence appraiser is licensed and approved in Georgia and verified on www.asc.gov
	28.	Clear Septic and/or Well Certifications if applicable
	29.	FEMA Flood Certification w/ Life of Loan coverage
	30.	Condos ONLY __AUS must reflect property type as condo __Evidence of FHA condo approval from Lender's DE underwriter __Completed Full Condo Questionnaire FNMA form 1076 or if FHA loan, HUD form 9991 __Borrower's HO6 Condo Policy, coverage A or "walls in coverage" __Master Condo Policy __Condo policy must show State Home Mortgage as Loss Payee
	31.	Home Buyer Education Certificate of Completion on at least one borrower, must be dated within 12 months of DCA commitment. Must be with an HUD approved agency. See Seller Guide for list of approved agencies
	32.	Borrower's Authorization form signed by Borrower
	33.	Borrower's eSignature Authorization identifying all form eSigned and applicable dates
	34.	Support documentation for the following Georgia Dream Second Mortgage Loan programs (See Section 401.2 & 406 OF Seller Guide): **a. CHOICE – Documentation of the status of the disability and dependency (if applicable).** **b.** Approval of the 2nd mortgage from issuing Non-Profit, if applicable

	35.	Preliminary Title Policy dated within 90 days of closing with most recent 12 month chain of title and annual taxes reviewed by underwriter for any insurability issue. **(Taxes must be w/o exemptions- Homestead acceptable**) **__ If new construction, annualized escrows established at closing and monthly escrow qualifying payment must be based on no less than 1.25% of the sales price** ___ Insured closing protection letter ___ Condo ALTA 4 endorsement (if applicable) ___ PUD ALTA 5 endorsement (if applicable) ___ Manufactured home: ALTA 7.1 endorsement for new construction; ALTA 7 for existing construction
	36.	Homeowner's Insurance Policy: • Must reflect ALL qualifying borrower's names, • Sufficient coverage amount equal to at least the lesser of: o The outstanding principal loan balance at closing, or o The maximum insurable value per the appraised value less the land value per the URAR • Maximum deductible is 5% of the property insurance coverage amount • HO-6 or an all-inclusive master hazard policy on all condominium loans
	37.	Unexpired Government Issued Photo ID for Borrower(s). Must be legible
	38.	Initial/Scratch application and FHA Addendum (92900A), signed and dated by Lender and Borrower(s)
	39.	__Initial Loan Estimate __**Latest Dated CD -OR- Latest Dated Loan Estimate -OR- Latest Dated Loan Fees Worksheet** with exact date of closing with **all fees and closing costs matching** the 1003, applicable FHA-LT or VA Loan Analysis, or 1008 Transmittal Summary and Automated Underwriting Findings. Non-matching numbers will significantly delay your file decision and may be held in Pre-Check Underwriting until received.
	40.	203K documents if applicable. See section 302.3 __ 203(k) Applicant Acknowledgement ___Rehabilitation loan Agreement __ 203(k) Streamline Max. Mortgage Worksheet HUD 92700 __Cost Estimate and Contractor Bid __Analysis of Appraisal Report HUD 54113

Closing Checklist
Documents for Closer to send to Closing for Georgia Dream 1st and 2nd Mortgage Loans (excludes Peach Advantage)

This checklist includes only the items that are unique to the Georgia Dream First and/or Second Mortgage Loans; closers must also send usual loan documents to closing.

MORTGAGE MAY NOT BE REGISTERED WITH MERS

First Mortgage Loans:

FHA Loan:

☐	1.	FHA Note
☐	2.	FHA Deed to Secure Debt* **MORTGAGE MAY NOT BE REGISTERED WITH MERS**
☐	3.	Form SF-40 - "Tax-Exempt Financing Rider"* (Not required on Peach Advantage or Peach Plus)
☐	4.	Form SF-46 - "Mortgagor's Closing Affidavit"
☐	5.	Form SF-50 - "Notice to Purchaser of Potential Recapture Tax"
☐	6.	Form SF-61 – Pgs. 1-2 “Notice of Assignment, Sale or Transfer of Servicing Rights
☐	7.	Form SF-101 – “Tax Record Information Sheet”
☐	8.	Final signed 1003 and HUD Addendum by lender and borrower(s)
☐	9.	Manufactured home new construction only, GA Dept of Revenue form T-234, Manufactured Home Certificate of Permanent Location (if applicable)

VA Loan:

☐	1.	VA Note
☐	2.	VA Deed to Secure Debt*
☐	3.	Form SF-40- "Tax-Exempt Financing Rider"* (Not required on Peach Advantage or Peach Plus)
☐	4.	Form SF-46 - "Mortgagor's Closing Affidavit"
☐	5.	Form SF-50 - "Notice to Purchaser of Potential Recapture Tax"
☐	6.	Form SF-61 – Pgs. 1-2 “Notice of Assignment, Sale or Transfer of Servicing Rights
☐	7.	Form SF-101 – “Tax Record Information Sheet”
☐	8.	Final signed 1003 and HUD Addendum by lender and borrower(s)
☐	9.	Manufactured home new construction only, GA Dept of Revenue form T-234, Manufactured Home Certificate of Permanent Location (if applicable)

Conventional or USDA/RD Loan:

☐	1.	FNMA or FHLMC Note
☐	2	FNMA or FHLMC Deed to Secure Debt*
☐	3	Form SF-40 "Tax-Exempt Financing Rider"* (Not required on Peach Advantage or Peach Plus)
☐	4.	Form SF-46 - "Mortgagor's Closing Affidavit"
☐	5.	Form SF-50 - "Notice to Purchaser of Potential Recapture Tax"
☐	6.	Form SF-61 – Pgs. 1-2 “Notice of Assignment, Sale or Transfer of Servicing Rights
☐	7.	Form SF-101 – “Tax Record Information Sheet”
☐	8.	Final signed 1003 and HUD Addendum by lender and borrower(s)
☐	9.	Manufactured home new construction only, GA Dept of Revenue form T-234, Manufactured Home Certificate of Permanent Location (if applicable)

Georgia Dream Second Mortgage Loans :

☐	1.	Form SF-81 - “Down Payment Acknowledgment Form”
☐	2.	Form SF-82 - "Georgia Dream Second Mortgage Note", or
☐	3.	Form SF-84 - "Georgia Dream Second Mortgage Subordinate Security Deed"**

* **These documents must be recorded.**
** **This document must be recorded after the First Mortgage Deed.**

Purchase Package Checklist

(Use for Georgia Dream First and Georgia Dream Second Mortgage and excludes Peach Advantage)

Loans Reserved ON/BEFORE July 7, 2026: Upload a Copy Package within Lender Online to EDOCS in Final Document Loan file and Do Not Forget to Click Submit.

Loans Reserved ON/AFTER July 8, 2026: Upload a Copy Package within TPO Connect

ORIGINAL WET INK SIGNED NOTES ARE THE ONLY ORIGINAL DOCUMENTS NEEDED AND MAIL TO:
LOAN FUNDING DEPT.
GEORGIA DEPARTMENT OF COMMUNITY AFFAIRS
60 EXECUTIVE PARK SOUTH, N.E.
ATLANTA, GEORGIA 30329-2231

☐	1.	Signed "Loan Funding Profile", (Form SF-30)
☐	2.	Any documents required to clear conditions in the Underwriting Approval letter for the First and Second Mortgage Loans.
☐	3.	Original executed First Mortgage Note endorsed to "Georgia Housing and Finance Authority", signed by Authorized Officer and Lender. **Mail original to our office**
☐	4.	Original executed "**Georgia Dream Second Mortgage Note**", (Form SF-82) endorsed to "**Georgia Housing and Finance Authority**", signed by Authorized Officer and Lender **Mail original to our office.**
☐	5.	Final Signed URLA 1003 Loan application executed by borrower(s) and lender's loan officer/representative
☐	6.	Closing Disclosure. Please include **ONLY** the **FINAL** executed closing disclosure only. Preliminary Closing Disclosures must **NOT** be included.
☐	7.	**If FHA Loan:** "Direct Endorsement Approval for a HUD/FHA-Insured Mortgage": FHA form 92900a (page1 through 4) signed by borrower and lender
☐	8.	**If VA Loan:** "VA Loan Analysis", VA Form 26-6393 or "Certificate of Commitment for VA Home Loan Guaranty", VA Form 26-1866a
☐	9.	Copy of signed and dated Security Deed with "Waiver of Borrower's Rights and Closing Attorney's Affidavit", PUD or Condo Rider, if applicable **(MORTGAGE MAY NOT BE REGISTERED WITH MERS and MERS DOCUMENTS MAY NOT BE USED)**
☐	10.	Copy of executed "Tax-Exempt Financing Rider," (Form SF-40). **Not** required on Georgia Dream Peach Plus or Georgia Dream Peach Advantage loans.
☐	11.	**Copy** of the executed "Transfer and Assignment" (Form SF-44A), transferring the mortgage to GHFA signed by an Officer designated to act on behalf of the Corporation and any required Corporate seals. **Original is to be recorded by lender. (MERS DOCUMENTS MAY NOT BE USED)**
☐	12.	Title Insurance Binder/Commitment or Short Form Policy for first mortgage. Add FHA language, lender name and or the Secretary of Housing and Urban Development ISAOA/ATIMA. If Manufactured Home: ALTA 7 endorsement If Manufactured Home: New construction; executed T-234 with certified copy evidencing Georgia Dept of Revenue title cancellation submission
☐	13.	"Mortgagor's Closing Affidavit" (Form SF-46)

☐	14.	"Lender Certification" (Form SF-60)
☐	15.	"Notice to Purchaser of Potential Recapture Tax on Sale of Home",(Form SF-50) **Second Mortgage Amount should be $0.00 if using HHF DPA Funds**
☐	16.	Clear termite letter with attachments, if applicable
☐	17.	HO6 Policy for condos.
☐	18.	Survey, if applicable.
☐	19.	203K Final Inspection signed by Appraiser and Underwriter Final Release Notice 203(k)Draw Request 9746A and interim draws, if needed Mortgagee Letter of Completion Rehabilitation Loan Rider FHA connection 203(k) escrow close out screen print reflecting any principal reduction Maximum Base Loan Amount Worksheet w/ HUD Required Repairs FHA Section 220(d) (3) (A) – Urban Renewal FHA Section 234(c)- Condominiums

Georgia Dream Second Mortgage Documents (if applicable)

☐	1.	SF-81 "Down Payment Acknowledgment Form"
☐	2.	Closing Disclosure for the Second Mortgage, if applicable
☐	3.	Copy of signed and dated Security Deed **"Georgia Dream Second Mortgage Subordinate Security Deed"**, (Form SF-84). (**MORTGAGE MAY NOT BE REGISTERED WITH MERS)**
☐	4.	**COPY** of executed **"Transfer & Assignment"**, (Form SF-44B) transferring the Second Mortgage to **GHFA** signed by an Officer designated to act on behalf of the Corporation and any required Corporate seals. **Original is to be recorded by lender. (MERS DOCUMENTS MAY NOT BE USED)**

Servicing Package Checklist Due to State Home Mortgage

(Use for Georgia Dream First Mortgage Loans **excludes** Peach Advantage)

LOANS RESERVED ON/BEFORE JULY 7, 2026 SERVICING PACKAGES MUST BE UPLOADED TO THE CITRIX SHAREFILE FOLDER WITHIN 15 BUSINESS DAYS OF THE CLOSING DATE

LOANS RESERVED ON/AFTER JULY 8, 2026 SERVICING PACKAGES MUST BE UPLOADED TO TPO CONNECT PORTAL WITHIN 15 BUSINESS DAYS OF THE CLOSING DATE

(CONTACT donna.martin@dca.ga.gov to gain access to CITRIX SHAREFILE)

☐	1.	State Home Mortgage Checklist – indicate in boxes to left each item included in servicing package
☐	2.	State Home Mortgage Servicing Loan Profile (Form SF-31) – must be completed with payment contact information
☐	3.	Copy of Signed 1st Mortgage Promissory Note – with stamped transfer endorsement to GHFA
☐	4.	Copy of Signed 1st Mortgage Security Deed
☐	5.	Copy of properly executed - "Tax-Exempt Financing Rider," (Form SF-40)
☐	6.	If FHA Loan: "Direct Endorsement Approval " - FHA Form 92900a
☐	7.	If Conventional Loan: Private Mortgage Insurance Certificate and Pool Insurance Certificate, ifapplicable
☐	8.	IF VA Loan: VA Loan Analysis, VA Form 26-6393 or "Certificate of Commitment for VA Home Loan Guaranty, VA Form 26-1866a
☐	9.	If USDA/RD: Conditional Commitment, "RD Form 3555-18, page 2, Lender Certificate signed byLender
☐	10.	Complete Title Insurance Policy (binders are **not** acceptable)
☐	11.	Hazard insurance - policy or declarations page – must show Mortgagee Clause as in Item 19 or include Transfer Letter as requested in Item 19.
☐	12.	Hazard insurance – Proof of first year's premium – copy of check or copy of ledger
☐	13.	Flood insurance policy, if applicable, with proof of payment of first year's premium and Mortgagee Clause as shown in Item 19 or Transfer letter.
☐	14.	Tax Record Information Sheet (SF-101) – must clearly indicate date taxes paid through and next payment due date. If **new construction**, annualized escrows established at closing and monthly qualifying payment **must** be based on no less than 1.25% of sales price.
☐	15.	Flood Certification Form – must show Mortgagee Clause as in Item 19 or include Transfer Letter
☐	16.	Closing Disclosure for 1st Mortgage and 2nd Mortgage if applicable
☐	17.	IRS form W-9 – for each mortgagor
☐	18.	Copy of "Transfer and Assignment" (Form SF-44)
☐	19.	Transfer of Servicing letters sent to the Hazard Insurance Agent, and FloodCertification Company with Mortgagee Clause as follows: Georgia Housing and Finance Authority its Successors and/or Assigns, c/o State Home Mortgage 60 Executive Park, South Atlanta, GA 30329
☐	20.	Notice of Assignment, Sale or Transfer of Servicing Rights – (Form SF-61) Pages 1-2
☐	21.	Initial Aggregate Escrow Account Disclosure Statement
☐	22.	HUD-92900-LT (FHA Only)
☐	23.	Final Signed URLA 1003 Loan application executed by borrower(s) and lender's loan officer/representative
☐	24.	Complete appraisal
☐	25.	HO6 Policy for condo and proof of payment of 1st year's premium, if applicable
		ADDITIONAL INFORMATION FOR CHECK PROCESSING:
		Principal Reduction checks – Send to: State Home Mortgage, Attention: New Loans Department
		Initial Escrow Fund checks - Send to: State Home Mortgage, Attention: New Loans Department

State Home Mortgage, Attention: New Loans Department, 60 Executive Park South, Atlanta, GA 30329
VA ID: 645394000 FHA Holder & Servicer ID: 0949709992; Use Only 09497 USDA Branch #: 001
USDA Servicing Lender Tax ID: 58-1222605 State Home Mortgage
USDA Holding Tax ID: 94-9709992 as Georgia Housing & Finance Authority

Final Document Checklist
(excludes Peach Advantage)

Use for Georgia Dream First and Georgia Dream Second Mortgage

Loans Reserved ON/BEFORE July 7, 2026: Upload a Copy Package within Lender Online to EDOCS in Final Document Loan file and Do Not Forget to Click Submit.

Loans Reserved ON/AFTER July 8, 2026: Upload a Copy Package within TPO Connect

DO NOT OVERNIGHT OR MAIL ORIGINALS. ALL FINAL DOCUMENTS MUST BE DIGITALLY UPLOADED

Georgia Dream First Mortgage Documents

☐	1.	Copy of original recorded Security Deed and evidence of payment of intangible tax. If Manufactured Home: New construction; executed T-234 with certified copy evidencing Georgia Dept of Revenue title cancellation submission (if applicable)
☐	2.	Copy of original recorded "Tax Exempt Financing Rider," (Form SF-40)
☐	3.	Copy of original recorded "Transfer and Assignment," (Form SF-44A)
☐	4.	As applicable: a. Copy of VA Loan Guaranty Certificate, or b. Copy of FHA Mortgage Insurance Certificate, or c. Copy of USDA/RD Loan Note Guarantee (RD Form 1980-17)
☐	5.	Title Policy (copy) a. Minimum loan amount coverage b. Insured name (lender name and Mortgage Insurance Verbiage)
☐	6.	FHA Connection Printout to reflect and include (copies only): a. Active insurance status b. Endorsement date c. Georgia Housing and Finance Authority as current holder
☐	7.	If FHA 203(k) (copies only) a. Final Inspection signed by Appraiser and Underwriter b. Final Release Notice c. 203(k) Draw Request 9746A and interim draws, if needed d. Mortgagor letter of completion e. Rehabilitation Loan Rider f. FHA Connection 203(k) escrow closeout screen print reflecting any principal reduction g. Maximum Base Loan Amount Worksheet w/HUD Required Repairs
☐	8.	Copy of Final 1003 signed by lender and borrower(s) with any addendums
☐	9.	Any other documents required (copies only)

Georgia Dream Second Mortgage Documents

☐	1.	Copy of original recorded "Georgia Dream Second Mortgage Security Deed," (Form SF-84)
☐	2.	Copy of original recorded "Transfer and Assignment" of the Georgia Dream Second Mortgage Loan from Lender to GHFA, (Form SF-44B)
☐	3.	Copy of Final 1003 signed by lender and borrower(s) with any addendums
☐	4.	Copy of any other documents required

Appendix I
Definitions

All words and phrases used in this Guide and not defined below shall have the same meaning as in the Loan Seller Agreement. In any case in which the definitions in this Guide vary from the definitions in the Loan Seller Agreement, the Loan Seller Agreement shall prevail.

"Acquisition Cost" means the borrower's cost of acquiring a residence from a seller as a completed unit. See Form SF-16 to calculate Acquisition Cost.

"Applicant" means the person(s) who initiates the mortgage loan process of applying for a Georgia Dream Homeownership Program loan by completing the necessary paperwork, as well as providing a DCA lender with information about their income, debt, and assets as well as information about the property being financed.

"Appraised Value" means the market value of the home to be purchased with the proceeds of a Loan, as determined by a professional real estate appraiser and documented by a Uniform Residential Appraisal Report (URAR).

"Approved Automated Underwriting System" means those computerized underwriting programs approved for use by DCA for DCA Loans. Currently, Desktop Underwriter (DU) and Loan Prospector (LP) are approved by DCA.

"Bond Issue" means "Series of Bonds" as defined in this Appendix.

"Bonds" means the single family mortgage revenue bonds of GHFA issued to finance the Program.

"Business Day" means any day other than: (a) a Saturday or Sunday, (b) a day proclaimed by the Governor of the State as a holiday for State employees or (c) a day on which banking institutions in Georgia are authorized or obligated by law or executive order to be closed for business.

"CHOICE" means the Georgia Dream Second Mortgage program of purchasing Loans secured by subordinate Security Deeds on Single Family Residences owned and occupied by eligible borrowers who meet the eligible borrower definitions in Chapter 4 of this Guide. Purchases shall be financed with funds received by GHFA or DCA from the U.S. Department of Housing and Urban Development pursuant to the Cranston-Gonzalez National Affordable Housing Act of 1990, from Bond Issues, or from other funding sources.

"Closing Costs" means only the costs specified in Chapter 3 of this Guide.

"CLTV" means combined loan-to-value ratio. A ratio that is used for a mortgage that is subject to subordinate financing, which is developed by dividing the sum of the unpaid principal balance of the first mortgage, the unpaid principal balance of any home equity line of credit from which the borrower has withdrawn funds, and the unpaid principal balance of all other subordinate financing by the lower of the property's sales price or appraised value.

"Conventional Loan" means a Loan that is not insured by FHA or guaranteed by VA or USDA/RD, and the principal amount of which Loan is less than or equal to 80% of the lesser of the purchase price or the initial Appraised Value of the subject Single Family Residence, or which Loan is insured under Private Mortgage Insurance.

"Copy" means a photocopy reproduction of an original document which omits no portion of the original.

"Corporate Resolution" means a written resolution adopted by the Board of Directors identifying the officers authorized to act on behalf of the corporation.

"DCA" means the Department of Community Affairs, a legislatively executive branch, Georgia State Government, created pursuant to the official code of Georgia. Annotated, Title 50, Chapter 8, Article 1, as amended.

"DCA Lender or Lender" means a Seller as defined in this Appendix.

"Day" means a calendar day, unless specifically noted as being a Business Day.

"DE Underwriter" means an underwriter designated by the Lender as a FHA Direct Endorsement underwriter.

"Discretion" when used in the context of "the sole discretion," means the sole and absolute discretion.

"Expiration Date" means the last day of the Reservation/Commitment Period.

"Extension Fees" means the fees charged to Sellers in accordance with Chapter 2 of this Guide.

"Fannie Mae" means the Federal National Mortgage Association, or any other agency or instrumentality created or chartered by the United States to which the powers and obligations of the Federal National Mortgage Association have been transferred.

"FHA" means the Federal Housing Administration of the United States Department of Housing and Urban Development, or any other agency or instrumentality created or chartered by the United States to which the powers and obligations of the Federal Housing Administration have been transferred.

"FHA 203(k)" means the HUD home rehabilitation insurance program.

"Fieri Facias (Fi.Fa)" means a Latin term for "cause it to be done". A Fi.Fa is based on a judgment. Once the Fi.Fa is filed the judgment attaches to the property of the defendant. The Fi.FA has priority based on the date of filing, and expires 7 years if not renewed. In some cases,

possession for 4 years by a bona fide purchaser for value will dislodge a Fi.Fa if against a prior owner.

"First Mortgage Program" means the Georgia Dream First Mortgage Loan Program of purchasing loans and securities, including, without limitation, the purchase with Bond proceeds of Loans and of Program Securities backed by Pools of Loans.

"Freddie Mac" means the Federal Home Loan Mortgage Corporation, or any other agency or instrumentality created or chartered by the United States to which the powers and obligations of the Federal Home Loan Mortgage Corporation have been transferred.

"Georgia Dream First Mortgage Loan Program" means First Mortgage Program as defined in this Appendix.

"Georgia Dream Homeownership Program" means the specific Program under which the subject Loan is being purchased, as specified by the Reservation issued by DCA. "Program" shall include the Georgia Dream First Mortgage Program, the Georgia Dream Second Mortgage Program, and any other programs established by DCA or GHFA for the purchase of Loans.

"Georgia Dream Loan" means a Loan as defined in this Appendix.

"Georgia Dream Second Mortgage Program" means the Georgia Dream Second Mortgage Program of purchasing Loans secured by subordinate Security Deeds on Single Family Residences that meet the requirement of the Georgia Dream Homeownership Program. The Single Family Residences must be owned and occupied by eligible borrowers who meet the eligible borrower definitions in Chapter 3 of this Guide.

"Georgia Dream Second Mortgage Loan" means a Loan originated under the Georgia Dream Second Mortgage Program.

