First Colony WHOLESALE

TRUE ZERO & TRUE ZERO PLUS

PROGRAM GUIDELINES

October 29, 2026

Transaction Type	Number of Units	Maximum LTV/CLTV/HCLTV	Minimum Credit Score
FHA 25 Yr & 30 Yr Fixed Purchase	1-2 Units	96.50% LTV + 3.5% DPA = 100% CLTV 96.50% LTV + 5% DPA = 101.5% CLTV (*True Zero Only*)	600

The **First Colony Mortgage (FCM) TRUE ZERO** programs are designed to increase homeownership opportunities for low-to-moderate income individuals and families nationwide (excluding NY and WA). Unless otherwise specified here as an overlay, FCM adheres to all posted guidelines for FHA eligibility, as found in the *FHA Single Family Housing Policy Handbook 4000.1*. Down Payment Assistance is available to achieve 100% CLTV/ 101.5% CLTV with these two options:

- **TRUE ZERO:** Featuring an amortizing/ repayable 2nd lien that has an interest rate equal to the first lien rate plus 2% with a 10-year amortization and monthly payments required.
- **TRUE ZERO PLUS:** Featuring a forgivable/ deferred 2nd lien at 0% interest with no monthly payments, a 25 or 30-year term matching the FHA first, and forgiveness after 3 years — see forgivable second lien section.

GENERAL PROGRAM REQUIREMENTS	
LOAN TYPES	• FHA 203(b) • FHA 203(b) (2) • FHA 234 (C)
LOAN AMOUNT	**Maximum** Conforming and High Balance loan amounts allowed (First Lien) **First Lien Minimum** None
DPA OPTIONS	Lesser of 3.5% or 5% of the purchase price or appraised value. • Second lien loan amounts must be rounded to the nearest dollar. • 5% option is only available on True Zero repayable option.

UNDERWRITING	• AUS Eligible findings - Approve/Eligible or Accept.
	• Manual Underwriting permitted with:
	  ○ MIN Credit Score 600; and
	  ○ MAX DTI ~~45%~~ per FHA guidelines

500 East Park Avenue,
Suite 900, Orem, Utah 84097
NMLS#3112

© 2026 First Colony Mortgage Corporation. NMLS#3112 Products, pricing, terms, and/or conditions expressed herein are accurate as of the date of publication and subject to change without notice. Refer to current product guidelines on firstcolonywholesale.com for most up-to-date requirements. This is not a commitment to lend. All loans subject to review and approval in accordance with applicable eligibility and regulatory requirements. Please contact your designated Account Executive for assistance. This information is intended for industry professionals and not intended for consumer distribution. 500 East Park Avenue, Suite 900, Orem, UT 84097

First Colony WHOLESALE

TRUE ZERO & TRUE ZERO PLUS

PROGRAM GUIDELINES

MAX LTV/CLTV	• Follow *FHA Single Family Housing Policy Handbook 4000.1*.
LOAN PURPOSE	• Purchase only
ELIGIBLE PROPERTY TYPES	• Single Family Residences • Duplexes: 2-units – ***subject to pricing adjustments*** • PUDs • Townhouses • *FHA Approved Condos* (Must not be in litigation) • Double wide manufactured housing – ***subject to pricing adjustments*** • Co-Ops are **ineligible**
ELIGIBLE OCCUPANCY	• Primary Residence only • Borrowers must occupy the residence as their primary residence within 60 days of closing. • Borrowers may have ownership in other property at time of closing, per agency guidelines. • Non-occupant co-borrowers allowed per *FHA Single Family Housing Policy Handbook 4000.1* and must be on title.
FIRST-TIME HOMEBUYERS	• No restrictions
MAX DTI	Must meet all FHA standards per *FHA Single Family Housing Policy Handbook 4000.1*
FICO	• Each borrower must have a MIN of one credit score. • MIN 600 • Must meet all FHA credit standards per *FHA Single Family Housing Policy Handbook 4000.1*
DPA FUNDS	• Proceeds may be used for down payment and/or closing costs. • Cash back to the borrower from the DPA proceeds not permitted
MORTGAGE INSURANCE	• Standard FHA Coverage
HOMEBUYER EDUCATION	• At least one occupying borrower must complete a Homebuyer's Education course from FNMA/FHLMC or any HUD approved provider.
TEMPORARY BUYDOWN	• First lien – Eligible 2/1 Buydown permitted. Must meet all FHA requirements. • Second lien - Ineligible
COMPLIANCE	• Second liens must conform to all Federal RESPA and Truth-in-lending laws when disclosing the terms of the Second Mortgage.
DPA RESERVATIONS	• Second liens must be registered at least one day prior to closing. • *National Homebuyer Fund, Inc.*

500 East Park Avenue,
Suite 900, Orem, Utah 84097
NMLS#3112

© 2026 First Colony Mortgage Corporation. NMLS#3112 Products, pricing, terms, and/or conditions expressed herein are accurate as of the date of publication and subject to change without notice. Refer to current product guidelines on firstcolonywholesale.com for most up-to-date requirements. This is not a commitment to lend. All loans subject to review and approval in accordance with applicable eligibility and regulatory requirements. Please contact your designated Account Executive for assistance. This information is intended for industry professionals and not intended for consumer distribution. 500 East Park Avenue, Suite 900, Orem, UT 84097

