



Community Seconds Program

Community Seconds transactions are financing for structuring affordable housing. Partnerships between lenders, non-profit organizations (other than credit unions), government entities and employers to aid qualified home buyers. Community Seconds may not be eligible behind a first lien with Mortgage Insurance. Refer to the Mortgage Insurance guidelines for additional information and possible overlays. Community Seconds are not eligible with an FHA 203(k) first lien product.

Program must be from one of the following: Government Agency, verifiable nonprofit agency (501(c)3 letter required), or employer. Funds may only be used for down-payment and closing costs unless otherwise noted. No cash back to the borrower is allowed. All documents must be received at one time; otherwise, we will not be able to complete our review. Programs are eligible for 12 months at which time updated documents must be submitted. All programs are reviewed for compliance only. A & D Mortgage, LLC does not endorse, fund or underwrite any grant programs. Any lender participation required by the program would require the broker/correspondent's approval for participation.

Unless otherwise noted in the comment section below, a Note and Mortgage/Deed of Trust will be filed as the security instruments. A government agency does not require the Community Second to be on a separate Closing Disclosure. However, if a Non-Profit agency charges anything other than credit counseling and recording fees, a separate Closing Disclosure is required. A copy of the lien documents and Closing Disclosure for the Community Second are required for the secondary lien in the closing package submitted to Flagstar. Any Community Second with Shared Equity and Resale and/or Income restrictions are not eligible with a Fannie Mae first lien due to the requirement for FNMA Form 2200. Any Community Second with Shared Appreciation requires SFC 176 if paired with a FNMA first lien.

- Refer to the Down Payment Assistance Submission Checklist and Guidelines for Down Payment Assistance Programs for additional details.
- Submit all required documentation via email to dpa@admortgage.com
- For Refinances with existing Community Seconds, a copy of the Original Note and the Subordination Agreement is required for review.
- Please include the Borrower Name and Loan Number with your request.

California		Non-Profit	Closing in the name of	Program Eligibility	EIN/FIN	Max Assistance	Contact #	Exp. Date	Forgivability Period	Comments
Eligible	USC Faculty & Staff Housing Program	No		FNMA, FHLMC	95-1642394	Variable	213-740-7066	7/2/2026	Non Forgivable	At least 10% of purchase price must come from own personal funds. Primary and 1 Unit only. Must meet all employer requirements.
	https://fpm.usc.edu/real-estate/faculty-staff-housing/usc-faculty-staff-housing-program/									
Florida		Non-Profit	Closing in the name of	Program Eligibility	EIN/FIN	Max Assistance	Contact #	Exp. Date	Forgivability Period	Comments
Eligible	City of Boca Raton SHIP	No		FNMA, FHLMC, RD, VA, FHA	59-6000279	\$190,000	561-393-7756	6/1/2026	20 Years	0% Interest, deferred payments. Forgiven after 20 years if owner occupied and no sale/transfer of title.
	https://www.myboca.us/396/SHIP-Purchase-Assistance-Programs									
Texas		Non-Profit	Closing in the name of	Program Eligibility	EIN/FIN	Max Assistance	Contact #	Exp. Date	Forgivability Period	Comments

Texas	Harvey Homebuyer Assistance Program (HbAP 2.0)	No		FNMA, FHLMC, FHA and VA	74-001164	up to \$125,000	832-394-6200	7/10/2026	up to 10 years	Zero Interest Forgivable loan. <ul style="list-style-type: none"> • 5 years up to \$50,000 • 8 Years for \$50,000.01 to \$75,000 • 10 Years for \$75,000.01 to \$125,000 Primary and 1 Unit only in City of Houston. Applicant must met all HbAP 2.0 guides including AMI limits.
	https://houstontx.gov/housing/hap.html									

FHLB		Lien Holder	Program Eligibility	EIN/FIN	Max Assistance	Contact #	Exp. Date	Forgivability Period	Comments
IF USED WITH AN FHA PROGRAM, YOU MUST PROVIDE A STATEMENT FROM THE TITLE COMPANY TO THE UNDERWRITER REGARDING THE TREATMENT OF THE RETENTION AGREEMENT OR WHATEVER SECURITY INSTRUMENT IS RECORDED. DOES THIS CREATE A LIEN ON THE PROPERTY? IF A LIEN IS RECORDED, THE FUNDS ARE CONSIDERED SUBORDINATE FINANCING.									
Eligible	FHLB Des Moines HomeStart	Minnesota Lakes Bank	FNMA, FHLMC, RD,VA, FHA	42-018330	See Comments	515-956-4343	12/31/2025	5 Years	Home\$art: \$15,000 Native American Homeownership Initiative: \$25,000 Deed Restriction is recorded as a 2nd lien on the subject property - funds must be treated as subordinate financing

Last Updated 07/10/2025



Gifts/Grants

A Gift or Grant program requires no lien or deferred payments. If the approval states a lien or retention agreement will be taken on the property (even if all payments are deferred) the program will require the documents to be reviewed under the Guidelines for Down Payment Assistance Programs. Fees must be reasonable, and program must provide a tangible benefit to the buyer. Funds provided may not be from any party that benefits monetarily from the transaction, nor may the grantor be reimbursed by anyone benefiting from the transaction (Seller, Realtor, Builder, Broker, etc.)

Program must be from one of the following: a Government Agency, a verifiable nonprofit agency (501(c)3 letter required), or employer. Funds may only be used for down-payment and closing costs unless otherwise noted. No cash back to the borrower is allowed. All documents must be received at one time; otherwise, we will not be able to complete our review. Programs are eligible for 12 months at which time updated documents must be submitted. All programs are reviewed for compliance only. A & D Mortgage, LLC does not endorse, fund or underwrite any grant programs. Any lender participation required by the program would require the broker/correspondent's approval for participation. A & D Mortgage, LLC's lender approval would extend to Home Lending Branches only and would not include third party originations.

A completed Gift/Grant letter must be obtained prior to close. The letter must show the grantors name, the name of the recipient, subject property address, and the dollar amount of the gift/grant.

- Refer to the Down Payment Assistance Submission Checklist and Guidelines for Down Payment Assistance Programs for additional details.
- Submit all required documentation via email to dpa@admortgage.com

UNDERWRITING

Funds listed below are true gift/grant funds. An approval letter from the grantor must be received outlining the amount of funds provided. For Individual Development Accounts (IDA) programs, the funds the borrower has saved is input as borrower own funds, the matching funds provided are the grant funds. No cash back is allowed when using gift/grant funds.

Agency/Program	Loan Type	State	Ein/FIN	Phone Number	Exp. Date	Max Gift Amount	Comments
Chickasaw Nation Grant	Conv, VA, RD, FHA	Nationwide	3-1374986	580-421-8800	10/31/2025	\$5,000	Eligible for Chickasaw Citizens

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