"Georgia Security and Immigration Compliance Act" means the State law that requires that every agency or political subdivision shall verify the lawful presence in the United States of any applicant for public benefits.

"GHFA" means the Georgia Housing and Finance Authority.

"Ginnie Mae" means the Government National Mortgage Association, or any other agency or instrument created or chartered by the United States to which the powers and obligations of the Government National Mortgage Association have been transferred.

"GRMA" means the Georgia Residential Mortgage Act which imposes a fee on each mortgage loan transaction.

"Government-Sponsored Enterprises" means individually or collectively Fannie Mae, Freddie Mac, or any Federal Home Loan Bank

"GSE" means Government-Sponsored Enterprises which are Fannie Mae, Freddie Mac, and Federal Home Loan Banks

"Guide" means Seller Guide as defined in this Appendix.

"Household" means all members proposed to reside in the house being financed, whether or not related by blood, marriage or law.

"Household Annual Income" means the sum of the total anticipated income for each Household member during the 12-month period commencing with the date of initial occupancy, as further described in Chapter 3 of this Guide.

"HUD" means the United States Department of Housing and Urban Development, or any successor to its functions and obligations.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended, together with corresponding final, temporary or proposed regulations and revenue rulings issued or amended with respect thereto by the Treasury Department or Internal Revenue Service of the United States.

"Lakeview Loan Servicing, LLC (Lakeview)" means the third-party servicer that purchases both first and second mortgages from lenders, pools the first mortgage into Fannie Mae or Freddie Mac "to be announced (TBA)" securities and handles its servicing (payments, remittance, reporting, defaults), while allowing the GHFA and/or DCA to retain ownership of the second mortgage.

"Lender" or "DCA Lender" means a mortgage lender approved by DCA to originate first and second mortgages under the Georgia Dream Homeownership Program.

"Lender Portal" means DCA's internet based system which allows Lenders to enter a Reservation online, as well as complete and print Georgia Dream Homeownership Program forms, check the status of a Reservation, and access various reports.

"Loan" means a mortgage loan made in accordance with the provisions of this Guide and the Loan Seller Agreement.

"Loan Purchase Price" means the price paid by DCA to a Seller for the purchase of a Loan, which shall be calculated in accordance with Chapter 2 of this Guide.

"Loan Seller Agreement" means the agreement and any and all appendices and exhibits thereto (including this Seller Guide) entered into by GHFA and the Seller in connection with the purchase of Loans and Program Securities under the First Mortgage Program, as may be amended from time to time. This Seller Guide is incorporated by reference into each Loan Seller Agreement.

"Loan Servicing Release Agreement" means each and all Loan Servicing Release Agreements, including any and all Appendices and Exhibits thereto entered into between State Home Mortgage (the servicing division of GHFA) and approved Loan Seller, as may be amended from time to time.

"LTV" means loan to value ratio obtained by dividing the loan amount by the lesser of the Appraised Value or the Purchase Price.

"Maximum Purchase Price" means the Maximum Purchase Price of property acquired with a DCA Loan. The Maximum Purchase Price is calculated on Form SF-16 as the total acquisition cost and as further described in applicable Chapters of this Guide.

"Mortgage Insurer" means FHA, VA, USDA/RD, Private Mortgage Insurer, or Mortgage Pool Insurer as applicable.

"Mortgage Pool Insurer" means the applicable Qualified Mortgage Insurance Company that issued Mortgage Pool Insurance or any successor Qualified Mortgage Insurance Company that issues replacement or substitute Mortgage Pool Insurance.

"Mortgagor" means a maker or makers of a Note, or any other party obligated to repay the applicable Loan.

"MSA" means a Metropolitan Statistical Area.

"Note" means the written debt instrument executed to evidence the Mortgagor's obligation to repay the Loan, in a form which shall be in accordance with the Seller Guide.

"PEN" means DCA's program of purchasing Loans secured by subordinate Security Deeds on Single Family Residences that are purchased by public protectors, health care workers and educators who meet the eligible borrower definitions in Chapter 4 of this Guide. The Single Family Residences must be owned and occupied by eligible borrowers, whose purchase will be financed with funds received by GHFA or DCA from the U.S. Department of Housing and Urban Development pursuant to the Cranston-Gonzalez National Affordable Housing Act of 1990, from Bond Issues, or from other funding sources.

"Prepaid Expenses" means the amount required by the Mortgage Insurer (or the investor if the Loan is uninsured) to be deposited in the escrow account for property taxes, hazard insurance, and homeowner association or condominium fees and prorated interest expenses up to the first payment date.

"Private Mortgage Insurance" means one or more policies of insurance issued by one or more Qualified Mortgage Insurance Companies that require insurance benefits to be paid to the mortgagee following default by the Mortgagor under the terms of the Conventional Loan; the amount of such coverage shall be in accordance with Chapter 3 of this Guide.

"Private Mortgage Insurer" means a Qualified Mortgage Insurance Company as defined in this Appendix.

"Program" means the Georgia Dream Homeownership Program.

"Program Contact" means an employee of a Lender designated by a Lender as the primary person to send and receive DCA and GHFA communications, as described in Chapter 1 of this Guide.

"Purchase Delay Penalty Fee" means the $5 per day fee charged by DCA when Purchase Package documents are not delivered on a timely basis, as required in Chapter 2 of this Guide.

"Purchase Package" means the documents submitted to DCA in connection with DCA's purchase of a Loan from a Seller, as further described in Chapter 2 of this Guide.

"Purchase Price" means the Acquisition Cost of the Single Family Residence.

"Qualified Mortgage Insurance Company" means a Private Mortgage Insurer which meets the requirements of Appendix VI of this Guide.

"Quality Control Plan" means the Lender's written policies and processes for credit and compliance review.

"Rate Sheet" means the notice provided by DCA to Participating Lenders on a periodic basis for the purpose of notifying Participating Lenders of (i) the First Mortgage Program mortgage interest rate and the effective date thereof and (ii) other information, in accordance with the provisions in Chapter 2 of this Guide.

"Recapture Tax" means the potential tax on First Mortgage Program borrowers under the provisions of Section 143 (m) of the Internal Revenue Code of 1986 and the accompanying regulations, as described in Chapter 3 of this Guide.

"Reservation" means a conditional commitment of funds by DCA for a specific Loan issued to a Seller in accordance with Chapter 2 of this Guide.

"Reservation Number" means the number assigned by DCA which identifies a Reservation for a specific Loan.

"Reservation Period" means the period of time beginning on the date the Seller receives a Reservation for a particular Loan pursuant to Chapter 2 of this Seller Guide and ending on the 75th day, unless such applicable period is extended in accordance with Chapter 2 of this Seller Guide.

"Second Mortgage Program" means DCA's program of purchasing Loans secured by subordinate Security deeds on Single Family Residences owned and occupied by Eligible Borrowers.

"Security Deed" means a deed to secure debt or security deed, as may be amended from time to time, covering a fee simple or leasehold estate, which security deed secures a Loan and which security deed encumbers real property located in the State and improved by a Single Family Residence.

"Seller" means an approved mortgage lending institution which has entered into a Loan Seller Agreement.

"Seller Guide" means this Guide, as amended from time to time.

"Series of Bonds" means the respective series of single family mortgage revenue bonds issued by GHFA pursuant to the respective Series Resolution.

"Series Resolution" means the Series Resolution of GHFA adopted pursuant to the applicable General Bond Resolution authorizing the issuance and sale of the respective Series of Bonds in question. A particular Series Resolution may be referred to and identified as, for example, the "1991-A Series Resolution" or the "1991-B Series Resolution."

"Servicing Agreement" means Loan Administrator Agreement as defined in this Appendix.

"Single Family Residence" means a single unit residential dwelling (whether attached or detached) located in the State, and land appurtenant to the residential unit, which meets the Program requirements set forth in this Guide. For Loans purchased under the First Mortgage Program, to the extent of any conflict between the Internal Revenue Code and this Guide, the provisions of the Internal Revenue Code shall control.

"State" means the state of Georgia

"State Home Mortgage" means the in-house loan servicing division of GHFA.

"Targeted Area" means a census tract in which at least seventy percent (70%) of the families have a Household Annual Income that is eighty percent (80%) or less of the state-wide median family income or an area designated by the State as an area of chronic economic distress and approved by the Secretary of the Department of Housing and Urban Development and the Secretary of the Department of Treasury.

"Transfer and Assignment" means the document executed to transfer all rights, title, and interest in a Loan. Form SF-44A shall be used for the transfer and assignment of the First Mortgage Loan, and Form SF-44B shall be used for the transfer and assignment of the Georgia Dream Second Mortgage Loan.

"Underwriting Approval Letter" means the letter described in Chapter 2 of this Guide.

"Underwriting Package" means the documents submitted to DCA for prior underwriting approval for a Loan as further described in Chapter 2 of this Guide.

"USDA/RD" means the USDA Rural Development of the United States Department of Agriculture, or any other agency or instrumentality created or chartered by the United States to which the powers and obligations of the USDA Rural Development have been transferred.

"USDA/RD Loan" means a Loan guaranteed by USDA/RD.

"VA" means the Department of Veterans Affairs, a department of the United States of America, or any successor to its functions and obligations.

"VA Guaranteed" means guaranteed by VA under the Serviceman's Readjustment Act of 1944, as amended. The sum of the VA guaranty plus any down payment by the Mortgagor must equal twenty-five percent (25%) of the lesser of the Purchase Price or the appraised value of the Secured Property.

"VA Lender Handbook" (VA Pamphlet 26-7) means the Department of Veterans Affairs primary guide to making VA home loans.

Appendix II
Metropolitan Statistical Areas

For the purposes of originating Georgia Dream First Mortgage Loans that meet the Purchase Price and Household Annual Income Limits, the following Georgia Counties are in Metropolitan Statistical Areas (MSAs).

Atlanta-Sandy Springs-Roswell, GA HUD Metro FMR Area

Barrow, Bartow, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Heard, Henry, Jasper, Newton, Paulding, Pickens, Pike, Rockdale, Spalding, Walton

Athens, GA MSA

Clarke, Madison, Morgan, Oconee, Oglethorpe

Appendix III
Targeted Areas

There are 81 counties, 31 Neighborhood Strategy Areas (NSAs), and one Urban Development Action Grant (UDAG) Area that have been approved by the federal government as Targeted Areas for the Georgia Dream First Mortgage Loan Program. The counties, census tract numbers, and NSA and UDAG legal descriptions are listed below.

Targeted Counties

All census tracts in the counties listed below are Targeted Areas:

Appling
Atkinson
Bleckley
Brooks
Bulloch
Burke
Calhoun
Charlton
Chattooga
Clay
Clinch
Coffee
Colquitt
Cook
Coweta
Crawford
Crisp
Decatur
Dodge
Dooly
Early
Echols
Elbert
Emanuel
Evans
Fannin
Grady
Greene
Hancock
Haralson
Heard
Irwin
Jasper
Jefferson
Jenkins
Johnson
Lamar
Laurens
Lincoln
Long
Macon
Marion
McDuffie
McIntosh
Meriwether
Miller
Mitchell
Montgomery
Morgan
Newton
Oglethorpe
Peach
Polk
Pulaski
Quitman
Randolph
Schley
Screven
Stewart
Sumter
Talbot
Taliaferro
Tattnall
Taylor
Telfair
Terrell
Thomas
Treutlen
Turner
Twiggs
Upson
Ware
Warren
Washington
Wayne
Webster
Wheeler
Wilcox
Wilkes
Wilkinson
Worth

Targeted Census Tracts

The following census tracts are Targeted Areas. DCA will rely upon the appraiser's identification of the census tract in determining whether the Loan is eligible for Targeted Area funds.

County	IRS Rev Proc 2014-14 Targeted Census Tracts 2014
Baldwin	9707.01
Barrow	1802.03
Ben Hill	9602, 9604
Bibb	101, 104, 105, 115, 123, 125, 127, 128, 129, 132.01, 138
Carroll	9105.02
Chatham	1, 6.01, 11, 12, 20, 21, 22, 23, 28, 33.01, 35.01, 36.01, 38, 43, 44, 101.01, 113
Clarke	4.01, 4.02, 9, 302, 1504
Clayton	402.02, 402.03, 403.06, 403.08, 405.19, 406.17
Cobb	304.11, 304.12, 304.14, 311.08, 313.10
DeKalb	212.04, 213.03, 214.14, 219.11, 219.13, 220.09, 221, 231.12, 0235.01
Dougherty	1, 2, 8, 9, 10, 11, 14.03, 15, 103.02, 106.01, 107, 114
Floyd	16
Fulton	21, 23, 25, 26, 28, 31, 36, 37, 38, 39, 44, 48, 55.02, 57, 58, 63, 66.02, 68.02, 70.02, 71, 72, 73, 74, 76.03, 76.04, 78.07, 78.08, 81.01, 81.02, 82.02, 83.01, 83.02, 84, 86.01, 86.02, 110, 112.01, 114.20, 118
Gwinnett	503.04, 503.17, 504.17, 504.18, 505.41
Hall	8, 10.03
Houston	203
Liberty	101.03, 102.04

Lowndes	105, 108, 109, 110, 113.01
Muscogee	3, 14, 16, 18, 22, 24, 25, 27, 28, 29.02, 30, 32, 33.02, 34, 105.02
Putnam	9602.02
Richmond	2, 3, 9, 10, 14, 15, 16.01, 103, 104, 105.04, 106,
Spalding	1603, 1604, 1608
Stephens	9703.01
Tift	9606, 9608
Troup	9608, 9609.01
Walker	207
Whitfield	4, 5.02, 13

Neighborhood Strategy Areas (NSAs) and Urban Development Action Grant (UDAG) Area

The following NSA and UDAG areas in each city are identified by name and legal description:

Albany

Davis-Roosevelt Redevelopment Area - Begin at the intersection of the centerline of Society Avenue and Madison Street in the City of Albany, and run thence South along the center-line of Madison Street approximately 2570 feet to the intersection of the centerline of Pine Alley; thence West along the centerline of Pine Alley approximately 3068 feet to the intersection of the centerline of Harding Street; thence North along the centerline of Harding Street approximately 272 feet to the intersection of the centerline of Flint Avenue; thence East along the centerline of Flint Avenue approximately 190 feet to a point; thence North along a line, said line being the centerline of Harding Street extended South, approximately 1160 feet to the intersection of the centerline of Harding Street and Residence Avenue; thence East along the centerline of Residence Avenue approximately 960 feet to the intersection of the centerline of VanBuren Street; thence North along the centerline of VanBuren Street approximately 580 feet to the intersection of the centerline of Tift Avenue; thence East along the centerline of Tift Avenue approximately 320 feet to the intersection of the centerline of Stadium Avenue; thence North along the centerline of Stadium Avenue approximately 572 feet to the intersection of the centerline of Society Avenue; thence East along the centerline of Society Avenue approximately 1598 feet to the point of beginning.

South Central Neighborhood Strategy Area - Beginning at the intersection of the centerlines of Oglethorpe Boulevard and Monroe Street; thence east along the centerline of Oglethorpe Boulevard approximately 3630 feet to the Flint River, thence generally southward following the flow of the river downstream approximately 3125 feet to the intersection of the centerline of Cotton Avenue extended eastward; thence west along a line, said line being the centerline of Cotton Avenue extended east, approximately 2450 feet to the intersection of the centerlines of Cotton Avenue and Jackson Street; thence south along the centerline of Jackson Street approximately 40 feet to the intersection of the centerline of Cotton Avenue; thence west along the centerline of Cotton Avenue approximately 730 feet to the intersection of the centerline of Jefferson Street; thence south along the centerline of Jefferson Street approximately 30 feet to the intersection of the centerline of Cotton Avenue; thence west along the centerline of Cotton Avenue approximately 930 feet to the intersection of the centerline of Monroe Street; thence north along the centerline of Monroe Street approximately 3080 feet to the point of the beginning.

Jackson Heights Neighborhood Strategy Area - Beginning at the intersection of the northern right-of-way line of Clark Avenue and the western right-of-way of Maple Street; thence north along the western right-of-way line of Maple Street approximately 2910 feet to the southwestern right-of-way line of U.S. Highway 19 (also known as the By-pass); thence northwest along the southeast right-of-way line of U.S. Highway 19 approximately 700 feet to the eastern right-of-way line of Jordan Street; thence south along the eastern right-of-way line of Jordan Street approximately 75 feet to the northern right-of-way line of an alley (said alley

being located approximately 100 feet north of East Fourth Avenue); thence west along the northern right-of-way line of said alley approximately 2575 feet to the eastern right-of-way line of Swift Street; thence south along the eastern right-of-way line of Swift Street approximately 3273 feet to the northern right-of-way line of Clark Avenue; thence east along the northern right-of-way line of Clark Avenue approximately 3305 feet to the point of beginning.

Atlanta

Grove Park - Grove Park is located in the west-central section of the city of Atlanta. The following is a description of the physical boundaries of the neighborhood. East - Louisville and Nashville RR from Georgia Power Transmission line moving south to Bankhead Highway. Bankhead Highway from RR moving west to Chappell Road. Chappell Road from Bankhead Highway moving south to Simpson Road. South - Simpson Road from Bankhead Highway moving west to the western boundary of land lot 175. West - The entire western boundary of land lot 175. The northern boundary of land lot 175 from the western corner of land lot 175 moving east to South Eugenia Place. South Eugenia Place from the northern boundary of land lot 175 moving north to Bankhead Highway. Bankhead Highway from South Eugenia Place moving west to Mildred Place. Mildred Place from Bankhead Highway moving north to Hollywood Drive. Hollywood Drive from Hollywood Road moving north to Hollywood Drive from Hollywood Road moving east to Gun Club Road. Gun Club Road from Hollywood Drive moving north to Alvin Drive. North - Alvin Drive (extended) from Gun Club Road moving east to Proctor Creek. Proctor Creek from Alvin Drive (extended) to 400 feet south of the northern boundary of land lot 145. From the point 400 feet south of land lot 145 on Proctor Creek moving 550 feet southeast to a point 200 feet west of the Grove Park Place right-of-way. From a point 200 feet west of the Grove Park Place right-of-way moving due east to a point 350 feet east of the Grove Park Place right-of-way moving due north 520 feet to the northern boundary of land lot 145. The northern boundary of land lot 145 from a point 450 east of the Grove Park Place right of way moving east to the eastern boundary of land lot 225. The eastern boundary of land lot 225 from the northern boundary of land lot 145 moving north to the old City Limits. The old City Limits from the eastern Boundary of land lot 225 to the Louisville and Nashville RR.

Washington Park - Washington Park is located in the west-central section of the city of Atlanta. The following is a description of the physical boundaries of the neighborhood. East - Ashby Street from Simpson Road moving south to Martin Luther King Jr. Drive. South - Martin Luther King Jr. Drive from Ashby Street moving west to the Louisville and Nashville RR. West - Louisville and Nashville RR from Martin Luther King Jr. Drive moving north to Simpson Road. North - Simpson Road from the Louisville and Nashville RR moving east to Ashby Street.

Edgewood - Edgewood is located in the eastern section of the city of Atlanta. The following is a description of the physical boundaries of the neighborhood. East - Rogers Street (extended) from the Georgia RR moving south to Woodbine Avenue. Woodbine Avenue from Rogers Street moving east to Boulevard Drive. Boulevard Drive from Woodbine Avenue moving east to Wyman Street. Wyman Street from Boulevard Drive moving south to I-20. South - I-20 from Wyman Street moving west to Moreland Avenue. West - Moreland Avenue from I-20

moving north to the Georgia RR. North - The Georgia RR from Moreland Avenue moving east to Rogers Street (extended).

West End/Oakland City - The West End/Oakland City NSA is located in the west-central section of the city of Atlanta. The boundaries of this NSA encompass the whole West End neighborhood and that portion of the Oakland City neighborhood which surrounds the area where the Section 8 - Substantial Rehabilitation program is to be undertaken.

West End - East - The Central of Georgia Railway from I-20 moving south to the Louisville and Nashville RR. South and West - The Louisville and Nashville RR from the Central of Georgia Railway moving northwest to I-20. North - I-20 from the Louisville and Nashville RR moving east to the Central of Georgia Railway.

Oakland City - East - Along Lee Street between Oakland Lane on the south and Donnelly Avenue on the north. South - Along Oakland Lane between Oakland Drive on the west and Lee Street on the east. West - Southwest to Peeples Street from Donnelly Avenue, to Arlington Avenue to north/northwest then west along Arlington Avenue to Oakland Drive. North - along Donnelly Avenue, between Peeples Street on the west and Lee Street.

Adair Park - Adair Park is located southwest of the central business district of the city of Atlanta. The following is a description of the physical boundaries of the neighborhood. East - Southern Railway from Central of Georgia Railway moving south to I-20. I-20 from Southern Railway moving west to Stewart Avenue. Stewart Avenue from I-20 moving south to Louisville and Nashville RR. South - Louisville and Nashville RR from Stewart Avenue moving west to Central of Georgia Railway. North and West - Central of Georgia Railway from Louisville and Nashville RR moving northeast to Southern Railway.

Pittsburgh - Pittsburgh is located in the south-central section of the city of Atlanta. The following is a description of the physical boundaries of the neighborhood. East - Southern Railway from I-20 moving south to the Louisville and Nashville RR. South - Louisville and Nashville RR from the Southern Railway moving west to Stewart Avenue. West - Stewart Avenue from the Louisville and Nashville RR moving north to I-20. North - I-20 from Stewart Avenue to the Southern Railway.

Lakewood Heights - Lakewood Heights is located in the southeastern section of the city of Atlanta. The following is a description of the physical boundaries of the neighborhood. East - McDonough Boulevard from Jonesboro Road moving south to New Town Circle. New Town Circle (extended) from McDonough Boulevard to the northern boundary of land lot 26. The northern boundary of land lot 26 from New Town Circle (extended) to the northwest corner of land lot 26. The western boundary of land lot 26 from the northwest corner moving south to Helena Street (extended). Helena Street extended from the western boundary of land lot 26 moving west to Jonesboro Road. Jonesboro Road from Helena Street moving south to Merrilyn Drive. South - Merrilyn Drive from Jonesboro Road moving west to Browns Mill Road. Browns Mill Road from Merrilyn Drive moving north to Greendale Drive. Greendale Drive (extended) from Browns Mill Road moving west to Meadow Way (extended), moving west to Harper Road. Harper Road from Meadow Way moving west to Macon Drive. Macon Drive from Harper Road moving north to Lakewood Avenue. Lakewood Avenue from Macon Drive

moving west to I-75/85. West - I-75/85 from Lakewood Avenue moving north to Ashwood Avenue (extended). North - Ashwood Avenue (extended) from I-75/85 moving east to Pryor Circle. Pryor Circle from Ashwood Avenue moving north to Claire Drive. Claire Drive from Pryor Circle moving east to Capitol Avenue. Capitol Avenue from Claire Drive moving north to Rhodesia Avenue. Rhodesia Avenue from Capitol Avenue moving east to Jonesboro Road. Jonesboro Road from Rhodesia Avenue moving north to Lethea Street. Lethea street from Jonesboro Road moving east to Lakewood Avenue. Lakewood Avenue from Lethea Street moving north to Dorothy Street. Dorothy Street from Lakewood Avenue moving west to Jonesboro Road. Jonesboro Road from Dorothy Street moving north to McDonough Boulevard.