TRUE ZERO & TRUE ZERO PLUS

PROGRAM GUIDELINES

SECOND LIEN DOCUMENTS	• DPA Funding Commitment Notice – Must be dated at least one day prior to the Note Date
	• Second Mortgage Note and Addendum
	  ○ Second Mortgage Note fully endorsed to: National Homebuyers Fund, Inc., an Instrumentality of Government Section 115 entity.
	  ○ TRUE ZERO PLUS forgivable also requires:
	  ▪ Deferred 25 Yr or 30 Yr Second Mortgage Loan Note (No Interest)
	  ▪ Promissory Note Addendum
	  ▪ Loan Forgiveness Feature Disclosure
	• State specific Security Instrument
	• ~~Assignment of Mortgage/Deed of Trust and recorded to: National Homebuyers Fund, Inc., an Instrumentality of Government Section 115 entity, whose address is ○ 1215 K Street, Suite 1650, Sacramento, California 95814, and any successor or assigns.~~
	• All Local, State and Federal compliance requirements must be met.
	• ~~Clear compliance certificate for the first loan transaction~~
	• Lender is responsible for recording the Security Instrument ~~(Non-MERS)~~
	• Servicer Address:
	  ○ 1417 North Magnolia Ave, Ocala, FL 34475 (including first payment on the True Zero Amortizing DPA 2nd)
	• NHF's EIN on HUD's FHA Loan Underwriting and Transmittal Summary in conjunction with secondary financing assistance or to the borrower when the borrower is receiving an FHA First Mortgage.
	  ○ NHF's EIN is 42-1549314.

STATE EXCLUSIONS	• ~~AK, DC, HI, MO, NE,~~ NY, ~~RI~~, WA
CANCELATION FEES	• $400.00
ORIGINATION FEE OR DISCOUNT	• Up to 2.00% of the first mortgage • Must pass points and fees testing
PROGRAM FEES	• Fees (1st Lien only): ○ Administration Fee $395 | Tax Service Fee $75 | Flood Certificate Fee $5.00 • Broker/Lender fees cannot be charged on the 2nd lien
TRUE ZERO	**AMORITIZING SECOND LIEN**
SECOND LIEN TERMS	• DPA Up to 3.5% or 5% of the sales price or appraised value • 10-Year Fully amortizing loan term • Note Rate is 2.0% greater than rate of the 1st loan. • Monthly payments required
DPA FORM	10-Year Second Mortgage Loan Note
REPAYMENT	Repayment required – 2nd lien is **not forgivable**
REPAYMENT EVENTS	Due and payable upon the sale, refinance, or payoff of the first mortgage

500 East Park Avenue,
Suite 900, Orem, Utah 84097
NMLS#3112

© 2026 First Colony Mortgage Corporation. NMLS#3112 Products, pricing, terms, and/or conditions expressed herein are accurate as of the date of publication and subject to change without notice. Refer to current product guidelines on firstcolonywholesale.com for most up-to-date requirements. This is not a commitment to lend. All loans subject to review and approval in accordance with applicable eligibility and regulatory requirements. Please contact your designated Account Executive for assistance. This information is intended for industry professionals and not intended for consumer distribution. 500 East Park Avenue, Suite 900, Orem, UT 84097

First Colony WHOLESALE

TRUE ZERO & TRUE ZERO PLUS

PROGRAM GUIDELINES

TRUE ZERO PLUS	FORGIVABLE SECOND LIEN
SECOND LIEN TERMS	• DPA Up to 3.5% of the sales price or appraised value • 3 yr Forgivable term, with 25 Yr and 30 Yr loan terms (must match term of 1st lien) • 0% - No Interest • Non-amortizing; no monthly payments required; excluded from DTI
DPA FORM	• A deferred 25 or 30 Yr Second Mortgage Loan Note (No Interest) • Promissory Note Addendum • Loan Forgiveness Feature Disclosure

REPAYMENT	Forgivable program allowed: 3 years
	• Forgivable IF:
	  ○ Loan has reached its 3rd year from Note date, AND
	  ○ A repayment event has not occurred, AND
	  ○ The borrower has continued to occupy the property as their primary residence

REPAYMENT EVENTS	• The First Deed of Trust on the property is refinanced; or • The First Deed of Trust on the property becomes due and payable for any reason; or • Borrower sells, transfers or otherwise disposes of the property, including, without limitation, through foreclosure or transfer pursuant to any power of sale.

500 East Park Avenue,
Suite 900, Orem, Utah 84097
NMLS#3112

© 2026 First Colony Mortgage Corporation. NMLS#3112 Products, pricing, terms, and/or conditions expressed herein are accurate as of the date of publication and subject to change without notice. Refer to current product guidelines on firstcolonywholesale.com for most up-to-date requirements. This is not a commitment to lend. All loans subject to review and approval in accordance with applicable eligibility and regulatory requirements. Please contact your designated Account Executive for assistance. This information is intended for industry professionals and not intended for consumer distribution. 500 East Park Avenue, Suite 900, Orem, UT 84097