Bedford Pine - Beginning at the intersection of the easterly line of Bedford Place - Argonne Avenue and the northerly line of North Avenue; thence, northerly approximately 146.5 feet along the easterly line of Argonne Avenue to a property corner; thence, easterly along a property line approximately 100 feet to a property corner; thence southerly along a property line approximately 146.5 feet to the northerly line of North Avenue; thence, easterly approximately 1913 feet along said line to a point opposite a property corner on the southern right-of-way of North Avenue; thence, southerly approximately 355 feet along the rear property line extended and rear lines of properties fronting on the easterly line of Boulevard to a property corner; thence, westerly along a property line approximately 75 feet to a property corner; thence, southerly along a property line approximately 265 feet to a property corner; thence easterly along a property line approximately 84 feet to a property corner; thence, southerly along property lines and extensions approximately 406 feet to a northerly line of Winton Terrace; thence westerly approximately 9 feet along said line to a point opposite a property corner; thence, southerly approximately 407 feet along a property line extended and rear lines of properties fronting on the easterly line of Boulevard to the northerly line of Rankin Street; thence, easterly approximately 31 feet along said line to a point opposite a property corner; thence, southerly approximately 173 feet along a property line extended and rear lines of properties fronting on the easterly line of Boulevard to a property corner; thence, westerly along a property line approximately 50 feet to a property corner; thence, southerly along property lines and extension, approximately 252 feet to a property corner; thence, easterly along a property line approximately 10 feet to a property corner; thence, southerly along a property line approximately 40 feet to a property corner; thence, easterly along a property line approximately 30 feet to a property corner; thence, southerly along property lines approximately 420 feet to the northerly line of Wabash Avenue; thence, easterly approximately 20 feet along said line to a point opposite a property corner; thence, southerly approximately 198 feet along a property line extended and rear lines of properties fronting on the easterly line of Boulevard to a property corner; thence, westerly along a property line approximately 152 feet to a property corner; thence, southerly along a property line approximately 20.5 feet to a property corner; thence, westerly along a property line approximately 7.9 feet to a property corner; thence, southerly along a property line approximately 100.9 feet to the northerly line of Forrest Avenue; thence, easterly approximately 175.5 feet along said line to a point opposite a property corner; thence, southerly along property lines and extensions thereof approximately 318 feet to the southerly line of East Avenue; thence, westerly approximately 35.5 feet along said line to a property corner; thence southerly approximately 679 feet along rear lines and extension thereof of properties fronting on the easterly line of Boulevard to the southerly line of Highland Avenue; thence, westerly approximately 34 feet along said line to a property corner; thence, southerly

approximately 210 feet along rear lines of properties fronting on the easterly line of Boulevard to the northerly line of the Stone Mountain Freeway; thence, westerly approximately 250.6 feet along said line to the westerly line of Boulevard; thence, southwesterly approximately 34.3 feet along the northerly line of the Stone Mountain Freeway to a property corner; thence, westerly approximately 260.6 feet along the northerly line of the Stone Mountain Freeway to a property corner; thence, northerly approximately 10 feet along said line to a property corner; thence, northerly approximately 15 feet along said line to a property corner; thence, southerly approximately 10 feet along said line to a property corner; thence westerly approximately 88.1 feet along said line to a property corner; thence, southwesterly approximately 234.4 feet along said line to the easterly line of Parkway Drive; thence, northerly approximately 19 feet along said line to a point opposite a property corner; thence, westerly approximately 234 feet crossing Parkway Drive and along the northerly line of the Stone Mountain Freeway to a property corner; thence, southerly approximately 5 feet along said line to a property corner; thence, 854 feet along said line to the easterly line of Fort Street; thence, northwesterly approximately 982 feet along the northerly line of the Stone Mountain Freeway to the southerly line of Baker Street; thence, easterly approximately 116.8 feet along said line to the westerly line of Butler Street; thence, northerly approximately 348 feet along said line to the southerly line of Chestnut Avenue; thence, westerly approximately 602.3 feet along said line to the westerly line of Piedmont Avenue; thence, northerly approximately 2,987 feet along said line to the northerly line of North Avenue; thence, easterly approximately 1,311.2 feet along said line to the easterly line of Bedford Place - Argonne Avenue, said point being the point of beginning.

Columbus

5th/6th Avenue - Beginning at the point of intersection of the easterly right-of-way line of 4th Avenue and the southerly right-of-way line of 10th Street; thence, generally easterly along the southern right-of-way line of 10th Street to the point of intersection with the easterly right-of-way line of 9th Avenue; thence, generally southerly along the easterly right-of-way line of 9th Avenue to the point of intersection with the northerly right-of-way line of 6th Street; thence, generally westerly along the northerly right-of-way line of 6th Street to the point of intersection with the easterly right-of-way line of 4th Avenue; thence, generally northerly along the eastern right-of-way line of 4th Avenue to the point of beginning.

Savannah

Planning Unit #1

Northern Boundary	-	McKenna, RR Tracks;
Southern Boundary	-	Augusta, Bay Street;
Eastern Boundary	-	East Lathrop Avenue;
Western Boundary	-	West Lathrop, Brittany Street.

Planning Unit #2

Northern Boundary	-	Augusta, Brittany, Bay Street;
Southern Boundary	-	RR Tracks, Hopper, Lissner, Louisville Road;
Eastern Boundary	-	West Boundary Street;
Western Boundary	-	U. 80, Market, Alfred, Creek Street.

Planning Unit #3

Northern Boundary	-	Louisville Rd;
Southern Boundary	-	1-16;
Eastern Boundary	-	1-16, West Boundary Street;
Western Boundary	-	City Limits.

Planning Unit #5

Northern Boundary	-	37th Street;
Southern Boundary	-	52nd Street;
Eastern Boundary	-	Bull, Victory, Montgomery Street;
Western Boundary	-	Ogeechee, Kilowatt, Edwin Street.

Planning Unit #6

Northern Boundary	-	Victory Drive;
Southern Boundary	-	DeRenne Avenue;
Eastern Boundary	-	Bull Street, 60th Lane, Montgomery Street;
Western Boundary	-	RR Tracks.

Planning Unit #10 (Sub-Units A and C)

		Sub-Unit A	Sub-Unit C
Northern Boundary	-	Victory Drive	Tompkins Street
Southern Boundary	-	Country Drive	DeRenne Avenue
Eastern Boundary	-	City Limits	City Limits
Western Boundary	-	Skidaway Road	Skidaway Road

Planning Unit #12 (Sub-Units C and D)

Northern Boundary	-	52nd Street
Southern Boundary	-	DeRenne Avenue
Eastern Boundary	-	Casey Canal
Western Boundary	-	Waters Avenue, Columbus, Paulsen

Sub-Planning Unit 16B

Northern Boundary	-	President Street, City Limits
Southern Boundary	-	Gwinnett Street
Eastern Boundary	-	City Limits
Western Boundary	-	Pennsylvania Avenue

Planning Unit #17

Northern Boundary	-	President Street
Southern Boundary	-	35th Street
Eastern Boundary	-	Kayton Canal, Bee Road
Western Boundary	-	Bilbo Sewer, Bouhan, Waters Road

Sub-Planning Unit #18A

Northern Boundary	-	37th Street
Southern Boundary	-	Victory Drive
Eastern Boundary	-	Price Street
Western Boundary	-	Bull Street

Planning Unit #19

Northern Boundary	-	Liberty St., Wheaton St., Bilbo Sewer, Creek St.
Southern Boundary	-	37th Street
Eastern Boundary	-	Bouhan, Waters Avenue
Western Boundary	-	Price St., Park Ave., West Broad, Anderson St., Ogeechee Rd., Kollock Street.

Planning Unit #20

Northern Boundary	-	Liberty Street
Southern Boundary	-	52nd Street
Eastern Boundary	-	Price St., E. Park Ave., W. Broad, Anderson, Ogeechee, Kollock Street.
Western Boundary	-	West Boundary, 1-16, Stiles, Daves, RR Track.

Planning Unit #21

Northern Boundary	-	Savannah River
Southern Boundary	-	Liberty Street, Wheaton Street
Eastern Boundary	-	City Limits, Bilbo Sewer
Western Boundary	-	West Boundary

Appendix VI
Private Mortgage Insurers

We require that Private Mortgage Insurance be provided by a Qualified Mortgage Insurance Company which is qualified to insure mortgages purchased by Fannie Mae and Freddie Mac, authorized to do business and issue mortgage insurance in the State, rated by Standard & Poor's Rating Group in either of the two highest rating categories (without regard to numeric or other modifiers or gradations within categories) and who is not on the Standard & Poor's Rating Group's "credit watch" list.

As of the date of this Appendix, the following companies are known by DCA to meet these requirements:

Currently no Mortgage Insurance companies meet DCA requirements.

Appendix VIII

DCA's Approved Housing Counseling Agencies

***Online Homebuyer Education Course Available**

Homebuyer counseling is required for ALL Georgia Dream Loans.

Borrowers must attend and complete either a homebuyer education workshop, OR, individual housing counseling sessions, OR an online homebuyer education course through E-Home America. Workshops and counseling sessions must be completed with one of the DCA-Certified Housing Counseling Agencies listed below or with a HUD-Approved Housing Counseling Agency. A list of HUD approved agencies is available at **www.hud.gov** or call HUD's interactive voice system at 1-800-569-4287.

AGENCY	COUNTIES SERVED
Georgia Department of Community Affairs* 60 Executive Park South, N.E. Atlanta, GA 30329 404-327-6858 **www.ehomeamerica.org/dca** (online) **www.dca.ga.gov**	All Georgia Counties **ONLINE COURSE ONLY**
ATHENS **Athens Land Trust Housing Counseling** 685 N. Pope St. Athens, GA 30601 706-613-0122 **www.athenslandtrust.org**	Athens-Clarke, Barrow, Elbert, Franklin, Greene, Jackson, Madison, Newton, Oconee, Oglethorpe,Rockdale, and Walton
ATHENS **Hancock CDC** 300 Henderson Extension Athens, GA 30601 706-546-9899 706-546-1154 **www.hancock.cdc.org**	Athens-Clarke, Barrow, Greene, Jackson, Oconee,Oglethorpe, Madison, Morgan, Stevens, Walton,
ATLANTA **Money Management International** 300 Lennox Road NE- Suite 1500, Office #82 Atlanta, GA 30308 404-260-3196 866-889-9347 **www.moneymanagement.org** Bilingual Counselors (Spanish)	Cobb, DeKalb, Fulton, Gwinnett, Clayton and Hall-

ATLANTA **Center for Pan Asian Community Services** 3510 Shallowford Rd. Atlanta, GA 30341 770-936-0969 **www.cpacs.org** Bilingual counselors (Korean, Burmese, Chinese)	DeKalb and Gwinnett- All Counties
ATLANTA **Resources for Residents and Community of Georgia, Inc.** 100 Flat Shoals Ave. S.E. Atlanta, GA 30316 404-525-4130 **www.rrc-atl.org**	Butts, Cherokee, Clayton, Cobb, Coweta, DeKalb, Douglas, Fayette, Fulton, Gwinnett, Henry, Paulding,and Rockdale
AUGUSTA **CSRA EOA** 1261 Greene Street Augusta, GA 30901 706-722-0493 **www.csraeoa.org**	Burke, Columbia, McDuffie, Richmond, Lincoln, Jenkins, Screven, Emanuel, Jefferson, Glascock, Warren, Taliaferro, and Wilkes
BRUNSWICK **Totally Free, Inc. *** 1708 Norwich St. Brunswick, GA 31520 912-265-1515 866-731-3733 **www.ehomeamerica.org/TFI** (online) **www.totallyfreeinc.org**	Appling, Atkinson, Bacon, Brantley, Bryan, Camden, Candler, Charlton, Chatham, Clinch, Coffee, Effingham,Glynn, Jeff Davis, Liberty, Long, McIntosh, Pierce, Toombs, Ware, and Wayne
COLLEGE PARK NID-HCA Emerson 4710 Washington Rd. College Park, GA 30349404-410- 6689 **www.nidhousing.com** **emersona@nidhousing.com** Bilingual Counselors (Spanish)	Fulton, DeKalb, Clayton, and Cobb
CONYERS **The Homeowners Employment Corporation** 2440 Wall St. S.E., Suite B2 Conyers, GA 30013 404-492-6554 **www.homeownerscorp.com**	Butts, Cherokee, Clayton, Cobb, DeKalb, Douglas, Fayette, Fulton, Gwinnett, Henry, Jasper, Jackson, Monroe, Newton, Rockdale, and Walton.

DEKALB **Help the People Programs HCA** 3567 Covington Hwy- Rear Bldg. Decatur, GA 30032 404-688-7766 404-576-8870 **www.helpthepeopleprogram@gmail.com**	Clayton, Cobb, Dekalb, Douglas, Fulton, Gwinnett, Henry, Newton, and Rockdale
DEKALB **Morningstar Urban Development** 2501 Lantrac Court Decatur, GA 30032 770-492-4037 **https://morningstarurbandevelopment.org/**	Clayton, Cobb, Dekalb, Douglas, Fulton, Gwinnett, Henry, Newton, and Rockdale
FOREST PARK **D&E. A Housing & Economic Empowerment Center, Inc.** 2860 East Point St. -2nd Floor East Point, GA 30344 770-961-6900 **www.depower.org** Bilingual Counselors (Spanish)	Atlanta-Sandy Springs-Roswell, Clayton, Cobb, DeKalb, Fulton, Gwinnett & Rockdale.
HINESVILLE **JCVision and Associates** 135 E. Martin Luther King, Jr. Dr. Suite G-204 Hinesville, GA 31313 912-877-4243 **www.ehomeamerica.org/jcvision** (online) **www.jcvision.com** Bilingual counselors (Spanish)	Bryan, Bulloch, Camden, Chatham, Effingham, Glynn, Liberty, Long, McIntosh, Tattnall, and Toombs
MACON **HomeFirst Housing Resources** 688 Walnut Street – Suite 102 Macon, GA 31201 478.219.3957 **www.homefirstgeorgia.org**	Bibb, Crawford, Jones, Monroe, and Twiggs counties
SAVANNAH **Consumer Credit Counseling Service of Savannah** 7505 Waters Ave., Suite C-11 Savannah, GA 31406 912-691-2227 - Savannah 912-370-2227 – Hinesville 912-489-2227 - Statesboro **cccs@cccssav.com** **cccssavannah.org** ADDITIONAL OFFICE LOCATIONS: Hinesville, Statesboro	Appling, Bleckley, Bryan, Bulloch, Camden, Candler, Chatham, Dodge, Effingham, Emanuel, Evans, Glynn,Jeff Davis, Johnson, Laurens, Liberty, Long, McIntosh,Montgomery, Screven, Tattnall, Telfair, Treutlen, Wayne, Wheeler, and Wilcox

Reserved for Future Use

Appendix IX
Section 1010 Language

Warning: Section 1010 of Title 18, U.S.C. Federal Housing Administration Transactions provides: "Whoever, for the purpose of influencing in any way the action of such administration… Makes, Passes, Utters, or publishes any statement, knowing the same to be false… shall be fined not more than $5,000 or imprisoned not more than two years or both".

Number	Name	Program	Send in with: Reservation Request	Underwriting Package	Purchase Package	Other
N/A	Household Income Worksheet	All		X		X (D)
SF-5	Extension Form Standard, Plus, Select	First Mortgage				X (A)
SF-5A	Extension Form Peach Advantage	First Mortgage				X (D)
SF-6	Reservation Cancellation	All				X (A)
SF-7	Reservation Chane Form	All				X (A)
SF-10	Loan Applicant Profile	All		X		
SF-12	Applicant Affidavit	First Mortgage		X		
SF-15	Affidavit of Non-Applicant	First Mortgage		X		
SF-16	Acquisition Cost Certification	First Mortgage		X		
SF-30	Loan Funding Profile	All			X	
SF-31	Loan Servicing Profile	First Mortgage				X(C)
SF-40	Tax-Exempt Financing Rider	First Mortgage			X	
SF-44A	Transfer & Assignment	First Mortgage			X	
SF-44B	Transfer & Assignment	Second Mortgage			X	
SF-46	Mortgagor's Closing Affidavit	First Mortgage			X	
SF-50	Recapture Tax Notice	First Mortgage			X	
SF-60	Lender Certification	All			X	X (B)
SF-81	Down Payment Acknowledgment Form	Second Mortgage			X	
SF-82	Second Mortgage Note	Second Mortgage			X	
SF-83	Second Mortgage Note – Peach Advantage Only	Second Mortgage				X (A, D)
SF-84	Georgia Dream Second Mortgage Security Deed	Second Mortgage			X	
SF-85	Georgia Dream Second Mortgage Security Deed – Peach Advantage	Second Mortgage				X (A, D)
SF-100	Surviving Spouse Affidavit	Special		X		
SF-101	Tax Record Information Sheet	All				X(C)
SF-6012	Tax Return Certification	First Mortgage		X		

(A) Used by lender as needed
(B) Include in Final document package. Due from lender within 90 days of loan funding
(C) Include in Servicing Package
(D) Required **only** for the Georgia Dream Peach Advantage program

Extension Form – Georgia Dream Standard, Peach Plus, Peach Select
Georgia Dream Peach Advantage Requires SF-5A

Effective ONLY for loan applications and/or reservations dated ON OR BEFORE July 7, 2026
Loan applications and/or reservations dated ON OR AFTER July 8, 2026 must be extended in TPO Connect
Enter email address: dcaReservations@dca.ga.gov

This is a request to:

☐ Extend the Reservation/Commitment Period for __7 Days; __ 15 days, or __30 days

Fees:

- 203K Loans receive two extensions at no cost
- A 7 day extension fee is 0.02% of the first loan amount
- A 15 day extension fee is 0.05% of the first loan amount
- A 30 day extension fee is 0.07% of the first loan amount

Extension fees accrued will be deducted from the net proceeds when DCA purchases the loan.

Georgia Dream First Mortgage Reservation #: _____

Georgia Dream Second Mortgage Reservation #: _____

Borrower Name: _____

Type of Extension Request:

☐ Original Request (Non 203(K)

☐ 203K

☐ Additional Request:
Please specific reason: _____

Requested by: _____

Phone Number: _____ Email: _____

To be completed by DCA

Reservation/Commitment Period Extension

☐ Approved

☐ Denied

Original Reservation Deadline: _____

New Reservation Deadline: _____

Extension Fees Accrued: $_____

Issued by: _____ Date: _____

Extension Form – Georgia Dream Peach Advantage

Effective ONLY for loan applications and/or reservations dated ON OR BEFORE July 7, 2026
Loan applications and/or reservations dated ON OR AFTER July 8, 2026 must be extended in TPO Connect
Please send to our office via email.
Enter email address: dcaReservations@dca.ga.gov

This is a request to:

☐ Extend the Reservation/Commitment Period for __ 15 days, or __30 days, or __45 days

Fees:

- A 15 day extension fee is 0.125% of the first loan amount
- A 30 day extension fee is 0.250% of the first loan amount
- A 45 day extension fee is 0.375% of the first loan amount

Extension fees accrued will be deducted from the net proceeds when DCA purchases the loan.

Georgia Dream First Mortgage Reservation #: _____

Georgia Dream Second Mortgage Reservation #: _____

Borrower Name: _____

Type of Extension Request:

☐ Original Request

☐ Additional Request:
Please specific reason: _____

Requested by: _____

Phone Number: _____ Email: _____

To be completed by DCA

Reservation/Commitment Period Extension

☐ Approved

☐ Denied

Original Reservation Deadline: _____

New Reservation Deadline: _____

Extension Fees Accrued: $_____

Issued by: _____ Date: _____

Reservation Cancellation

Effective ONLY for loan applications and/or reservations dated ON OR BEFORE July 7, 2026
Loan applications and/or reservations dated ON OR AFTER July 8, 2026 must be canceled in TPO Connect
Form must be emailed to dcaReservations@dca.ga.gov

Lender Name: _____

Requested By: _____

Email Address: _____

Phone Number: _____

Georgia Dream First Mortgage Reservation # _____

Georgia Dream Second Mortgage Reservation # _____

Borrower Name: _____

RESERVATIONS MAY NOT BE CANCELED AND RE-RESERVED TO OBTAIN LOWER INTEREST RATE

Reason for cancellation is required, select the appropriate box below:

- ☐ Appraisal/Comparables do not support value
- ☐ Credit score below required threshold
- ☐ Customer Withdrew
- ☐ HH income exceeds limit
- ☐ Borrower does not meet guidelines
- ☐ Property/seller issues
- ☐ Ratio exceeds guidelines
- ☐ Reserved under the incorrect program
- ☐ Short funds to close
- ☐ Title issues

Other: _____

To be completed by DCA:

The cancellation of the above referenced Loan is effective _____

Issued by: _____

Reservation Change Form

Effective ONLY for loan applications and/or reservations dated ON OR BEFORE July 7, 2026

Loan applications and/or reservations dated ON OR AFTER July 8, 2026 must be changed in TPO Connect within Change of Terms
Send to our office by emailing to the following:
dcaReservations@dca.ga.gov

Lender Name: _____

Requested by: _____

Phone #: _____ Email: _____

Georgia Dream First Mortgage Reservation # _____

Georgia Dream Second Mortgage Reservation # _____

Please complete below ONLY the information that needs changed.

☐ Borrower's Name _____ ☐ Borrower's SS # _____

☐ Co-Borrower's Name _____ ☐ Co-Borrower's SS # _____

☐ Property Address _____

☐ City _____ Zip _____ County _____

☐ New ☐ Existing ☐ Target ☐ Non-Target

Loan Type: ☐ FHA ☐ VA ☐ Conventional ☐ RD Guaranteed

☐ Purchase Price $ _____ ☐ Acquisition Cost $ _____

☐ First Mortgage Loan Amount $ _____ ☐ Second Mortgage Loan Amount $ _____

☐ # of Persons Employed _____

Loan Type: Standard ☐ PEN ☐ Choice ☐

Peach Advantage: ☐ 0% ☐ 2% ☐ 3% ☐4% ☐5%

☐ # Persons in Household_____ ☐ Lender Loan Number _____

☐ Borrower's Gross Annual Income $ _____ ☐ Borrower 1 Middle Credit Score: _____

☐ Co-Borrower's Gross Annual income $ _____ ☐ Borrower 2 Middle Credit Score: _____

☐ Borrower's Age _____ ☐ # of Dependents _____

Ethnicity: ☐ White ☐ Black ☐ Hispanic ☐ Asian/Islander ☐ Native American

☐ Prior Homeowner ☐ Yes ☐ No

DCA Use:
Changed By: _____ Date: _____

Loan Applicant Profile
(Submit with the Underwriting Package)

Lock/ Commitment Expiration Date: _____

DCA First Mtg. Loan : _____

DCA Second Mtg. Loan: _____

Lender: _____

Loan Originator:	Phone #:
Email Address:	
Loan Processor:	Phone #:
Email Address:	
Underwriter:	Phone:
Email Address:	

Applicant's Name: First _____ Last_____

Co-Applicant's Name: First _____ Last_____

Co-Signer's Name 1: First_____ Last _____

Co-Signer's Name 2: First _____ Last _____

Property Address: _____ **City**: _____
Zip Code:_____
County: _____
State: _____

Down Payment Program: _____ (Standard, CHOICE, PEN)

Target Area: _____

New or Existing: _____

First Mortgage loan Type: _____

Purchase Price: _____

Appraised Value: _____

First Mortgage Loan Amount_____

Conventional First Mortgage LTV: _____

Term of the Loan in Months: _____

Interest Rate: _____

Census Tract or Block: _____

Year Built:_____

Attached/ Detached/ Condo: _____

Number of Rooms: _____

Number of Bedrooms: _____

Number of Baths: _____

Total Square Feet: _____

Credit Score Used: _____

Automated Underwriting System: _____

Second Mortgage Loan Amount:_____

Ratios:_____

Ratios Met Guidelines:_____

Ethnicity:_____

Race :_____

Application Affidavit

(Submit with Underwriting Package)

Georgia Dream First Mtg. Loan Number:	**Georgia Dream Second Mtg. Loan Number**:
Applicant:	**Co-Applicant**:
Subject Property Address:	

The Georgia Department of Community Affairs ("DCA") offers two programs for low and moderate income home buyers. The Georgia Dream First Mortgage Program offers low interest mortgage loans that are funded from bonds issued by the Georgia Housing and Finance Authority ("GHFA"). The Georgia Dream Second Mortgage Program offers a loan for a portion of your down payment, closing costs and prepaid expenses. GHFA is a public corporation and instrumentality of the State of Georgia whose funding is administered by DCA. In administering GHFA funds, DCA acts on behalf of GHFA with respect to any loan you might receive under the Program. Federal law, State law, GHFA's regulations, and DCA's regulations impose a number of requirements upon recipients of these loans. In this document, "Program" means the Georgia Dream First Mortgage Program and/or the Georgia Dream Second Mortgage Program, as applicable.

****PLEASE READ THIS UNDERLINED AREA BEFORE YOU SIGN****

The Georgia Dream Second Mortgage Program is NOT a grant. It is a Loan. It is NOT forgivable. No payments are due UNTIL you (1) sell or transfer your home, (2) refinance your first mortgage, or (3) if, you no longer occupy your home as your principal residence. No interest is charged while you have the Georgia Dream Second Mortgage Loan.

PROGRAM REQUIREMENTS

1. Your household income must be within the DCA income limits. If your loan application is approved, at the loan closing you will be required to certify that your household income remains within the DCA income limits. If your income changes before loan closing and exceeds the DCA income limits, you will be disqualified from the Program(s) and you will not be entitled to receive a mortgage loan through DCA's Program(s).

   Household Annual Income includes but is not limited to the list below. Your lender can describe the exclusions from household income.

   a) full amount, before any payroll deductions, of wages and salaries, overtime, commissions, fees, tips, bonuses and other compensation for personal services (including raises expected to take effect prior to closing);
   b) net income from operation of a business or profession;
   c) income from trusts, investments, interest, dividends, royalties, net rental income and other net income from real or personal property;
   d) periodic payments from Social Security (including that received on behalf of children), annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic payments;
   e) payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay;
   f) Welfare Assistance, where payments include amounts specifically designated for shelter and utilities;
      periodic and determinable allowances such as alimony and child support, and regular contributions or gifts received from organizations or persons not residing in the dwelling;
   g) all housing allowances and similar allowances which are not reimbursement for job-related expenses;
   h) all regular and special pay, and allowances of members of the Armed Forces (whether or not living in the dwelling) who are the head of the family or spouse;
   i) relocation payments;
      undocumented non-payroll deposits to bank accounts, extrapolated to an annualized amount;
   j) earnings up to $480 annually for each full-time student 18 years or older (excluding the head of household and spouse); and
   k) adoption assistance payments up to $480 annually per adopted child

2. If you have owned or had an ownership interest in a principal residence within the last 3 years, you are not eligible for DCA's Programs, unless you qualify for specific exceptions that your lender can describe. You will be required to provide copies of your federal tax returns for the last 3 years and information about the location and type of your residence during the last 3 years, unless you qualify for these exceptions.

3. You will be required to certify that you intend to use the house for which you are applying for a loan as your principal place of residence. The First Mortgage loan cannot be used to finance the cost of additional land, rental property, a second home, or the expenses of a trade or business.

4. By signing this form, you acknowledge and agree that the information and/or documentation submitted in connection with the DCA Programs may be subject to public disclosure.

5 The maximum purchase price of the house you are intending to buy under these Programs is restricted by law and by Program regulations.

6. Your personal assets must be modest. You must be creditworthy as determined by your lender, DCA, FHA, VA, USDA/RD, the pool insurer, and/or the private mortgage insurer, as applicable.

7. The First Mortgage loan, and in some cases the Second Mortgage loan, that you are applying for will be financed with the proceeds of certain tax-exempt bonds issued by GHFA pursuant to certain state laws and federal income tax laws. Because you are receiving a mortgage loan(s) from the proceeds of a tax-exempt bond, you are receiving the benefit of a lower interest rate than is customarily charged on other mortgage loans. If you sell or otherwise dispose of your home during the 9 years after loan closing, this benefit may be "recaptured." The recapture is accomplished by an increase in your federal income tax for the year in which you sell or otherwise dispose of your home. The recapture applies only if you sell your home at a gain and if your income increases above specified levels. The recapture tax will not apply in certain circumstances, which are explained in the Notice to Purchaser of Potential Recapture Tax on Sale of Home (Form SF-50) that you will receive at closing. Form SF-50 also contains more detailed information about the calculation of any recapture tax.

8. In the event that you receive a loan(s) under these Programs, and it is subsequently discovered that you made a false statement, misrepresentation or misstatement, you may be required to make an immediate and full repayment of the loan(s) and you may also be subject to criminal prosecution.

9. **DUE ON SALE CONSENT.** If you receive a DCA loan, it is likely that when you sell your home the new purchaser will have to obtain new financing. (Land contracts are prohibited.) Your mortgage provides that you cannot sell your home to a person ineligible for assistance from DCA, unless you pay your loan in full. If you sell your home to a party ineligible for DCA's assistance and do not pay off your loan in full, DCA may demand immediate and full repayment of the loan. This could result in foreclosure of your mortgage and repossession of the property. In addition, if you rent the property or committed fraud or intentionally misrepresented yourself when you applied for the loan, the lender may foreclose your mortgage and repossess the property. If the lender takes your home through foreclosure of the mortgage because of these reasons, the mortgage insurer (HUD, VA, USDA/RD, pool insurer or a private insurer) will not be able to help you.

   If the money received from the foreclosure sale is not enough to pay the remaining balance you owe on the loan, DCA may obtain a deficiency judgment against you (a court ruling that you must pay whatever money is still owed on the loan after the foreclosure sale). Such judgment will be taken over by the insuring agency if DCA files an insurance claim against that agency because of the foreclosure. DCA or the insurer may bring an action against you to collect the judgment.

   You may avoid such action by paying your loan in full when you sell your home, not renting your home, by occupying the property as your principal residence, by complying with all your agreements contained in this Form and by making certain that any person who assumes your loan meets the necessary qualifications established by DCA.

   In order for a purchaser to be eligible to assume your DCA loan (1) the purchaser must meet income requirements, (2) the purchaser must not have held an ownership interest in a principal residence during the prior 3 years, unless the property is located within a "Targeted Area" or otherwise exempt from this requirement under federal law, (3) the purchaser must intend the home to be his or her principal residence, and (4) the sales price allowed to be paid to you must meet the purchase price requirements. Regarding the sales price restriction, the Internal Revenue Service requires that all homes are subject to the maximum sales price permitted for an "existing" home at the time of loan assumption even though the home may have been financed as "new" at the time you closed your loan.

A. **HOUSEHOLD SIZE**
List of all persons that will occupy the subject property after closing:

	Name(s)	Last 4 of SS#	Date of Birth
Adults (18 or older):	**Applicant:**		
	Co-Applicant:		
	Non-Applicant:		
	Non-Applicant:		
Children (17 and younger)			

Total Number of Persons in Household: _____

B.**CURRENT ANNUAL HOUSEHOLD INCOME**
(On each line indicate the current annual income for all loan Applicants.) My (our) annual Household Income is:

	Applicant	Co-Applicant
Gross full-time salary including overtime and bonuses (including all regular and special pay and allowances of members of the Armed Forces, whether or not living in the dwelling, who are the head of the family or spouse)		
Gross part-time salary		
Dividends and interest; income from royalties, trusts, and investments		
Net business or rental income, or other net income from real or personal property		
Periodic payments from Social Security (including that received on behalf of children) annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other retirement benefits		
All housing allowances and similar allowances which are not reimbursement for job-related expenses		
Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay		
Alimony and child support, and regular contributions or gifts from persons not residing in the household		
Public assistance and welfare payments; relocation payments		
Any other source of income (please specify) Applicant: _____ Co Applicant:		
Total Annual Income		

TOTAL ANNUAL INCOME OF ANY NON-APPLICANT HOUSEHOLD MEMBER, if applicable (From Form SF-15 for each employed household member over the age of 18 listed in section A above if a Non-Applicant has at least two (2)most recent years of documented stable employment or income history.	
TOTAL HOUSEHOLD ANNUAL INCOME ($)	

(addition of annual income of all adults who live in the residence)	

C.**PREVIOUS PRINCIPAL RESIDENCE:**

During the past 3 years to the best of my (our) knowledge and belief, I (we) have not had an ownership interest in my (our) principal residence, including, but not limited to, interests: (a) under the terms of a trust, or (b) under the terms of any divorce decree or separation agreement, or (c) as a part of a life estate under a will.

_____	_____
(sign above)	**(sign above)**

D. During the past three (3) years, I (we) have lived as a tenant at the following addresses for the indicated periods of time:

Applicant:	**Co-Applicant:**
Address:	Address:
City:	City:
State:	State:
Zip:	Zip:
Occupied From (Month)___ / (Year) ___ TO: Month)___ / (Year)____	Occupied From (Month)___ / (Year) ___ TO: Month)___ / (Year)___
Rent: $	Rent: $
Landlord:	**Landlord:**
Address:	Address:
City:	City:
State	State
Zip:	Zip:
Address:	Address:
City:	City:
State:	State:
Zip:	Zip:
Occupied From (Month)___ / (Year) ___ TO: Month)___ / (Year)_____	Occupied From (Month)_ / (Year) ___ TO: Month)___ / (Year)____
Rent: $	Rent: $
Landlord:	**Landlord:**
Address:	Address:
City:	City:
State	State
Zip:	Zip:
Address:	Address:
City:	City:
State:	State:
Zip:	Zip:
Occupied From (Month) / (Year) TO: Month) / (Year)	Occupied From (Month) / (Year) TO: Month) / (Year)
Rent: $	Rent: $
Landlord:	**Landlord:**
Address:	Address:
City:	City:
State	State
Zip:	Zip:

E. RESIDENCE REQUIREMENTS

The property is located within the State of Georgia. The property I (we) have contracted to purchase is a single family residence. I (we) will occupy the property as my (our) principal residence not later than 60 days after the date of closing of the loan. The property will be my (our) principal residence and not a vacation or second home. No portion of the property will be used as an investment property or in the conduct of a trade or business (including childcare services on a regular basis for compensation) or as a recreational home or rental property. The property does not contain any buildings, portion of any buildings or excess land that will be used to produce income. At the time of this application, I (we) do not intend to rent, sell, assign, or transfer the property at any time within the foreseeable future to any other person for the term of the mortgage loan.

F. I (we) certify that I (we) have read and understood this Application Affidavit and that I (we) have been provided a copy of this Certification along with the Form SF-16 "Acquisition Cost Certification."

G. CERTIFICATIONS

1. The statements and information set forth in this affidavit and the information submitted in conjunction with my (our) application for a loan under DCA's program, including, but not limited to, all federal income tax forms and data, are true and correct and this information does not contain an untrue statement of a material fact or omit the statement of a fact required to be stated or state any misleading facts;
2. I (we) have read and understood the definition of annual income on page 1 and that by definition, I am (we are) the sole wage earner(s) in the household as defined by DCA, unless otherwise disclosed in Section B of this affidavit and supported by a fully executed Form SF-15, "Affidavit of Non-Applicant Household Member," submitted with this affidavit;
3. I (we) fully understand that the above statements and the information set forth in this affidavit are material to the application for a mortgage loan from the Program of the Georgia Housing and Finance Authority and the Georgia Department of Community Affairs, are public information and may be subject to public disclosure and/or verification by DCA, and I (we) declare under penalty of perjury, which is a felony offense in the State of Georgia, that the above statements and information are true, correct and complete;
4. I (we) fully understand that in the event that any of the information set forth in this affidavit is no longer true at the time of the loan closing and has changed such that I (we) no longer qualify for a loan under DCA's program, then I (we) will not be entitled to obtain or close the loan;
5. I (we) fully understand that in the event that I (we) receive a mortgage loan, I (we) hereby acknowledge that any false statement, representation or misstatement made by me (us) create(s) a legal and binding obligation for me (us) to make immediate and full repayment of the mortgage loan, and may result in a fine and/or imprisonment;
6. I (we) fully understand that by financing the applied-for loan through its Program, DCA shall in no event be determined to have made any representations to me (us) with respect to the residence being financed, including, without limitation, the habitability, construction or value of the residence; and
7. I (we) fully understand that I (we) hereby release GHFA and DCA and the originating lender from any claims related in any way to my (our) application for this loan or to their verification or enforcement of the requirements of DCA's Program.

Applicant:_____ Date:_____

Co-Applicant:_____ Date:_____

Affidavit of Non-Applicant Household Member

(Submit with Underwriting Package)

This form is to be completed and sworn to by any adult (including the applicant's spouse) who will not sign the Note but will live in the property. Co-signers not intending to live in the property need not execute the form. This form can accommodate up to two Non-Applicant Household Members. For 3 or more non-applicant household members, an additional SF-15 form must be completed (accessed from the Georgia Dream website- dca.georgia.gov) and their respective household incomes must be included in the SF-12, Application Affidavit, page 3.

CURRENT ANNUAL HOUSEHOLD INCOME

Indicate the total annual income for any adult (18 years of age or older) who will live in the property, but who is not an applicant. Income is included only if the Non-Applicant has at least two (2) consecutive most recent years of documented employment or income history. Income of less than two (2) consecutive most recent years is considered unstable and/or sporadic and is not included in the total household income calculation.

Income Type	Non-Applicant 1	Non-Applicant 2
Name		
Employer Name		
Employed From		
Employed To		
Additional Employer Name		
Employed From		
Employed To		
Gross full-time salary including overtime and bonuses		
Gross part-time salary		
Dividends and interest; income from royalties, trusts, and investments		
Net business or rental income, or other net income from real or personal property		
Periodic payments from Social Security, pensions, disabilities, etc.		
Housing allowances		
Payments in lieu of earnings (unemployment, etc.)		
Alimony, child support, gifts		
Public assistance		
TOTAL ANNUAL INCOME*		
	Transfer each total to Form SF-12, "Application Affidavit," page 3.	

I have reviewed all the statements made in this Affidavit. Nothing has come to my attention that would lead me to believe that any of the statements made in this Affidavit are inaccurate or incomplete.
By affixing my signature below, I certify that I have read and understood the definition of annual income above and have disclosed all my income.
I fully understand that the above statements and the information set forth in this Affidavit are material to the application for a mortgage loan from the Georgia Housing and Finance Authority ("GHFA") and the Georgia Department of Community Affairs ("DCA"), are public information and may be subject to public disclosure and/or verification by DCA, and I declare under penalty of perjury, which is a felony offense in the State of Georgia, that the above statements and information are true, correct and complete.

Additionally, I fully understand that:
1. In the event that the information set forth in this Affidavit is no longer true at the time of the loan closing and has changed such that the Applicant no longer qualifies for a loan under the Georgia Dream Homeownership Program, then the Applicant will not be entitled to obtain or close the loan; and
2. I hereby release GHFA, DCA and the originating lender from any claims related in any way to their verification or enforcement of the Georgia Dream Homeownership Program requirements.
3. Non Applicant 1- **I am a full time student**: _ Yes ( ) No ( )
   Non Applicant 2- **I am a full time student**: _ Yes ( ) No ( )

If yes, provide school transcripts

_____ _____

Signature of Non Applicant 1 Date

_____ _____

Signature of Non Applicant 1 Date

Acquisition Cost Certification

(Submit with Underwriting Package – Georgia Dream First Mortgage Program Only)

Borrower: _____

Property Seller: _____

Address: _____

Street **City** **State** **Zip**

A. Compute the acquisition cost of the land and dwelling as follows:

Additions

1. Amount paid, in cash or in kind, by the Borrower to or for the benefit of the Property Seller for the residence, all fixtures and all land. (See Item 2 if land is acquired separately from residence and fixtures). **(If Existing or New Construction where dwelling, lot, and construction are included as the Total Sales Price, enter the Sales Price from contract on line 1, then SKIP to Total Acquisition Cost at the bottom of the form.)** $ _____
2. Cost of land on which the residence is or will be located (if purchased separately within 2 years of construction start date and not included in Item 1 above). NOTE: Land owned for more than 2 years by Borrower need not be included. $ _____
3. Appraised value of land on which the residence is or will be located (if received as a gift within 2 years of construction start and if obtained by the donor within the same 2 year period). NOTE: If the donor obtained the property prior to the 2 year period, the value of the land need not be included. $ _____
4. Interest paid during construction period (if not included in Item 1 above). $ _____
5. Cost of all other work necessary to complete the residence (regardless of source of funds or intention to complete). $ _____
6. Settlement costs including real estate transfer taxes, recording fees, title insurance premiums, survey fees and other similar costs or financing costs including credit reference fees, legal fees, appraisal expenses or points. Amounts are included here only if they are over and above the usual and reasonable amounts for these expenses for a similar loan not financed with tax-exempt bonds. Specify: _____ $ _____
7. Installation cost of manufactured housing; including costs of transportation, anchorage, utility hook-ups and similar items (if not included in Item 1 above). $ _____
8. *Leasehold Mortgages Only*: The capitalized value of the ground rent (formula to be provided by your lender). $ _____

Subtotal of Additions $ _____

Subtractions

9. Personal Property items expected to be purchased from the Property Seller(s), other than fixtures; see first "NOTE" below. **(This amount also must be subtracted from the mortgage loan amount)**.

Items of Personal Property	**Value**
	$
	$
	$

10. The value of services performed by the Borrower(s) or donated by family members (parents, brother(s) and/or sister(s) [whole or half blood], spouse, ancestor and lineal descendants) in constructing, improving or completing the residence. (If family members are hired as paid contractors, the costs of those services included in "ADDITIONS" are not subtracted and may be financed with the proceeds of the mortgage loan). $ _____

Subtotal of Subtractions $ _____

Total Acquisition Cost (Value Net of Additions and Subtractions) $ _____

NOTE: A "fixture" is property that is affixed to real estate, which the Borrower(s) intend(s) (i): to keep so affixed during its useful life, and (ii) to be part of the real estate. Refrigerators, free-standing stoves, washer and dryers, unless actually built into the residence, are considered to be personal property and not fixtures.

NOTE: The acquisition cost of a Single Family Dwelling does not include:
(1) Usual and reasonable settlement and financing costs; "Settlement Costs" include titling and transfer costs, title insurance, survey fees and other similar costs; and "Financing Costs" include credit reference fees, legal fees, appraisal expenses, points which are paid by the Borrower, or other costs of financing the residence. Such amounts must not exceed the usual and reasonable costs which otherwise would be paid for in a similar loan,
(2) The imputed value of services performed by the Borrower or members of his family (which include only the Borrower's parents, brother(s) and/or sister(s) [whether by whole or half blood], spouse, ancestors and lineal descendant(s) in constructing or completing the residence, or
(3) The cost of land which has been owned by the Borrower for at least 2 years before the date on which the construction of the structure comprising the Single Family Residence begins.

B. To the best of our knowledge, all of the land sold with this residence reasonably maintains the basic livability of the residence.

I fully understand the information set forth above is material to the Georgia Department of Community Affairs and declare under penalty of perjury, which is a felony offense in the State of Georgia that the above information is true and correct.

Subject Property Address: _____

_____

_____ _____
Borrower's Signature Date

_____ _____
Co-Borrower's Signature Date

_____ _____
Property Seller's Signature Date

Printed Name: _____

_____ _____
Property Seller's Signature Date

Printed Name:_____

Title if not owned by individual:_____

I further certify that the real estate on which the home is located will not provide a source of income to the borrower.

_____ _____
Borrower's Signature Date

_____ _____
Co Borrower's Signature Date

Loan Funding Profile

(Submit with the Purchase Package)

Reservation Number(s): _____ _____
(Georgia Dream First Mortgage) (Georgia Dream Second Mortgage)

First Mortgage Loan Type: _____ (FHA, VA, USDA, Conv'l Uninsured)
First Mortgage Loan Program: _____ (Standard, Plus, Select)
Second Mortgage Loan Program: _____ (PEN, CHOICE, Standard)

Lender: _____

Contact: _____ Phone: _____
Email: _____

Applicant's Name and Address

Last: _____First:_____ Middle: _____
Number & Street : _____
City: _____ County:_____ Zip Code:_____

Loan Information

First Mortgage Loan:
Closing Date (M/D/Yr.): _____
Date to which Interest Paid:_____
First Payment Due Date_____
Term in Months: _____
Maturity Date:_____
Original Loan Amount: _____
Mortgage Interest Rate: _____
Monthly Payment of P&I: _____

Second Mortgage Loan:
Date of Note:_____
Loan Amount: $:_____

Seller certifies that the information contained herein is true and correct, based on normal and prudent business inquiry and that the Loan(s) issued to the Mortgagor identified herein is an (are) eligible Loan(s) in accordance with the terms of the Loan Seller Agreement and Seller Guide.

Legal Name of Seller (Lender): _____
By _____ Date _____
Name_____ Title: _____

State Home Mortgage
Servicing Loan Profile
(Submit with the Servicing Package)

Reservation Number(s): _____ _____
(Georgia Dream First Mortgage) (**Georgia Dream Second Mortgage)**

Lender: _____

Lender contact information for Payments that need to be sent to State Home Mortgage:

Contact Name: _____

Phone: _____

Email Address: _____

Borrower's Name and Address:

Last: _____ First: _____ Middle: _____

Number & Street: _____

City: _____ County: _____ Zip Code: _____

Downpayment Loan Information

Second Mortgage Loan (if applicable):

Date of Note: _____

Loan Amount: $_____

Georgia Housing and Finance Authority
Tax-Exempt Financing Rider
For Georgia Dream First Mortgage Loan Program
(Execute at Closing and Record with GHFA First Mortgage)

THIS TAX-EXEMPT FINANCING RIDER is made this _____ day of _____, 20____, and is incorporated into and shall be deemed to amend and supplement the Security Deed, ("Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Note ("Note") to _____ ("Lender") of the same date and covering the property described in the Security Instrument and located at: _____
_____

ADDITIONAL COVENANTS: In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree to amend the Security Instrument by adding additional grounds for acceleration as follows:

Lender, or such of its successors or assigns as may by separate instrument assume responsibility for assuring compliance by the Borrower with the provisions of this Tax-Exempt Financing Rider, may require immediate payment in full of all sums secured by this Security Instrument if:

(a) All or part of the Property is sold or otherwise transferred by Borrower to a purchaser or other transferee:
  (i) Who cannot reasonably be expected to occupy the property as a principal residence within a reasonable time after the sale or transfer, all as provided in Section 143(c) and (i)(2) of the Internal Revenue Code; or
  (ii) Who has had a present ownership interest in a principal residence during any part of the three-year period ending on the date of the sale or transfer, all as provided in Section 143(d) and (i)(2) of the Internal Revenue Code (except that "100 percent" shall be substituted for "95 percent or more" where the latter appears in Section 143(d)(1)); or
  (iii) At an acquisition cost which is greater than 90 percent of the average area purchase price (greater than 110 percent for targeted area residences), all as provided in Section 143(e) and (i)(2) of the Internal Revenue Code; or
  (iv) Who has a gross family income in excess of the applicable median family income as provided in Section 143(f) and (i)(2) of the Internal Revenue Code; or
(b) Borrower fails to occupy the property described in the Security Instrument without prior written consent of Lender or its successors or assigns described at the beginning of this Tax-Exempt Financing Rider, or
(c) Borrower omits or misrepresents a fact that is material with respect to the provisions of Section 143 of the Internal Revenue Code in an application for the loan secured by this Security Instrument.

References are to the Internal Revenue Code as amended and in effect on the date of issuance of bonds, the proceeds of which will be used to finance the purchase of the Security Instrument and are deemed to include the implementing regulations.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions in this Tax-Exempt Financing Rider.

_____ _____ (SEAL)
Unofficial Witness Borrower

Sworn to and subscribed before me this _____(SEAL)
____ Day of _____,20___. Borrower

_____
Notary Public
My Commission Expires _____
(Notary Public Seal Affixed Here)

Georgia Housing and Finance Authority
Transfer and Assignment- First Mortgage
(Execute and Record)

STATE OF GEORGIA
COUNTY OF _____

FOR VALUE RECEIVED, the Undersigned has this day transferred, assigned, sold, conveyed and set over to the Georgia Housing and Finance Authority, 60 Executive Park South, N.E., Atlanta, Georgia 30329, its successors, representatives and assigns, all of its right(s), title and interest(s) in and to a certain Deed to Secure Debt executed (signed, sealed and delivered) by (Borrower(s))

Borrower 1:_____
Borrower 2:_____
Co Signer 1:_____
Co Signer 2:_____

in favor of (Lender)_____in the principal sum **$**_____dated _____ and recorded in Deed Book _____commencing at Page _____ in the Office of the Clerk of the Superior Court of _____County, Georgia.

The Undersigned herein specifically transfers, assigns, sells, conveys and sets over to the Georgia Housing and Finance Authority, its successors, representatives and assigns, the aforesaid Deed to Secure Debt, together with all the powers, options, privileges and immunities contained therein, the property described therein and the indebtedness secured thereby.

The Undersigned this day also has transferred, assigned and sold to the Georgia Housing and Finance Authority, its successors, representatives and assigns, the Promissory Note secured by the aforesaid Deed to Secure Debt and this transfer and assignment of such Deed to Secure Debt is made to secure Georgia Housing and Finance Authority, its successors, representatives and assigns, in the payment of said Promissory Note.

IN WITNESS THEREOF, the Undersigned, pursuant to proper corporate authority, has caused these presents to be duly and properly executed (signed, sealed and delivered) on its behalf, its corporate name to be subscribed hereto and its Corporate Seal to be affixed hereto, by its duly authorized and empowered hereinafter named corporate officers, this_____ day of _____, 20____.

(CORPORATE SEAL)

Signed, sealed and delivered in the presence of

_____
(Type or print the legal name of the Lender on the above line)

_____
Witness Name

_____
Witness Signature

Notary Public Signature:_____

My Commission Expires: _____

By: _____
Name: _____
Title: _____
Lender Officer on Corporate Resolution

Attest: _____
Name: _____
Title: _____
Lender Officer on Corporate Resolution

(Notary Public Seal MUST Be Affixed Here and NO Notary Addendums allowed)

Georgia Housing and Finance Authority
Transfer and Assignment- Second Mortgage
(Execute and Record)

STATE OF GEORGIA
COUNTY OF _____

FOR VALUE RECEIVED, the Undersigned has this day transferred, assigned, sold, conveyed and set over to the Georgia Housing and Finance Authority, 60 Executive Park South, N.E., Atlanta, Georgia 30329, its successors, representatives and assigns, all of its right(s), title and interest(s) in and to a certain Deed to Secure Debt executed (signed, sealed and delivered) by (Borrower(s)),

Borrower 1:_____
Borrower 2:_____
Co Signer 1:_____
Co Signer 2:_____

in favor of (Lender)_____in the principal sum of $_____dated _____ and recorded in Deed Book _____commencing at Page _____ in the Office of the Clerk of the Superior Court of _____County, Georgia.

The Undersigned herein specifically transfers, assigns, sells, conveys and sets over to the Georgia Housing and Finance Authority, its successors, representatives and assigns, the aforesaid Deed to Secure Debt, together with all the powers, options, privileges and immunities contained therein, the property described therein and the indebtedness secured thereby.

The Undersigned this day also has transferred, assigned and sold to the Georgia Housing and Finance Authority, its successors, representatives and assigns, the Promissory Note secured by the aforesaid Deed to Secure Debt and this transfer and assignment of such Deed to Secure Debt is made to secure Georgia Housing and Finance Authority, its successors, representatives and assigns, in the payment of said Promissory Note.

IN WITNESS THEREOF, the Undersigned, pursuant to proper corporate authority, has caused these presents to be duly and properly executed (signed, sealed and delivered) on its behalf, its corporate name to be subscribed hereto and its Corporate Seal to be affixed hereto, by its duly authorized and empowered hereinafter named corporate officers, this_____ day of _____, 20____.

(CORPORATE SEAL)

_____
(Type or print the legal name of the Lender on the above line)

Signed, sealed and delivered in the presence of:

_____
Witness Name

_____
Witness Signature

Notary Public Signature: _____

My Commission Expires _____

By: _____

Name: _____

Title: _____
Lender Officer on Corporate Resolution

Attest: _____

Name: _____

Title: _____
Lender Officer on Corporate Resolution

(Notary Public Seal MUST Be Affixed Here and NO Notary Addendums allowed)

Georgia Housing and Finance Authority
Mortgagor's Closing Affidavit
(Execute at Closing and Submit with Purchase Package)
DO NOT RECORD

STATE OF _____)
) SS: AFFIDAVIT OF BORROWER(S)
COUNTY OF _____)

I (we) hereby reaffirm that the statements and information contained in the final Application Affidavit (Form SF-12) which I (we) executed and in the final Acquisition Cost Certification (Form SF-16) which I (we) executed including, without limitation, the computation of Acquisition cost, the disclosure of Household Size, and the computation of current Household Annual Income were true, accurate and complete when made and remain true, accurate, complete and unchanged, or I (we) have prepared and attached hereto complete and accurate information concerning any changes or corrections to such statements and information.

_____ _____
Borrower's printed name Borrower's Signature

_____ _____
Co-Borrower's printed name Co-Borrower's Signature

Sworn to and subscribed before me this _____

day of _____, 20_____.

_____
Notary Public

My Commission Expires _____

(Notary Public Seal Affixed Here)

Georgia Housing and Finance Authority
Notice To Purchaser Of Potential
Recapture Tax On Sale of Home

Form of Notice to be Delivered to Each Purchaser on the Closing Date
Regarding Potential Recapture Tax on Sale of Home

To: Purchaser

The Georgia Dream First Mortgage and/or Georgia Dream Second Mortgage loan(s) being made to you today (the "Mortgage Loan") have been financed with the proceeds of certain tax-exempt bonds issued by the Georgia Housing and Finance Authority (the "Issuer") pursuant to certain state laws and federal income tax laws. This Notice is being given to you on behalf of the Issuer in compliance with section 143(m)(7)(A) and section 143(m)(7)(B) of the Internal Revenue Code

Because you are receiving mortgage loan(s) from the proceeds of a tax-exempt bond, you are receiving the benefit of a lower interest rate than is customarily charged on other mortgage loans. If you sell or otherwise dispose of your home during the next 9 years, this benefit may be "recaptured." The recapture would be accomplished by an increase in your federal income tax for the year in which you sell or otherwise dispose of your home. The recapture only applies, however, if you sell or dispose of your home at a gain and if your income increases above specified levels. The recapture tax will not apply in certain circumstances. In the pages that follow, you will be given additional information that will be needed to calculate the potential recapture tax. The additional information begins on the next page and is entitled "Notice Under Code Section 143(m)(7)(B)."

You will need to complete IRS Form 8828, Recapture of Federal Mortgage Subsidy, when you file your federal income taxes for the year in which the home is sold. IRS Form 8828 calculates any Recapture Tax that may be due. The IRS website has information about calculating recapture tax and using IRS Form 8828 on its website. For further assistance with calculation or any other questions related to a potential recapture tax, please consult a tax professional.

Please sign below to acknowledge your receipt of all 8 pages of this Notice and that you are aware of the potential recapture tax discussed in this Notice.

Date _____

_____
Purchaser's Signature

_____
Purchaser's Signature

This Notice must be executed in duplicate.
One copy for Purchasers and original for Lender to send to DCA.

Notice Under Code Section 143(m)(7)(B)

Form of Notice to be Delivered to Each Purchaser on the Closing Date

A. General Information.

When you sell your home, you may have to pay a recapture tax as calculated below. The recapture tax may also apply if you dispose of your home in some other way. Any reference in this notice to the "sale" of your home also includes other ways of disposing of your home. For instance, you may owe the recapture tax if you give your home to a relative.

B. Exceptions.

In the following situations, no recapture tax is due, and you should not need to do the calculations:

1. You dispose of your home more than 9 years after you close your GHFA mortgage loan(s);
2. Your home is disposed of as a result of your death.:
3. You transfer your home either to your spouse or to your former spouse incident to divorce and you have no gain or loss included in your income under Section 1041 of the Internal Revenue Code; or
4. You dispose of your home at a loss.

C. Information You Will Need in Order to Complete Your Tax Forms.

In order to complete your income tax forms in the year you sell your home, you will need the following information:

Address of property:

_____
Street Address

_____
City, County, State, Zip

Type of Federal subsidy: Mortgage loan (s) from the proceeds of a tax-exempt bond.

Name of bond issuer: Georgia Housing and Finance Authority

Lending Institution

_____
Name of Lending Institution

_____
Street Address

_____
City, State, Zip

Loan Closing Date _____

Federally Subsidized Amount

Original First Mortgage Loan Amount X .0625 =

Original Second Mortgage Loan Amount X .0625 =

D. Targeted County, Targeted Census Tract or other Targeted Area.

Is the property located in a targeted county, targeted census tract or other targeted area listed in Appendix III of the Seller Guide-

Yes ( ) No ( )

E. Maximum Recapture Tax.

The maximum recapture tax that you may be required to pay is stated on page 2 of this notice as "Federally Subsidized Amount." This amount is 6.25% of the original mortgage loan amount and is your Federally Subsidized Amount with respect to the loan.

F. Actual Recapture Tax.

The actual recapture tax, if any, can only be determined when you sell your home. It is the lesser of:

1. 50 percent of your gain on the sale of your home, regardless of whether you have to include the gain in your income for federal income tax purposes, or

2. Your Recapture Amount determined by multiplying the following three numbers:
   a. Your Federally Subsidized Amount (see page 2 of this Notice) *times*
   b. The Holding Period Percentage, as shown in paragraph G below *times*
   c. The Income Percentage, as described in paragraph H below.

G. Holding Period Percentage.

Date That You Sell Your Home	Holding Period Percentage
Before the first anniversary of closing ("closing" means the closing date for your loan) (**1st year**)	20%
On or after the first anniversary of closing, but before the second anniversary of closing (**2nd year**)	40%
On or after the second anniversary of closing, but before the third anniversary of closing (**3rd year**)	60%
On or after the third anniversary of closing, but before the fourth anniversary of closing (**4th year**)	80%
On or after the fourth anniversary of closing, but before the fifth anniversary of closing (**5th year**)	100%
On or after the fifth anniversary of closing, but before the sixth anniversary of closing (**6th year**)	80%
On or after the sixth anniversary of closing, but before the seventh anniversary of closing (**7th year**)	60%
On or after the seventh anniversary of closing, but before the eighth anniversary of closing (**8th year**)	40%
On or after the eighth anniversary of closing, but before the ninth anniversary of closing (**9th year**)	20%

H. Income Percentage.

Income Percentage is calculated as follows:

1. Subtract the applicable Adjusted Qualifying Income in the taxable year in which you sell your home (as listed on Table I) from your Modified Adjusted Gross Income in the taxable year in which you sell your home. To find your Adjusted Qualifying Income, first find the county in which your home is located. If Table I shows "targeted" and "non-targeted" for your county, check page 2 of this Notice to see in which area your home is located. Then read across Table I to find the appropriate year (which should be the same year as used to select your Holding Period Percentage) and select the number from the column for your household size. Household size means the number of family members living in your home at the time of sale.

   Your Modified Adjusted Gross Income means your Adjusted Gross Income shown on your federal income tax return for the taxable year in which you sell your home, with the following two adjustments: (a) your Adjusted Gross Income must be increased by the amount of any interest that you receive or accrue in the taxable year from tax - exempt bonds that is excluded from your gross income (under section 103 of the Internal Revenue Code); and (b) your Adjusted Gross Income must be decreased by the amount of any gain included in your gross income by reason of the sale of your home.

2. If the amount calculated in (1) above is zero or less, you owe no recapture tax and do not need to make any more calculations. If the amount calculated is $5,000 or more, your Income Percentage is 100 percent. If the amount calculated is greater than zero, but less than $5,000, it must be divided by $5,000. This fraction, expressed as a percentage, represents your Income Percentage. For example, if the fraction is $1,000/$5,000, your Income Percentage is 20 percent.

I. Limitations and Special Rules on Recapture Tax

1. If you give away your home (other than to your spouse or ex-spouse incident to divorce), you must determine your actual recapture tax as if you had sold your home for its fair market value.

2. If your home is destroyed by fire, storm, flood, or other casualty, there generally is no recapture tax if, within two years, you purchase additional property for use as your principal residence on the site of the home financed with your original subsidized mortgage loan.
3. In general, except as provided in future regulations, if two or more persons own a home and are jointly liable for the subsidized mortgage loan, the actual recapture tax is determined separately for them based on their interests in the home.

4. If you repay your loan in full during the 9- y e a r recapture period and you sell your home during this period, your Holding Period Percentage may be reduced under the special rule in Section 143(m)(4)(C)(ii) of the Internal Revenue Code.

5. Other special rules may apply in circumstances. You may wish to consult with a tax advisor or the local office of the Internal Revenue Service when you sell or otherwise dispose of your home to determine the amount, if any, of your actual recapture tax. See Section 143(m) of the Internal Revenue Code generally.

FORM SF-50

Version: 2020

Table I Adjusted Qualifying Income

		1st Year		2nd Year		3rd Year		4th Year		5th Year		6th Year		7th Year		8th Year		9th Year	
Household Size		1 to 2	3 or more	1 to 2	3 or more	1 to 2	3 or more	1 to 2	3 or more	1 to 2	3 or more	1 to 2	3 or more	1 to 2	3 or more	1 to 2	3 or more	1 to 2	3 or more
Appling	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Atkinson	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Bacon	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Baker	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Baldwin	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
	non-targeted	$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Banks		$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Barrow	*targeted*	$99,240	$115,780	$104,202	$121,569	$109,412	$127,647	$114,883	$134,030	$120,627	$140,731	$126,658	$147,768	$132,991	$155,156	$139,641	$162,914	$146,623	$171,060
	non-targeted	$84,256	$96,895	$88,469	$101,740	$92,892	$106,827	$97,537	$112,168	$102,414	$117,776	$107,534	$123,665	$112,911	$129,849	$118,557	$136,341	$124,484	$143,158
Bartow		$84,256	$96,895	$88,469	$101,740	$92,892	$106,827	$97,537	$112,168	$102,414	$117,776	$107,534	$123,665	$112,911	$129,849	$118,557	$136,341	$124,484	$143,158
Ben Hill	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
	non-targeted	$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Berrien	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Bibb	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
	non-targeted	$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Bleckley	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Brantley	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Brooks	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Bryan		$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Bulloch	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Burke	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Butts		$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Calhoun	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Camden		$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Candler		$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Carroll	*targeted*	$99,240	$115,780	$104,202	$121,569	$109,412	$127,647	$114,883	$134,030	$120,627	$140,731	$126,658	$147,768	$132,991	$155,156	$139,641	$162,914	$146,623	$171,060
	non-targeted	$84,256	$96,895	$88,469	$101,740	$92,892	$106,827	$97,537	$112,168	$102,414	$117,776	$107,534	$123,665	$112,911	$129,849	$118,557	$136,341	$124,484	$143,158
Catoosa		$72,600	$83,490	$76,230	$87,665	$80,042	$92,048	$84,044	$96,650	$88,246	$101,483	$92,658	$106,557	$97,291	$111,885	$102,155	$117,479	$107,263	$123,353
Charlton	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Chatham	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
	non-targeted	$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Chattahoochee		$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Chattooga	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Cherokee		$84,256	$96,895	$88,469	$101,740	$92,892	$106,827	$97,537	$112,168	$102,414	$117,776	$107,534	$123,665	$112,911	$129,849	$118,557	$136,341	$124,484	$143,158
Clarke	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
	non-targeted	$78,720	$91,840	$82,656	$96,432	$86,789	$101,254	$91,128	$106,316	$95,685	$111,632	$100,469	$117,214	$105,492	$123,074	$110,767	$129,228	$116,305	$135,690
Clay	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Clayton	*targeted*	$99,240	$115,780	$104,202	$121,569	$109,412	$127,647	$114,883	$134,030	$120,627	$140,731	$126,658	$147,768	$132,991	$155,156	$139,641	$162,914	$146,623	$171,060
	non-targeted	$84,256	$96,895	$88,469	$101,740	$92,892	$106,827	$97,537	$112,168	$102,414	$117,776	$107,534	$123,665	$112,911	$129,849	$118,557	$136,341	$124,484	$143,158
Clinch	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Cobb	*targeted*	$99,240	$115,780	$104,202	$121,569	$109,412	$127,647	$114,883	$134,030	$120,627	$140,731	$126,658	$147,768	$132,991	$155,156	$139,641	$162,914	$146,623	$171,060
	non-targeted	$84,256	$96,895	$88,469	$101,740	$92,892	$106,827	$97,537	$112,168	$102,414	$117,776	$107,534	$123,665	$112,911	$129,849	$118,557	$136,341	$124,484	$143,158
Coffee	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Colquitt	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Columbia		$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Cook	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Coweta	*targeted*	$99,240	$115,780	$104,202	$121,569	$109,412	$127,647	$114,883	$134,030	$120,627	$140,731	$126,658	$147,768	$132,991	$155,156	$139,641	$162,914	$146,623	$171,060
Crawford	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341

FORM SF-50		Table I Adjusted Qualifying Income																	Page 6 of 8
Version: 2020		1st Year		2nd Year		3rd Year		4th Year		5th Year		6th Year		7th Year		8th Year		9th Year	
Household Size		1 to 2	3 or more	1 to 2	3 or more	1 to 2	3 or more	1 to 2	3 or more	1 to 2	3 or more	1 to 2	3 or more	1 to 2	3 or more	1 to 2	3 or more	1 to 2	3 or more
Crisp	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Dade		$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Dawson		$84,256	$96,895	$88,469	$101,740	$92,892	$106,827	$97,537	$112,168	$102,414	$117,776	$107,534	$123,665	$112,911	$129,849	$118,557	$136,341	$124,484	$143,158
Decatur	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
DeKalb	*targeted*	$99,240	$115,780	$104,202	$121,569	$109,412	$127,647	$114,883	$134,030	$120,627	$140,731	$126,658	$147,768	$132,991	$155,156	$139,641	$162,914	$146,623	$171,060
	non-targeted	$84,256	$96,895	$88,469	$101,740	$92,892	$106,827	$97,537	$112,168	$102,414	$117,776	$107,534	$123,665	$112,911	$129,849	$118,557	$136,341	$124,484	$143,158
Dodge	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Dooly	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Dougherty	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
	non-targeted	$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Douglas		$84,256	$96,895	$88,469	$101,740	$92,892	$106,827	$97,537	$112,168	$102,414	$117,776	$107,534	$123,665	$112,911	$129,849	$118,557	$136,341	$124,484	$143,158
Early	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Echols	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Effingham		$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Elbert	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Emanuel	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Evans	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Fannin	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Fayette		$84,256	$96,895	$88,469	$101,740	$92,892	$106,827	$97,537	$112,168	$102,414	$117,776	$107,534	$123,665	$112,911	$129,849	$118,557	$136,341	$124,484	$143,158
Floyd	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
	non-targeted	$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Forsyth		$84,256	$96,895	$88,469	$101,740	$92,892	$106,827	$97,537	$112,168	$102,414	$117,776	$107,534	$123,665	$112,911	$129,849	$118,557	$136,341	$124,484	$143,158
Franklin		$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Fulton	*targeted*	$99,240	$115,780	$104,202	$121,569	$109,412	$127,647	$114,883	$134,030	$120,627	$140,731	$126,658	$147,768	$132,991	$155,156	$139,641	$162,914	$146,623	$171,060
	non-targeted	$84,256	$96,895	$88,469	$101,740	$92,892	$106,827	$97,537	$112,168	$102,414	$117,776	$107,534	$123,665	$112,911	$129,849	$118,557	$136,341	$124,484	$143,158
Gilmer		$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Glascock		$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Glynn		$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Gordon		$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Grady	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Greene	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Gwinnett	*targeted*	$99,240	$115,780	$104,202	$121,569	$109,412	$127,647	$114,883	$134,030	$120,627	$140,731	$126,658	$147,768	$132,991	$155,156	$139,641	$162,914	$146,623	$171,060
	non-targeted	$84,256	$96,895	$88,469	$101,740	$92,892	$106,827	$97,537	$112,168	$102,414	$117,776	$107,534	$123,665	$112,911	$129,849	$118,557	$136,341	$124,484	$143,158
Habersham		$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Hall	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
	non-targeted	$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Hancock	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Haralson	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Harris		$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Hart		$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Heard	*targeted*	$99,240	$115,780	$104,202	$121,569	$109,412	$127,647	$114,883	$134,030	$120,627	$140,731	$126,658	$147,768	$132,991	$155,156	$139,641	$162,914	$146,623	$171,060
Henry		$84,256	$96,895	$88,469	$101,740	$92,892	$106,827	$97,537	$112,168	$102,414	$117,776	$107,534	$123,665	$112,911	$129,849	$118,557	$136,341	$124,484	$143,158
Houston	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
	non-targeted	$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Irwin	*targeted*	$82,920	$96,740	$87,066	$101,577	$91,419	$106,656	$95,990	$111,989	$100,790	$117,588	$105,829	$123,467	$111,121	$129,641	$116,677	$136,123	$122,511	$142,929
Jackson		$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673

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Table I Adjusted Qualifying Income

Version: 2020

		1st Year		2nd Year		3rd Year		4th Year		5th Year		6th Year		7th Year		8th Year		9th Year	
Household Size		1 to 2	3 or more	1 to 2	3 or more	1 to 2	3 or more	1 to 2	3 or more	1 to 2	3 or more	1 to 2	3 or more	1 to 2	3 or more	1 to 2	3 or more	1 to 2	3 or more
Jasper	*targeted*	$99,240	$115,780	$104,202	$121,569	$109,412	$127,647	$114,883	$134,030	$120,627	$140,731	$126,658	$147,768	$132,991	$155,156	$139,641	$162,914	$146,623	$171,060
Jeff Davis		$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Jefferson	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Jenkins	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Johnson	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Jones		$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Lamar	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Lanier	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Laurens	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Lee		$72,200	$82,030	$75,810	$86,132	$79,601	$90,438	$83,581	$94,960	$87,760	$99,708	$92,148	$104,693	$96,755	$109,928	$101,593	$115,424	$106,672	$121,196
Liberty	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
	non-targeted	$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Lincoln	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Long	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Lowndes	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Lumpkin		$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Macon	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Madison		$78,720	$91,840	$82,656	$96,432	$86,789	$101,254	$91,128	$106,316	$95,685	$111,632	$100,469	$117,214	$105,492	$123,074	$110,767	$129,228	$116,305	$135,690
Marion	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
McDuffie	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
McIntosh	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Meriwether	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Miller	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Mitchell	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Monroe		$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Montgomery	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Morgan	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Murray		$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Muscogee	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
	non-targeted	$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Newton	*targeted*	$99,240	$115,780	$104,202	$121,569	$109,412	$127,647	$114,883	$134,030	$120,627	$140,731	$126,658	$147,768	$132,991	$155,156	$139,641	$162,914	$146,623	$171,060
Oconee		$78,720	$91,840	$82,656	$96,432	$86,789	$101,254	$91,128	$106,316	$95,685	$111,632	$100,469	$117,214	$105,492	$123,074	$110,767	$129,228	$116,305	$135,690
Oglethorpe	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Paulding		$84,256	$96,895	$88,469	$101,740	$92,892	$106,827	$97,537	$112,168	$102,414	$117,776	$107,534	$123,665	$112,911	$129,849	$118,557	$136,341	$124,484	$143,158
Peach	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Pickens		$84,256	$96,895	$88,469	$101,740	$92,892	$106,827	$97,537	$112,168	$102,414	$117,776	$107,534	$123,665	$112,911	$129,849	$118,557	$136,341	$124,484	$143,158
Pierce	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Pike		$84,256	$96,895	$88,469	$101,740	$92,892	$106,827	$97,537	$112,168	$102,414	$117,776	$107,534	$123,665	$112,911	$129,849	$118,557	$136,341	$124,484	$143,158
Polk	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Pulaski	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Putnam	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
	non-targeted	$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Quitman	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Rabun		$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673

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Table I Adjusted Qualifying Income

Version: 2020

Household Size		1st Year 1 to 2	1st Year 3 or more	2nd Year 1 to 2	2nd Year 3 or more	3rd Year 1 to 2	3rd Year 3 or more	4th Year 1 to 2	4th Year 3 or more	5th Year 1 to 2	5th Year 3 or more	6th Year 1 to 2	6th Year 3 or more	7th Year 1 to 2	7th Year 3 or more	8th Year 1 to 2	8th Year 3 or more	9th Year 1 to 2	9th Year 3 or more
Randolph	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Richmond	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
	non-targeted	$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Rockdale		$84,256	$96,895	$88,469	$101,740	$92,892	$106,827	$97,537	$112,168	$102,414	$117,776	$107,534	$123,665	$112,911	$129,849	$118,557	$136,341	$124,484	$143,158
Schley	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Screven	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Seminole		$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Spalding	*targeted*	$99,240	$115,780	$104,202	$121,569	$109,412	$127,647	$114,883	$134,030	$120,627	$140,731	$126,658	$147,768	$132,991	$155,156	$139,641	$162,914	$146,623	$171,060
	non-targeted	$84,256	$96,895	$88,469	$101,740	$92,892	$106,827	$97,537	$112,168	$102,414	$117,776	$107,534	$123,665	$112,911	$129,849	$118,557	$136,341	$124,484	$143,158
Stephens		$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Stewart	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Sumter	targeted	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Talbot	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Taliaferro	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Tattnall	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Taylor	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Telfair	targeted	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Terrell	targeted	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Thomas	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Tift	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
	non-targeted	$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Toombs	targeted	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Towns		$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Treutlen	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Troup	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
	non-targeted	$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Turner	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Twiggs	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Union		$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Upson	targeted	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Walker	*targeted*	$87,120	$101,640	$91,476	$106,722	$96,050	$112,058	$100,852	$117,661	$105,895	$123,544	$111,190	$129,721	$116,749	$136,207	$122,587	$143,018	$128,716	$150,169
	non-targeted	$72,600	$83,490	$76,230	$87,665	$80,042	$92,048	$84,044	$96,650	$88,246	$101,483	$92,658	$106,557	$97,291	$111,885	$102,155	$117,479	$107,263	$123,353
Walton		$84,256	$96,895	$88,469	$101,740	$92,892	$106,827	$97,537	$112,168	$102,414	$117,776	$107,534	$123,665	$112,911	$129,849	$118,557	$136,341	$124,484	$143,158
Ware	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Warren	targeted	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Washington	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Wayne	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Webster	targeted	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Wheeler	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
White		$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Whitfield	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
	non-targeted	$72,200	$83,030	$75,810	$87,182	$79,601	$91,541	$83,581	$96,118	$87,760	$100,923	$92,148	$105,970	$96,755	$111,268	$101,593	$116,832	$106,672	$122,673
Wilcox	targeted	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Wilkes	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Wilkinson	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341
Worth	*targeted*	$86,640	$101,080	$90,972	$106,134	$95,521	$111,441	$100,297	$117,013	$105,311	$122,863	$110,577	$129,007	$116,106	$135,457	$121,911	$142,230	$128,007	$149,341

Georgia Housing and Finance Authority
Lender Certification

Borrower: _____ Lender: _____

Property Address: _____

_____ Closing Date: _____

I, the undersigned, DO HEREBY CERTIFY to the Georgia Housing and Finance Authority (hereinafter, "GHFA") as follows:

1. On the above-referenced Closing Date (hereinafter "Closing Date") the above-referenced Lender (hereinafter "Lender") closed one or more Loans to the above-reverenced Borrower (hereinafter, the "Borrower") in the amount(s) below to finance the purchase of a Single Family Residence located at the above-referenced Property Address (hereinafter the "Property") under GHFA's:

   Georgia Dream First Mortgage Loan $_____ Georgia Dream Second Mortgage Loan $_____

2. If a first mortgage, the Lender has received a mortgagee's title insurance binder, which insurance complies with the requirements of the Seller Guide, and the Lender is not aware of any fact or circumstance which would affect the delivery of the final title insurance policy in a timely manner and acceptable form.

3. The Deed(s) to Secure Debt to the Property, the assignment of the Deed(s) to Secure Debt to GHFA and all of the documents necessary for the transfer of title to the Borrower, for the granting of Deed(s) to Secure Debt to the Lender and for the assignment of such Deed(s) to Secure Debt to GHFA have been duly executed, acknowledged, delivered and recorded. With the exception of encumbrances permitted by GHFA, all payments necessary to extinguish all liens have been made.

4. The Lender has received an original hazard insurance binder or policy and, if required, an original flood insurance binder or policy which meets the requirements of the Seller Guide and is not aware of any fact or circumstance which would affect the delivery of the hazard insurance policy or, if required, the flood insurance policy, in a timely manner and acceptable form. All premiums have been paid to establish such insurance in full force and effect.

5. The Lender has, with due diligence, verified the information in the Affidavits and other forms completed by the Borrower and determined such information to be true and correct. In particular the Lender has verified that:
   a. The current Household Annual Income does not exceed the applicable limits; and
   b. The land being purchased by the Borrower with the proceeds of the Loan, if any, does not exceed the size necessary for basic livability;

For Georgia Dream First Mortgage Program Loans:

   a. The Borrower(s) has (have) had no present ownership interest in a principal residence within the last 3 years or the property is in a Targeted Area;
   b. The Acquisition Cost of the Property does not exceed the applicable Maximum Purchase Price;
   c. The Borrower(s) intends to occupy the Single Family Residence as a principal residence within 60 days of the date of closing the Loan;
   d. The Borrower(s) has (have) certified and agreed that the Single Family Residence is not and may not be used in a trade or business, or as an investment property or farm, or as a vacation or second home, and based upon the Lender's inspection of property and other reasonable due diligence, the Lender knows of no indication to the contrary;
   e. The Loan is not being used to refinance, acquire or replace an existing loan or mortgage of the Borrower except in the case of a construction loan or similar temporary financing with a term of 24 months or less; and
   f. The Borrower(s) has (have) certified and agreed that the Single Family Residence will be used in accordance with the terms and conditions set forth in the loan documents, the Loan Seller Agreement and the Seller Guide, and the Lender knows of no indication to the contrary.

For Georgia Dream Second Mortgage Loans:

a. The Borrower(s) qualifies as a first-time home buyer, displaced homemaker, or single parent;
b. The Purchase Price of the Property does not exceed the applicable limits;
c. The Borrower(s) intends to occupy the Single Family Residence as a principal residence within 60 days of the date of closing the Loan; and
d. The Borrower(s) has (have) certified and agreed that the Single Family Residence will be used in accordance with the terms and conditions set forth in the loan documents, the Loan Seller Agreement and the Seller Guide, and the Lender knows of no indication to the contrary.

6. The Lender does hereby certify and warrant that:
   a. The Loan(s) is (are) in conformance with the provisions of the Loan Seller Agreement (which incorporates by reference the Seller Guide) and the Seller has reviewed the Borrower's application and the affidavits and other forms completed by the Borrower for conformity with the eligibility provision of the applicable Program(s);
   b. The Loan(s) meets the terms and conditions of the Program(s) and has been made to an eligible Borrower to finance a Single Family Residence;
   c. All information supplied by the Lender to GHFA in connection with the Loan is accurate, and the Lender knows of no material misstatement or omission in information supplied by the Borrower or the Lender in connection with the Loan;
   d. All required hazard, flood, title and mortgage insurance has been obtained;
   e. The lien securing the Loan(s) has been perfected by recording and has not been impermissibly satisfied, subordinated or impaired;
   f. The Loan(s) is (are) not subject to any pledge or assignment, except the assignment to GHFA;
   g. If a First Mortgage Loan, the Loan creates a valid first mortgage lien on the Property subject only to encumbrances created by, among other things, non-delinquent taxes or assessments, rights-of-way, and other easements and encroachments which do not materially affect the security for the Loan, and the Lender has full right and authority to carry out the sale and delivery of the Loan to GHFA;
   h. If an Second Mortgage Loan, the Loan creates a valid subordinate mortgage lien on the Property subject only to encumbrances created by, among other things, (i) a first mortgage loan secured by the Property; (ii) a second mortgage loan secured by the Property provided such second mortgage loan has been previously approved in writing by GHFA; and (iii) non-delinquent taxes or assessments, rights-of-way, and other easements and encroachments which do not materially affect the security for the Loan, and the Lender has full right and authority to carry out the sale and delivery of the Loan to GHFA;
   i. The Loan has been underwritten in accordance with the Seller Guide and with prudent lending practices;
   j. In making this Loan, the Lender has complied with all applicable laws, rules and regulations; and
   k. The Loan is properly insured in accordance with the Seller Guide.

7. I certify that the borrower(s), seller(s), realtor or any other parties to the transaction do not appear on the HUD Debarred and Suspended lists.

8. I am duly authorized and empowered to execute this certificate by and on behalf of Lender.

IN WITNESS WHEREOF, I have hereunto set my hand this _____day of _____, 20_____.

LENDER'S NAME _____

BY_____ _____
Officer's Signature Officer's Title

_____
Printed or Typed Name

Borrower Name(s):_____
Property Address:_____
City, State, Zip:_____

NOTICE OF ASSIGNMENT, SALE OR TRANSFER OF SERVICING RIGHTS

You are hereby notified that the servicing of your mortgage loan is being assigned, sold or transferred from _____(Lender) to State Home Mortgage effective _____. (Closing date)

The assignment, sale or transfer of the servicing of the mortgage loan does not affect any term or condition of the mortgage instruments, other than terms directly related to the servicing of your loan.

In accordance with the terms of the Note and Mortgage, your first monthly payment is due and payable on or before _____. The date that _____(Lender) will stop accepting payments from you is _____ and the date that State Home Mortgage will start accepting payments from you is _____. Please send all payments due on or after this date to State Home Mortgage.

If you have any questions about your mortgage loan or the transfer of servicing, you may contact State Home Mortgage between 8:00 a.m. and 5:00 p.m. on the following days, Monday – Friday, using the information below:

Company: _____	State Home Mortgage
Attn:_____	Customer Service Department
Phone #: _____	1-800-781-8346
Address:_____	60 Executive Park South, NE
_____	Atlanta, GA 30329

In accordance with the terms of the Note and Mortgage, your first monthly payment is due and payable on or before _____. You should receive a payment coupon book from State Home Mortgage approximately two to three weeks prior to the due date of your first payment. In the event that you do not receive your payment coupon book on or before the due date of your first monthly payment, please complete and detach the Initial Payment Coupon below and mail it to State Home Mortgage with your payment for $_____[Monthly Payment Amount], the amount due as indicated in your closing documents. Mail the coupon and your payment to:

STATE HOME MORTGAGE
60 Executive Park South NE
ATLANTA, GA 30329

During the 60-day period following the effective date of the transfer of loan servicing, a loan payment received by _____(Lender) before its due date may not be treated by State Home Mortgage as late and a late fee may not be imposed on you.

STATE HOME MORTGAGE

MAKE YOUR CHECK PAYABLE TO STATE HOME MORTGAGE

INITIAL PAYMENT COUPON

Customer Name:_____

Property Address:_____

Loan Number: _____

Payment Amount: _____

Please complete the following information if you have changed your home, work or cell phone numbers since moving into your new home.

Home Telephone # _____

Work Telephone # _____

Cell Telephone # _____

Email Address: _____

Down Payment Assistance Acknowledgment Form

****CLOSING ATTORNEY TO COMPLETE AND VERBALLY READ TO THE BORROWER(S):**

This is to confirm and acknowledge that:

I/we, _____have applied for and received the Georgia Dream First Mortgage Loan and the Second Mortgage Loan ("Down Payment Assistance")

I/we, have reviewed with our attorney the Closing Documents and Disclosures and hereby confirm that the Georgia Dream First Mortgage Loan in the amount of $_____and the Second Mortgage Loan in the amount of $_____"Down Payment Assistance" are consistent with the Georgia Dream terms and conditions set by the Georgia Department of Community Affairs for receiving this loan.

I/we voluntarily enter into this agreement without duress or coercion.

****PLEASE READ THIS UNDERLINED AREA BEFORE YOU SIGN****

1. **The Georgia Dream Second Mortgage is NOT a FORGIVABLE or FREE grant.**
2. **The Georgia Dream Second Mortgage is a Loan for Down Payment Assistance.**
3. **The Georgia Dream Second Mortgage is NOT forgivable and the loan balance does NOT diminish UNTIL you (a) sell or transfer your home, or (b) refinance your first mortgage, or (c) you no longer occupy your home as a principal residence.**
4. **No payments are due on the Georgia Dream Second Mortgage UNTIL you (a) sell or transfer your home, (b) refinance your first mortgage, or (c) if, you no longer occupy your home as your principal residence.**
5. **No interest is charged while you have the Georgia Dream Second Mortgage.**

I/we further attest that I am/we are legally competent and agree to abide by all the Georgia Dream First and Second mortgage loan terms and hereby acknowledge and agree that the Georgia Dream Second Mortgage Loan must be repaid in full if I/we,

- Sell or transfer property, or
- Refinance the first mortgage, or,
- No longer use the mortgaged property as my/our principal residence.

Signed and acknowledged on this _____ day of _____ [Month]_____[Year].

[Borrower Name] _____ Signature_____

[Co-Borrower Name] _____ Signature_____

[Closing Attorney] _____ Signature_____

Georgia Housing and Finance Authority
Georgia Dream Second Mortgage Loan
Promissory Note

_____, 20_____ _____
(city) (State)

_____
(Property Address)

1. Borrower's Promise to Pay. In return for a loan that I, _____ (the "Borrower") have received, I promise to pay U.S. $_____ (this amount is called "principal"), plus any other charges due hereunder, to the order of the Lender. The Lender is _____ whose address is _____ _____ I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."
2. Interest. Interest will not be charged, nor will interest accrue, on the principal. However, if I default, interest on amounts paid by the Note Holder, and certain charges, may accrue and I will be obligated to pay those amounts.
3. Payments. There will be no required monthly or annual payments. The principal shall be due in full as provided in paragraph 1.1 of the Subordinate Security Deed (as that term is referenced in paragraph 10 hereof).
4. Borrower's Right to Prepay. I have the right to make a payment of principal at any time before it is due. A payment of principal is known as a "prepayment." When I make a prepayment, I will tell the Note Holder in writing that I am doing so. I may make a full prepayment or partial prepayments without paying any prepayment charge. The Note Holder will use all my prepayments to reduce the amount of principal that I owe under this Note. If I make a partial prepayment, there will be no change in the date on which the principal shall be due unless the Note Holder agrees in writing to those changes.
5. Loan Charges. If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that any interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then (i) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (ii) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the principal I owe under this Note or by making a direct payment to me. If a refund reduces principal, the reduction will be treated as a partial prepayment.
6. Borrower's Default.

(A) Violation of Subordinate Security Deed. If I do not comply with all the terms of the Subordinate Security Deed within the periods, if any, described therein, I will be in default.

(B) Default. If I do not repay the principal at the time required by the Subordinate Security Deed, I will be in default.

(C) Notice of Default. If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of principal. That date must be at least 30 days after the date on which the notice is delivered or mailed to me.

(D) No Waiver by Note Holder. Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so at a later time.

(E) Payment of Note Holder's Costs and Expenses. If the Note Holder has required me to pay immediately in full as described above the Note Holder will have the right to be paid back by me for all its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorney's fees. Notwithstanding anything to the contrary contained in this document, if the Borrower's first mortgage is FHA insured, and Borrower's default results solely from Borrower's violation of the owner-occupied restrictions contained herein, then borrower is not contractually liable for the lender's expenses or any other amounts except for repayment of the original indebtedness.

(F) Termination of Owner Occupancy Requirement. The owner occupancy requirement is terminated upon foreclosure or deed-in-lieu of foreclosure, or if the mortgage is assigned to the Secretary.

7. Giving of Notices. Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address. I will promptly notify the Note Holder if my mailing address should change. Any notice that must be given to the Note Holder under this Note will be given by mailing it by first class mail to the Note Holder at the address specified on the first page hereof or a different address if I am given a notice of that different address.

8. Obligations of Persons Under this Note. If more than one person signs this Note, each person is fully and personally obligated to keep all the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all the amounts owed under this Note.

9. Waivers. I and any other person who has obligations under this Note waive the rights of presentment and notice of dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

10. Additional Provisions. In additions to the protections given to the Note Holder under this Note, a Subordinate Security Deed, dated the same date as this Note, (the "Subordinate Security Deed"), protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. The Subordinate Security Deed is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the First Security Deed (defined below). The Subordinate Security Deed describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. "First Security Deed" means a Security Deed dated on or about the same date of this Note, which protects the holder of

the first Note made by me payable to the order of _____

(the "Senior Lien Holder") which protects the Senior Lien Holder if I do not keep the promises which I made in such first Note. Two of those conditions are described as follows:

(A) Transfer of the Property or a Beneficial Interest in Borrower. Unless approved in writing by Note Holder (pursuant to applicable rules and regulations of Lender at such time), and except for a conveyance to the Senior Lien Holder, if all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person), Borrower shall immediately pay in full all sums secured by the Subordinate Security Deed; and

(B) Refinancing of the Loan Secured by the First Security Deed. In the event the loan secured by the First Security Deed is refinanced, Borrower shall immediately pay in full all sums secured by the Subordinate Security Deed.

IN WITNESS WHEREOF, Borrower has signed and sealed this Note as of the day and year first above written.

BORROWER:

BY: _____

Printed Name: _____

BORROWER:

BY: _____

Printed Name: _____

BORROWER:

BY: _____

Printed Name:_____

Georgia Housing and Finance Authority
Georgia Dream Second Mortgage Loan
Promissory Note

_____, 20_____ _____
(city) (State)

_____
(Property Address)

1. Borrower's Promise to Pay. In return for a loan that I, _____ (the "Borrower") have received, I promise to pay U.S. $_____(this amount is called "principal"), plus any other charges due hereunder, to the order of the Lender. The Lender is Georgia Housing and Housing Finance Authority , whose address is 60 Executive Park South, Atlanta, GA 30329 . I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."
2. Interest. Interest will not be charged, nor will interest accrue, on the principal. However, if I default, interest on amounts paid by the Note Holder, and certain charges, may accrue and I will be obligated to pay those amounts.
3. Payments. There will be no required monthly or annual payments. The principal shall be due in full as provided in paragraph 1.1 of the Subordinate Security Deed (as that term is referenced in paragraph 10 hereof).
4. Borrower's Right to Prepay. I have the right to make a payment of principal at any time before it is due. A payment of principal is known as a "prepayment." When I make a prepayment, I will tell the Note Holder in writing that I am doing so. I may make a full prepayment or partial prepayments without paying any prepayment charge. The Note Holder will use all my prepayments to reduce the amount of principal that I owe under this Note. If I make a partial prepayment, there will be no change in the date on which the principal shall be due unless the Note Holder agrees in writing to those changes.
5. Loan Charges. If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that any interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then (i) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (ii) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the principal I owe under this Note or by making a direct payment to me. If a refund reduces principal, the reduction will be treated as a partial prepayment.
6. Borrower's Default.

(A) Violation of Subordinate Security Deed. If I do not comply with all the terms of the Subordinate Security Deed within the periods, if any, described therein, I will be in default.

(B) Default. If I do not repay the principal at the time required by the Subordinate Security Deed, I will be in default.

(C) Notice of Default. If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of principal. That date must be at least 30 days after the date on which the notice is delivered or mailed to me.

(D) No Waiver by Note Holder. Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so at a later time.

(E) Payment of Note Holder's Costs and Expenses. If the Note Holder has required me to pay immediately in full as described above the Note Holder will have the right to be paid back by me for all its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorney's fees. Notwithstanding anything to the contrary contained in this document, if the Borrower's first mortgage is FHA insured, and Borrower's default results solely from Borrower's violation of the owner-occupied restrictions contained herein, then borrower is not contractually liable for the lender's expenses or any other amounts except for repayment of the original indebtedness.

(F) Termination of Owner Occupancy Requirement. The owner occupancy requirement is terminated upon foreclosure or deed-in-lieu of foreclosure, or if the mortgage is assigned to the Secretary.

7. Giving of Notices. Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address. I will promptly notify the Note Holder if my mailing address should change.
   Any notice that must be given to the Note Holder under this Note will be given by mailing it by first class mail to the Note Holder at the address specified on the first page hereof or a different address if I am given a notice of that different address.

8. Obligations of Persons Under this Note. If more than one person signs this Note, each person is fully and personally obligated to keep all the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person, who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all the amounts owed under this Note.

9. Waivers. I and any other person who has obligations under this Note waive the rights of presentment and notice of dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

10. Additional Provisions. In additions to the protections given to the Note Holder under this Note, a Subordinate Security Deed, dated the same date as this Note, (the "Subordinate Security Deed"), protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. The Subordinate Security Deed is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the First Security Deed (defined below). The Subordinate Security Deed describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. "First Security Deed" means a Security Deed dated on or about the same date of this Note, which protects the holder of the first Note made by me payable to the order of Georgia Housing and Finance Authority (the "Senior Lien Holder") which protects the Senior Lien Holder if I do not keep the promises which I made in such first Note. Two of those conditions are described as follows:

(A) Transfer of the Property or a Beneficial Interest in Borrower. Unless approved in writing by Note Holder (pursuant to applicable rules and regulations of Lender at such time), and except for a conveyance to the Senior Lien Holder, if all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person), Borrower shall immediately pay in full all sums secured by the Subordinate Security Deed; and

(B) Refinancing of the Loan Secured by the First Security Deed. In the event the loan secured by the First Security Deed is refinanced, Borrower shall immediately pay in full all sums secured by the Subordinate Security Deed.

IN WITNESS WHEREOF, Borrower has signed and sealed this Note as of the day and year first above written.

BORROWER:

BY: _____

Printed Name: _____

BORROWER:

BY: _____

Printed Name: _____

BORROWER:

BY: _____

Printed Name: _____

[**THIS CLERK'S COVER SHEET IS FOR INFORMATIONAL PURPOSE**]

1. The Date of the Document: _____
2. The Names of the Signatories of the Document: _____
3. The Grantee's Mailing Address: _____
4. Map and Parcel Identification Information, if Applicable: _____
5. The Original Loan Amount: _____
6. The Initial Maturity Date or Dates for Such Debt: The maturity date shall not be later than thirty (30) years from the date herein.
7. The Intangible Recording Tax: _____
8. Intangible Recording Tax Exemption Authority, if Applicable: _____
9. This Instrument was prepared by:
10. After recording, please return to:

NOTE: **THIS COVER SHEET DOES NOT MODIFY THE TERMS OF THE ATTACHED INSTRUMENT.**

This Instrument was prepared by:
After recording return to:

_____
_____
_____
_____

Georgia Housing and Finance Authority
Georgia Dream Second Mortgage Loan Subordinate Security Deed

THIS SUBORDINATE SECURITY DEED ("Security Instrument") is given on this _____ day of _____, 20____ by _____, an individual resident of the State of Georgia, having a mailing address of _____ _____ ("Borrower") in favor of _____ _____, a _____, having a mailing address of_____ ("Lender");

W I T N E S S E T H; That,

WHEREAS, Borrower owes Lender the principal sum of _____ Dollars (U.S. $_____) which is evidenced by that certain Georgia Dream Second Mortgage Note made by Borrower payable to the order of Lender and dated the same date as this Security Instrument (the "Note"); and

WHEREAS, in addition to the loan secured by this Security Instrument (the "Loan"), Borrower obtained a first security deed loan (the "First Security Loan") from _____ (the "Senior Lien Holder"), which is secured by a first security deed lien (the "First Security Deed") on the Property (as such term is hereinafter defined); the First Security Deed, together with any and all other documents evidencing or securing the First Security Loan are collectively referred to herein as the "First Security Deed Loan Documents;" and

WHEREAS, as a condition to Lender's making the Loan to Borrower, Lender has requested, and Borrower has agreed to execute and deliver this Security Instrument as security for the payment of the indebtedness owed by Borrower to Lender under the Note;

NOW THEREFORE, FOR AND IN CONSIDERATION of the sum of Ten and No/100 Dollars ($10.00), and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to secure (a) the repayment of the debt evidenced by the Note, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under Section 1.9 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note (collectively, the "Indebtedness"), Borrower hereby grants, bargains, sells, warrants, conveys aliens, remises, releases, assigns and set over and confirms to Lender and Lender's successors and assigns, with power of sale, subject to the rights of the Senior Lien Holder under the First Security Deed:

ALL THOSE CERTAIN lot(s), pieces(s) or parcel(s) of improved land located at _____, _____, _____ County, Georgia, and described on Exhibit "A" attached hereto and by this reference incorporated herein and made a part hereof;

TOGETHER WITH, all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property, and together with any and all replacements and additions thereto (hereinafter collectively referred to as the "Property).

TO HAVE AND TO HOLD the Property to the use, benefit and behoove of Lender, its successors and assigns, IN FEE SIMPLE forever.

THIS CONVEYANCE is intended to operate and is to be construed as a deed passing title to the Property to Lender and is made under those provisions of the existing laws of the State of Georgia relating to deeds to secure debt, and not as a mortgage.

Should the Indebtedness secured by this Security Instrument be paid according to the tenor and effect thereof when the same shall become due and payable, and should Borrower perform all covenants herein contained in a timely manner, then this Security Instrument shall be canceled and surrendered.

ARTICLE I
COVENANTS OF BORROWER

1.1 Payment of Principal and Charges. Borrower shall promptly pay when due the Indebtedness evidenced by the Note, and any other charges due under the Note and this Security Instrument, unless otherwise provided herein. Subject to the provisions of 24 C.F.R. 92.254 (a)(5)(ii)(A)(3), if applicable, the Indebtedness is due and payable on the earlier of (a) refinancing of the First Security Loan; (b) a sale or conveyance of the Property by the Borrower; (c) a foreclosure of the First Security Deed; or (d) a Default (either hereinafter defined or as defined in the First Security Deed), shall have occurred under the Note, this Security Deed or the First Security Deed. Should the Indebtedness not be fully satisfied after application of payment formula outlined in 24 C.F.R. 92.254 (a) (5) (ii) (A) (3) the remaining balance shall be forgiven by Lender.

1.2 Title to the Property. Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for the First Security Deed and other encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record as of the date of this Security Instrument.

1.3 Funds for Taxes and Insurance. Subject to the provisions set forth in this Section 1.3, Borrower shall pay to Lender upon Lender's request, on the first day of each month, until the Note is paid in full, a sum (the "Funds") for: (a) yearly taxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; and (d) yearly flood insurance premiums. Items (a) through (d) are collectively called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the Federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. § 2601 *et seq* . ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law. The Borrower shall not be obligated to make such payments of Funds to the Lender to the extent that the Borrower makes such payments to the Senior Lien Holder in accordance with the First Security Deed.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case, borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If, under Section 2.2, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale of the Property, as a credit against the sums secured by this Security Instrument.

If this Security Instrument is subject to any first-priority security deed (the "Prior Security Deed") encumbering the Property, including, without limitation, the First Security Deed, and such Prior Security Deed provides for the Borrower to make the payments required in this Section 1.3, then Borrower's compliance with the covenants in the Prior Security Deed shall be deemed to be in compliance with the provisions of this Section 1.3.

1.4 Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under Sections 1.1 and 1.3 hereof shall be applied: first, to amounts payable under Section 1.3; second, to interest due, if any; third, to principal due; and last, to any late charges or other fees due under the Note.

1.5 Prior Security Deed; Charges; Liens. Borrower shall perform all the Borrower's obligations under the First Security Deed, including Borrower's covenants to make payments when due. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in Section 1.3, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Except for the lien of the First Security Deed, Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which, in the Lender's opinion, operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. Except for the lien of the First Security Deed, if Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of such notice.

1.6 Subordination. Lender and Borrower acknowledge and agree that this Security Instrument is subject and subordinate in all respects to the liens, terms, covenants and conditions of the First Security Deed and to all advances heretofore made or which may hereafter be made pursuant to the First Security Deed, including all sums advanced for the purposes of (a) protecting or further securing the lien of the first Security Deed, curing defaults by the Borrower under the First Security Deed or for any other purpose expressly permitted by the First Security Deed and/or (b) constructing, renovating, repairing, furnishing, fixturing or equipping the Property.

The terms and provisions of the First Security Deed are paramount and controlling and they supersede any other terms and provisions hereof in conflict therewith. In the event of a foreclosure or deed in lieu of foreclosure or assignment to the Secretary of Housing and Urban Development of the First Security Deed, any provisions herein or any provisions in any other collateral agreement restricting the use of the Property to low or moderate income households or otherwise restricting the Borrower's ability to sell the Property shall have no further force or effect. Any persons (including his successors or assigns) receiving title to the Property through a foreclosure or deed in lieu of foreclosure of the First Security Deed shall receive title to the Property free and clear from such restrictions.

Further, in the event a default occurs under the First Security Loan, Borrower shall provide Lender with written notice of such default. In the event the Senior Lien Holder acquires title to the Property pursuant to a deed in lieu of foreclosure, the lien of this Security Instrument shall automatically terminate upon the Senior Lien Holder's acquisition of title.

Further, the Borrower and the Lender agree that whenever the Note or this Security Instrument gives the Lender the right to approve or consent with respect to any matter affecting the property (or the construction of any improvements thereon) or otherwise (including the exercise of any "due on sale" clause), and right of approval or consent with regard to the same matter is also granted to the Senior Lien Holder pursuant to the First Security Deed, the Senior Lien Holder's approval or consent or failure to approve or consent, as the case may be, shall be binding on the Borrower and the Lender.

1.7 Hazard or Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's right in the Property in accordance with Section 1.9.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgagee clause. All requirements hereof pertaining to insurance shall be deemed satisfied if the Borrower complies with the insurance requirements under the First Security Deed. All original policies of insurance required pursuant to the First Security Deed shall be held by the Senior Lien Holder; provided, however, Lender may be named as a loss payee as its interest may appear and may be named as an additional insured. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier, the Senior Lien Holder and Lender. Lender may make proof of loss if not made promptly by the Senior Lien Holder or the Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied by Lender, at its option, either (a) to the reduction of the indebtedness under the Note and this Subordinate Security Deed, or (b) to the restoration or repair of the damaged Property. Any excess insurance proceeds over the amount required to pay all outstanding indebtedness under the Note and this Subordinate Security Deed shall be paid to the entity legally entitled thereto.

Any application of proceeds to principal shall not extend or postpone any due date of the payments referred to in Sections 1.1 and 1.3 or change the amount of the payments. If under Section 2.2 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

Notwithstanding the above, the Lender's right to collect and apply the insurance proceeds hereunder shall be subject and subordinate to the rights of the Senior Lien Holder to collect and apply such proceeds in accordance with the First Security Deed.

1.8 Occupancy, Preservation, Maintenance and Protection of the Property; Leasehold. Borrower shall at all times occupy, establish, and use the Property as Borrower's principal residence and shall continue to occupy the Property as Borrower's principal residence for a period of 5 years if the second mortgage is less than $15,000.00, 10 years if the second mortgage is $15,000.00 or more but $40,000.00 or less, or 15 years if the second mortgage is more than $40,000.00 from the date hereof. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

1.9 Protection of Lender's Rights in the Property. In the event a Default (as such term is hereinafter defined) occurs under this Security Instrument, or there is a legal proceeding that may affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument (including sums secured by the First Security Deed), appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may act under this Section 1.9, Lender does not have to do so.

Any amounts disbursed by Lender under this Section 1.9 shall become additional Indebtedness of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the rate of 10% per annum and shall be payable, with interest, upon notice from Lender to Borrower requesting payment. Notwithstanding anything to the contrary contained in this document, if the Borrower's first Mortgage is FHA-insured, and the Borrower's default results solely from Borrower's violation of the owner-occupancy restrictions contained herein, then Borrower is not contractually liable for Lender's expenses or any other amounts except for repayment of the original indebtedness.

Prior to taking any actions under this Section 1.9, however, Lender shall notify the Senior Lien Holder of such Default in the manner provided in Section 3.4 of this Security Instrument and shall provide the Senior lien Holder with the opportunity to cure any such Default under this Security Instrument. All amounts advanced by the Senior Lien Holder to cure a Default hereinunder shall be deemed advanced by the Senior Lien Holder and shall be secured by the First Security Deed. In addition, the Lender agrees that it will not commence foreclosure proceedings or accept a deed in lieu of foreclosure or exercise any other rights or remedies hereunder until it has given the Senior Lien Holder at least 60 days prior written notice. Any action by Lender hereunder to foreclose or accept a deed in lieu of foreclosure shall be subject to the "due on sale" provisions of the First Security Deed.

Lender and Borrower further agree that a Default hereunder may, in Senior Lien Holder's sole discretion, constitute a Default under the First Security Deed. In the event the Senior Lien Holder deems a Default hereunder to be a Default under the First Security Loan, the Senior Lien Holder shall have the right to exercise all rights and remedies under the First Security Deed.

1.10 Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for inspection.

1.11 Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender, subject to the terms of the First Security Deed.

In the event of a total taking of the Property, the proceeds shall be applied first to all amounts due and owing to the Senior Lien Holder under the First Security Loan, then to the sums secured by this Security Instrument, whether then due, with any excess paid to Borrower. In event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone any due date of the payments referred to in Sections 1.1 and 1.3 or change the amount of such payments.

1.12 Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances (as such term is hereinafter defined) on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law (as such term is hereinafter defined). The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Prior to taking any such remedial action, however, the Borrower shall notify the Senior Lien Holder that such remedial action is necessary and shall obtain the Senior Lien Holder's prior written consent for such remedial action. As used in this Section 1.12, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this Section 1.12, "Environmental Law" means federal laws and laws of the State of Georgia that relate to health, safety or environmental protection.

ARTICLE 2
DEFAULT AND REMEDIES

2.1 Events of Default. Any one or more of the following events or conditions shall constitute a"Default" under this Security Instrument:

(a) If any forfeiture action or proceeding, whether civil or criminal, is begun which in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest and Borrower has failed to cure such a default within 60 days after the date on which such action or proceeding is commenced by failing to cause the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest; provided, such 60 day grace period set forth in this subsection (a) shall not apply to any other Default expressly set forth in this Section 2.1 or to any other covenant or condition with respect to which a limitation as to time or grace period or right to cure is expressly provided herein or in the Note; or

(b) If Borrower, during the loan application process or during the term of the Loan, gave or gives materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the Loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence and representations contained in this Security Instrument; or

(c) If the second mortgage is $15,000.00 or less and Borrower, during the five (5) year period beginning with the date of execution of the Subordinate Security deed, fails to occupy the Property as a principal residence; or

(d) If the second mortgage is more than $15,000.00 but less than $40,000.00 and Borrower, during the ten (10) year period beginning with the date of execution of the Subordinate Security deed, fails to occupy the Property as a principal residence; or

(e) If the second mortgage is more than $40,000.00 and Borrower, during the fifteen (15) year period beginning with the date of execution of the Subordinate Security deed, fails to occupy the Property as a principal residence; or

(f) Except for a conveyance to the Senior Lien Holder under the First Security Deed, and unless approved in writing by Lender (pursuant to applicable rules and regulations of Lender at such time), if all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person); or

(g) If the First Security Loan, or any portion thereof, is refinanced by Borrower; or

(h) Failure by Borrower to observe or perform any of the terms, covenants, agreements or conditions contained in this Security Instrument, the Note, or any other instrument, document or agreement evidencing and/or securing the Loan.

2.2 Acceleration; Remedies.

(a) Upon the occurrence of a Default, and subject to any applicable cure periods, if any, Borrower shall immediately pay in full all sums secured by this Security Instrument, subject to the provisions of 24 C.F.R. 92.254 (a) (5) (ii) (A) (3), if applicable; provided however, this provision shall not be enforced by Lender if such provision is prohibited by federal law as of the date of execution of this Security Instrument.

(b) Lender shall give notice to Borrower and the Senior Lien Holder prior to acceleration of the indebtedness following the occurrence of any Default under this Security Agreement. The notice shall specify: (a) the Default; (b) the action required to cure the Default; (c) a date, not less than 30 days from the date the notice is given to Borrower (and with respect to the Senior Lien Holder, 60 days from the date the notice is given to the Senior Lien Holder), by which the Default must be cured; and (d) that failure to cure the Default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. If the Default is not cured on or before the date specified in the notice, and the Senior Lien Holder has not exercised its right to cure the Default, then Lender at its option may require immediate payment of the sums secured by this Security Instrument, subject to the provisions of 24 C.F.R. 92.254 (a)(5)(ii)(A)(3), if applicable, without further demand and may invoke the power of sale granted by Borrower and any other remedies permitted by applicable law.

Borrower hereby appoints Lender as its agent and attorney-in-fact for Borrower to exercise the power sale. Notwithstanding Lender's right to invoke any remedies hereunder, the Lender agrees that it will not commence foreclosure proceedings or accept a deed in lieu of foreclosure or exercise any other rights or remedies hereunder until it has given the Senior Lien Holder at least 60 days' prior written notice. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 2.2, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

(c) If Lender invokes the power of sale, Lender shall give a copy of a notice to Borrower and to the Senior Lien holder in the manner provided in Section 3.4 and shall give notice of sale by public advertisement for the time and in the manner prescribed by applicable law. Lender, without further demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Lender determines. Lender or its designee may purchase the Property at any sale.

(d) Lender shall convey to the purchaser indefeasible title to the Property, and Borrower hereby appoints Lender Borrowers' agent and attorney-in-fact to make such conveyance and to execute any and all documents necessary to affect such conveyance. The recitals in the Lender's deed shall be prima facie evidence of the truth of the statements made therein. Borrower covenants and agrees that Lender shall apply the proceeds of the sale in the following order: (i) to all expenses of the sale, including, but not limited to, reasonable attorneys' fees; (ii) to sums secured by this Security Instrument; and, (iii) any excess to the person or persons legally entitled to it. The power and agency granted are coupled with an interest, are irrevocable by death or otherwise and are cumulative to the remedies for collection of debt as provided by law.

(e) If the Property is sold pursuant to this Section 2.2, Borrower, or any person holding possession of the Property through Borrower, shall immediately surrender possession of the Property to the purchaser at the sale. If possession is not surrendered, Borrower or such person shall be a tenant holding over and may be dispossessed in accordance with applicable law.

ARTICLE 3
MISCELLANEOUS

3.1 Borrower Not Released; Forbearance by Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment (or otherwise modify amortization of the sums secured by this Security Instrument), by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

3.2 Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent; provided, however, that such modification or accommodation shall not be made without the prior written consent of the Senior Lien Holder.

3.3 Loan Charges. If the Loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

3.4 Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the address of the Property or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice required to be given to the Senior Lien Holder shall be given by first class mail to the following address:

_____

_____

_____

or such other address as the Senior Lien Holder designates by notice to the Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this Section.

3.5 Governing Law; Severability. This Security Instrument shall be governed by federal law and the laws of the State of Georgia. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

3.6 Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument.

3.7 Sale of Note; Change of Loan Servicer. The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with Section 3.4 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payment should be made. The notice will also contain any other information required by applicable law.

3.8 No Assignment. Until the loan secured by the First Security Deed has been satisfied in full, the Lender and the Borrower agree that the Note and the Security Instrument will not be assigned without the Senior Lien Holder's prior written consent.

3.9 Release. Upon payment of all sums secured by this Security Instrument, Lender shall cancel this Security Instrument without charge to Borrower, other than the recordation costs which shall be paid by Borrower.

3.10 Modification of First Security Deed Loan Documents. The Lender consents to any agreement or arrangement in which the Senior Lien Holder waives, postpones, extends, reduces or modifies any provisions requiring the payment of money.

3.11 Waiver of Homestead. Borrower waives all rights of homestead exemption in the Property.

3.12 Assumption Not a Novation. Lender's acceptance of an assumption of the obligations of this Security Instrument and the Note, and any release of Borrower in connection therewith, shall not constitute a novation.

BORROWER HEREBY ACCEPTS AND AGREES to the terms and covenants in this Security Instrument.

IN WITNESS WHEREOF, Borrower has signed and sealed this Security Instrument as of the day and year first above written.

Signed, sealed and delivered in the presence of:

BORROWER(S)

_____

Unofficial Witness

By: _____ (SEAL)
Printed Name:

_____

Notary Public

By: _____ (SEAL)
Printed Name:

[NOTARY SEAL]

[**THIS CLERK'S COVER SHEET IS FOR INFORMATIONAL PURPOSE**]

1. The Date of the Document: _____
2. The Names of the Signatories of the Document: _____
3. The Grantee's Mailing Address: _____
4. Map and Parcel Identification Information, if Applicable: _____
5. The Original Loan Amount: _____
6. The Initial Maturity Date or Dates for Such Debt: The maturity date shall not be later than thirty (30) years from the date herein.
7. The Intangible Recording Tax: _____
8. Intangible Recording Tax Exemption Authority, if Applicable: _____
9. This Instrument was prepared by:
10. After recording, please return to:

<u>NOTE</u>: THIS COVER SHEET DOES NOT MODIFY THE TERMS OF THE ATTACHED INSTRUMENT.

This Instrument was prepared by:
After recording return to:

_____
_____
_____
_____

Georgia Housing and Finance Authority
Georgia Dream Peach Advantage Second Mortgage Loan Subordinate Security Deed

THIS SUBORDINATE SECURITY DEED ("Security Instrument") is given on this _____ day of _____, 20____ by _____, an individual resident of the State of Georgia, having a mailing address of _____ _____ ("Borrower") in favor of Georgia Housing and Finance Authority, having a mailing address of 60 Executive Park Drive, South, Atlanta, GA 30329 ("Lender");

W I T N E S S E T H; That,

WHEREAS, Borrower owes Lender the principal sum of _____ Dollars (U.S. $_____) which is evidenced by that certain Georgia Dream Second Mortgage Note made by Borrower payable to the order of Lender and dated the same date as this Security Instrument (the "Note"); and

WHEREAS, in addition to the loan secured by this Security Instrument (the "Loan"), Borrower obtained a first security deed loan (the "First Security Loan") from _____ (the "Senior Lien Holder"), which is secured by a first security deed lien (the "First Security Deed") on the Property (as such term is hereinafter defined); the First Security Deed, together with any and all other documents evidencing or securing the First Security Loan are collectively referred to herein as the "First Security Deed Loan Documents;" and

WHEREAS, as a condition to Lender's making the Loan to Borrower, Lender has requested, and Borrower has agreed to execute and deliver this Security Instrument as security for the payment of the indebtedness owed by Borrower to Lender under the Note;

NOW THEREFORE, FOR AND IN CONSIDERATION of the sum of Ten and No/100 Dollars ($10.00), and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to secure (a) the repayment of the debt evidenced by the Note, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under Section 1.9 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note (collectively, the "Indebtedness"), Borrower hereby grants, bargains, sells, warrants, conveys aliens, remises, releases, assigns and set over and confirms to Lender and Lender's successors and assigns, with power of sale, subject to the rights of the Senior Lien Holder under the First Security Deed:

ALL THOSE CERTAIN lot(s), pieces(s) or parcel(s) of improved land located at _____ _____, _____, _____ County, Georgia, and described on Exhibit "A" attached hereto and by this reference incorporated herein and made a part hereof;

TOGETHER WITH, all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property, and together with any and all replacements and additions thereto (hereinafter collectively referred to as the "Property).

TO HAVE AND TO HOLD the Property to the use, benefit and behoove of Lender, its successors and assigns, IN FEE SIMPLE forever.

THIS CONVEYANCE is intended to operate and is to be construed as a deed passing title to the Property to Lender and is made under those provisions of the existing laws of the State of Georgia relating to deeds to secure debt, and not as a mortgage.

Should the Indebtedness secured by this Security Instrument be paid according to the tenor and effect thereof when the same shall become due and payable, and should Borrower perform all covenants herein contained in a timely manner, then this Security Instrument shall be canceled and surrendered.

ARTICLE I
COVENANTS OF BORROWER

1.1 Payment of Principal and Charges. Borrower shall promptly pay when due the Indebtedness evidenced by the Note, and any other charges due under the Note and this Security Instrument, unless otherwise provided herein. Subject to the provisions of 24 C.F.R. 92.254 (a)(5)(ii)(A)(3), if applicable, the Indebtedness is due and payable on the earlier of (a) refinancing of the First Security Loan; (b) a sale or conveyance of the Property by the Borrower; (c) a foreclosure of the First Security Deed; or (d) a Default (either hereinafter defined or as defined in the First Security Deed), shall have occurred under the Note, this Security Deed or the First Security Deed. Should the Indebtedness not be fully satisfied after application of payment formula outlined in 24 C.F.R. 92.254 (a) (5) (ii) (A) (3) the remaining balance shall be forgiven by Lender.

1.2 Title to the Property. Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for the First Security Deed and other encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record as of the date of this Security Instrument.

1.3 Funds for Taxes and Insurance. Subject to the provisions set forth in this Section 1.3, Borrower shall pay to Lender upon Lender's request, on the first day of each month, until the Note is paid in full, a sum (the "Funds") for: (a) yearly taxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; and (d) yearly flood insurance premiums. Items (a) through (d) are collectively called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the Federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. § 2601 *et seq* . ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law. The Borrower shall not be obligated to make such payments of Funds to the Lender to the extent that the Borrower makes such payments to the Senior Lien Holder in accordance with the First Security Deed.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case, borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If, under Section 2.2, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale of the Property, as a credit against the sums secured by this Security Instrument.

If this Security Instrument is subject to any first-priority security deed (the "Prior Security Deed") encumbering the Property, including, without limitation, the First Security Deed, and such Prior Security Deed provides for the Borrower to make the payments required in this Section 1.3, then Borrower's compliance with the covenants in the Prior Security Deed shall be deemed to be in compliance with the provisions of this Section 1.3.

1.4 Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under Sections 1.1 and 1.3 hereof shall be applied: first, to amounts payable under Section 1.3; second, to interest due, if any; third, to principal due; and last, to any late charges or other fees due under the Note.

1.5 Prior Security Deed; Charges; Liens. Borrower shall perform all the Borrower's obligations under the First Security Deed, including Borrower's covenants to make payments when due. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in Section 1.3, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Except for the lien of the First Security Deed, Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which, in the Lender's opinion, operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. Except for the lien of the First Security Deed, if Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of such notice.

1.6 Subordination. Lender and Borrower acknowledge and agree that this Security Instrument is subject and subordinate in all respects to the liens, terms, covenants and conditions of the First Security Deed and to all advances heretofore made or which may hereafter be made pursuant to the First Security Deed, including all sums advanced for the purposes of (a) protecting or further securing the lien of the first Security Deed, curing defaults by the Borrower under the First Security Deed or for any other purpose expressly permitted by the First Security Deed and/or (b) constructing, renovating, repairing, furnishing, fixturing or equipping the Property.

The terms and provisions of the First Security Deed are paramount and controlling and they supersede any other terms and provisions hereof in conflict therewith. In the event of a foreclosure or deed in lieu of foreclosure or assignment to the Secretary of Housing and Urban Development of the First Security Deed, any provisions herein or any provisions in any other collateral agreement restricting the use of the Property to low or moderate income households or otherwise restricting the Borrower's ability to sell the Property shall have no further force or effect. Any persons (including his successors or assigns) receiving title to the Property through a foreclosure or deed in lieu of foreclosure of the First Security Deed shall receive title to the Property free and clear from such restrictions.

Further, in the event a default occurs under the First Security Loan, Borrower shall provide Lender with written notice of such default. In the event the Senior Lien Holder acquires title to the Property pursuant to a deed in lieu of foreclosure, the lien of this Security Instrument shall automatically terminate upon the Senior Lien Holder's acquisition of title.

Further, the Borrower and the Lender agree that whenever the Note or this Security Instrument gives the Lender the right to approve or consent with respect to any matter affecting the property (or the construction of any improvements thereon) or otherwise (including the exercise of any "due on sale" clause), and right of approval or consent with regard to the same matter is also granted to the Senior Lien Holder pursuant to the First Security Deed, the Senior Lien Holder's approval or consent or failure to approve or consent, as the case may be, shall be binding on the Borrower and the Lender.

1.7 Hazard or Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's right in the Property in accordance with Section 1.9.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgagee clause. All requirements hereof pertaining to insurance shall be deemed satisfied if the Borrower complies with the insurance requirements under the First Security Deed. All original policies of insurance required pursuant to the First Security Deed shall be held by the Senior Lien Holder; provided, however, Lender may be named as a loss payee as its interest may appear and may be named as an additional insured. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier, the Senior Lien Holder and Lender. Lender may make proof of loss if not made promptly by the Senior Lien Holder or the Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied by Lender, at its option, either (a) to the reduction of the indebtedness under the Note and this Subordinate Security Deed, or (b) to the restoration or repair of the damaged Property. Any excess insurance proceeds over the amount required to pay all outstanding indebtedness under the Note and this Subordinate Security Deed shall be paid to the entity legally entitled thereto.

Any application of proceeds to principal shall not extend or postpone any due date of the payments referred to in Sections 1.1 and 1.3 or change the amount of the payments. If under Section 2.2 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

Notwithstanding the above, the Lender's right to collect and apply the insurance proceeds hereunder shall be subject and subordinate to the rights of the Senior Lien Holder to collect and apply such proceeds in accordance with the First Security Deed.

1.8 Occupancy, Preservation, Maintenance and Protection of the Property; Leasehold. Borrower shall at all times occupy, establish, and use the Property as Borrower's principal residence and shall continue to occupy the Property as Borrower's principal residence for a period of 5 years if the second mortgage is less than $15,000.00, 10 years if the second mortgage is $15,000.00 or more but $40,000.00 or less, or 15 years if the second mortgage is more than $40,000.00 from the date hereof. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

1.9 Protection of Lender's Rights in the Property. In the event a Default (as such term is hereinafter defined) occurs under this Security Instrument, or there is a legal proceeding that may affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument (including sums secured by the First Security Deed), appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may act under this Section 1.9, Lender does not have to do so.

Any amounts disbursed by Lender under this Section 1.9 shall become additional Indebtedness of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the rate of 10% per annum and shall be payable, with interest, upon notice from Lender to Borrower requesting payment. Notwithstanding anything to the contrary contained in this document, if the Borrower's first Mortgage is FHA-insured, and the Borrower's default results solely from Borrower's violation of the owner-occupancy restrictions contained herein, then Borrower is not contractually liable for Lender's expenses or any other amounts except for repayment of the original indebtedness.

Prior to taking any actions under this Section 1.9, however, Lender shall notify the Senior Lien Holder of such Default in the manner provided in Section 3.4 of this Security Instrument and shall provide the Senior lien Holder with the opportunity to cure any such Default under this Security Instrument. All amounts advanced by the Senior Lien Holder to cure a Default hereinunder shall be deemed advanced by the Senior Lien Holder and shall be secured by the First Security Deed. In addition, the Lender agrees that it will not commence foreclosure proceedings or accept a deed in lieu of foreclosure or exercise any other rights or remedies hereunder until it has given the Senior Lien Holder at least 60 days prior written notice. Any action by Lender hereunder to foreclose or accept a deed in lieu of foreclosure shall be subject to the "due on sale" provisions of the First Security Deed.

Lender and Borrower further agree that a Default hereunder may, in Senior Lien Holder's sole discretion, constitute a Default under the First Security Deed. In the event the Senior Lien Holder deems a Default hereunder to be a Default under the First Security Loan, the Senior Lien Holder shall have the right to exercise all rights and remedies under the First Security Deed.

1.10 Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for inspection.

1.11 Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender, subject to the terms of the First Security Deed.

In the event of a total taking of the Property, the proceeds shall be applied first to all amounts due and owing to the Senior Lien Holder under the First Security Loan, then to the sums secured by this Security Instrument, whether then due, with any excess paid to Borrower. In event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemn or offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone any due date of the payments referred to in Sections 1.1 and 1.3 or change the amount of such payments.

1.12 Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances (as such term is hereinafter defined) on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law (as such term is hereinafter defined). The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Prior to taking any such remedial action, however, the Borrower shall notify the Senior Lien Holder that such remedial action is necessary and shall obtain the Senior Lien Holder's prior written consent for such remedial action. As used in this Section 1.12, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this Section 1.12, "Environmental Law" means federal laws and laws of the State of Georgia that relate to health, safety or environmental protection.

ARTICLE 2
DEFAULT AND REMEDIES

2.1 Events of Default. Any one or more of the following events or conditions shall constitute a "Default" under this Security Instrument:

(a) If any forfeiture action or proceeding, whether civil or criminal, is begun which in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest and Borrower has failed to cure such a default within 60 days after the date on which such action or proceeding is commenced by failing to cause the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest; provided, such 60 day grace period set forth in this subsection (a) shall not apply to any other Default expressly set forth in this Section 2.1 or to any other covenant or condition with respect to which a limitation as to time or grace period or right to cure is expressly provided herein or in the Note; or

(b) If Borrower, during the loan application process or during the term of the Loan, gave or gives materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the Loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence and representations contained in this Security Instrument; or

(c) If the second mortgage is $15,000.00 or less and Borrower, during the five (5) year period beginning with the date of execution of the Subordinate Security deed, fails to occupy the Property as a principal residence; or

(d) If the second mortgage is more than $15,000.00 but less than $40,000.00 and Borrower, during the ten (10) year period beginning with the date of execution of the Subordinate Security deed, fails to occupy the Property as a principal residence; or

(e) If the second mortgage is more than $40,000.00 and Borrower, during the fifteen (15) year period beginning with the date of execution of the Subordinate Security deed, fails to occupy the Property as a principal residence; or

(f) Except for a conveyance to the Senior Lien Holder under the First Security Deed, and unless approved in writing by Lender (pursuant to applicable rules and regulations of Lender at such time), if all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person); or

(g) If the First Security Loan, or any portion thereof, is refinanced by Borrower; or

(h) Failure by Borrower to observe or perform any of the terms, covenants, agreements or conditions contained in this Security Instrument, the Note, or any other instrument, document or agreement evidencing and/or securing the Loan.

2.2 Acceleration; Remedies.

(a) Upon the occurrence of a Default, and subject to any applicable cure periods, if any, Borrower shall immediately pay in full all sums secured by this Security Instrument, subject to the provisions of 24 C.F.R. 92.254 (a) (5) (ii) (A) (3), if applicable; provided however, this provision shall not be enforced by Lender if such provision is prohibited by federal law as of the date of execution of this Security Instrument.

(b) Lender shall give notice to Borrower and the Senior Lien Holder prior to acceleration of the indebtedness following the occurrence of any Default under this Security Agreement. The notice shall specify: (a) the Default; (b) the action required to cure the Default; (c) a date, not less than 30 days from the date the notice is given to Borrower (and with respect to the Senior Lien Holder, 60 days from the date the notice is given to the Senior Lien Holder), by which the Default must be cured; and (d) that failure to cure the Default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. If the Default is not cured on or before the date specified in the notice, and the Senior Lien Holder has not exercised its right to cure the Default, then Lender at its option may require immediate payment of the sums secured by this Security Instrument, subject to the provisions of 24 C.F.R. 92.254 (a)(5)(ii)(A)(3), if applicable, without further demand and may invoke the power of sale granted by Borrower and any other remedies permitted by applicable law.

Borrower hereby appoints Lender as its agent and attorney-in-fact for Borrower to exercise the power sale. Notwithstanding Lender's right to invoke any remedies hereunder, the Lender agrees that it will not commence foreclosure proceedings or accept a deed in lieu of foreclosure or exercise any other rights or remedies hereunder until it has given the Senior Lien Holder at least 60 days' prior written notice. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 2.2, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

(c) If Lender invokes the power of sale, Lender shall give a copy of a notice to Borrower and to the Senior Lien holder in the manner provided in Section 3.4 and shall give notice of sale by public advertisement for the time and in the manner prescribed by applicable law. Lender, without further demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Lender determines. Lender or its designee may purchase the Property at any sale.

(d) Lender shall convey to the purchaser indefeasible title to the Property, and Borrower hereby appoints Lender Borrowers' agent and attorney-in-fact to make such conveyance and to execute any and all documents necessary to affect such conveyance. The recitals in the Lender's deed shall be prima facie evidence of the truth of the statements made therein. Borrower covenants and agrees that Lender shall apply the proceeds of the sale in the following order: (i) to all expenses of the sale, including, but not limited to, reasonable attorneys' fees; (ii) to sums secured by this Security Instrument; and, (iii) any excess to the person or persons legally entitled to it. The power and agency granted are coupled with an interest, are irrevocable by death or otherwise and are cumulative to the remedies for collection of debt as provided by law.

(e) If the Property is sold pursuant to this Section 2.2, Borrower, or any person holding possession of the Property through Borrower, shall immediately surrender possession of the Property to the purchaser at the sale. If possession is not surrendered, Borrower or such person shall be a tenant holding over and may be dispossessed in accordance with applicable law.

ARTICLE 3
MISCELLANEOUS

3.1 Borrower Not Released; Forbearance by Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment (or otherwise modify amortization of the sums secured by this Security Instrument), by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

3.2 Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent; provided, however, that such modification or accommodation shall not be made without the prior written consent of the Senior Lien Holder.

3.3 Loan Charges. If the Loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

3.4 Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the address of the Property or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice required to be given to the Senior Lien Holder shall be given by first class mail to the following address:

_____

_____

_____

or such other address as the Senior Lien Holder designates by notice to the Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this Section.

3.5 Governing Law; Severability. This Security Instrument shall be governed by federal law and the laws of the State of Georgia. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

3.6 Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument.

3.7 Sale of Note; Change of Loan Servicer. The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with Section 3.4 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payment should be made. The notice will also contain any other information required by applicable law.

3.8 No Assignment. Until the loan secured by the First Security Deed has been satisfied in full, the Lender and the Borrower agree that the Note and the Security Instrument will not be assigned without the Senior Lien Holder's prior written consent.



3.9 Release. Upon payment of all sums secured by this Security Instrument, Lender shall cancel this Security Instrument without charge to Borrower, other than the recordation costs which shall be paid by Borrower.

3.10 Modification of First Security Deed Loan Documents. The Lender consents to any agreement or arrangement in which the Senior Lien Holder waives, postpones, extends, reduces or modifies any provisions requiring the payment of money.

3.11 Waiver of Homestead. Borrower waives all rights of homestead exemption in the Property.

3.12 Assumption Not a Novation. Lender's acceptance of an assumption of the obligations of this Security Instrument and the Note, and any release of Borrower in connection therewith, shall not constitute a novation.

BORROWER HEREBY ACCEPTS AND AGREES to the terms and covenants in this Security Instrument.

IN WITNESS WHEREOF, Borrower has signed and sealed this Security Instrument as of the day and year first above written.

Signed, sealed and delivered in the presence of:

BORROWER(S)

_____

Unofficial Witness

By: _____ (SEAL)
Printed Name:

_____

Notary Public

By: _____ (SEAL)
Printed Name:

[NOTARY SEAL]

Surviving Spouse Affidavit

I,_____, as applicant for a home mortgage loan originated by: _____pursuant to the Georgia Dream Homeownership Program (the "Program") of the Georgia Housing and Finance Authority ("GHFA") and administered by the Georgia Department of Community Affairs ("DCA"), do hereby represent and warrant that I am the surviving spouse of

_____, who was a military serviceman or servicewoman or a "Protector", who was killed while on active duty or in the line of duty.

I fully understand that the above statements and the information set forth in this affidavit are material to the application for a mortgage loan from the Program are public information and may be subject to public disclosure and/or verification by GHFA and/or DCA, and I declare under penalty of perjury, which is a felony offense in the State of Georgia, that the above statements and information are true, correct and complete;

I fully understand that in the event that I receive a mortgage loan, I hereby acknowledge that any false statement, representation or misstatement made by me creates a legal and binding obligation for me to make immediate and full repayment of the mortgage loan, and may result in a fine and/or imprisonment;

I fully understand that I hereby release GHFA, DCA and the originating lender from any claims related in any way to my application for this loan or to their verification or enforcement of the requirements of the Program.

_____ _____

Applicant Date

Sworn to and subscribed before me this ____ day of _____, 20___.

_____ Notary Public

My Commission expires on _____ (Notary Seal Affixed Here)

TAX RECORD INFORMATION SHEET

THIS FORM MUST BE COMPLETED BY TITLE OFFICER, ESCROW OFFICER AND/OR CLOSING ATTORNEY AND SIGNED BY SAME.

THIS SHEET MUST BE COMPLETELY FILLED OUT OR IT WILL BE RETURNED FOR COMPLETION.

INSTRUCTIONS FOR COMPLETION OF TAX RECORDS:

1. Tax legal description must be exactly as shown on tax records.
2. Show only all taxing authority where we are escrowing for payment.
3. Tax bills & information are obtained from this sheet. Therefore, it must be completed in full. Include any Assessments, Municipal Utility Districts, Ground Rents, etc. that are escrowed for payment.
4. If **new construction**, annual taxes and escrow accounts **must** be based on at least 1.25% of the sales price.

The following information is Certified by: _____

TITLE/ESCROW/CLOSING ATTORNEY

Date Loan Closed: _____

Refinance ( )Yes ( )No Purchase ( )Yes ( )No Purchase Price: _____

Originating Lender's Loan Number:_____

Borrower(s) Name: _____

_____

Taxes For Current Year Listed In Name Of: _____

Property Address: _____

Current Tax Assessment Based On:

[ ]Acreage: [ ]Vacant: [ ]Partial Construction: [ ]Complete Construction: [ ]1.25% Sales Price

LEGAL DESCRIPTION:

SECTION_____BLOCK_____LOT(S)_____TRACT_____

MAP_____UNIT#_____TWNSHP_____RANGE_____

SUBDIVISION_____

METES & BOUNDS [ ]YES [ ]NO

TYPE OF TAX _____ **LAST AMOUNT PAID** $_____

Current Taxes Paid Thru Date_____ Next Due Date: _____

Next Amount Due: $ _____ This Amount Is: [ ] Estimate [ ]Actual

Payment Frequency:

[ ] Annual [ ] Semi-Annual [ ] Quarterly [ ] Tri-Annual

TAXING AUTHORITY NAME & ADDRESS: **PARCEL/PROPERTY ID/TMS#**

_____ _____

_____ **PARCEL/PROPERTY ID/TMS#**

_____ _____

TYPE OF TAX _____ **LAST AMOUNT PAID** $_____

Current Taxes Paid Thru Date_____ Next Due Date: _____

Next Amount Due: $ _____ This Amount Is: [ ] Estimate [ ]Actual

Payment Frequency:

[ ] Annual [ ] Semi-Annual [ ] Quarterly [ ] Tri-Annual

TAXING AUTHORITY NAME & ADDRESS: **PARCEL/PROPERTY ID/TMS#**

_____ _____

_____ **PARCEL/PROPERTY ID/TMS#**

_____ _____

_____ _____

SETTLEMENT AGENT SIGNATURE **DATE SIGNED**

Tax Return Certification

I,_____, as applicant for a home mortgage loan originated by: _____pursuant to the Georgia Dream Homeownership Program (the "Program") of the Georgia Housing and Finance Authority ("GHFA") and administered by the Georgia Department of Community Affairs ("DCA"), do hereby represent and warrant that I was not required to file a federal income tax return for the calendar year(s)_____ in accordance with section 6012 of the Internal Revenue Code.

I fully understand that the above statements and the information set forth in this affidavit are material to the application for a mortgage loan from the Program are public information and may be subject to public disclosure and/or verification by GHFA and/or DCA, and I declare under penalty of perjury, which is a felony offense in the State of Georgia, that the above statements and information are true, correct and complete;

I fully understand that in the event that I receive a mortgage loan, I hereby acknowledge that any false statement, representation or misstatement made by me creates a legal and binding obligation for me to make immediate and full repayment of the mortgage loan, and may result in a fine and/or imprisonment;

I fully understand that I hereby release GHFA, DCA and the originating lender from any claims related in any way to my application for this loan or to their verification or enforcement of the requirements of the Program.

_____ _____

Applicant Date

_____ _____

Applicant Date