



TSAHC Soft Second Lien FAQ

Q. Is the soft second lien available with all loan types and assistance levels?

A. The soft second lien is available with the HFA Preferred conventional loan at 3%, 4%, 5%, and 6% assistance levels.

Q. Is the HFA Preferred Conventional 5% grant still available?

A. Yes, there are no changes to the current products available. However, our ability to offer certain DPA grant options depends on daily pricing and market conditions.

Q. Are there additional fees?

A. No, there are no additional fees other than what is currently charged for the DPA program.

Q. What disclosures are required?

A. TSAHC's soft second lien has been determined to have a "complete" TRID exemption therefore no additional disclosures are required.

Q. What additional documents are required by the borrower(s) to sign at closing?

A. The additional documents are available for download on the Lender Online Portal in the pdf docs section once the loan is committed by TSAHC.

The post-closing checklist will include these additional documents:

- Certified copy of Second Mortgage Deed of Trust with MIN* number
- Copy of the executed Second Mortgage Promissory Note
- Copy of the executed Notice of Sale of Mortgage Loan and Transfer of Servicing Rights

* Please note that the lender will need to generate the second lien MIN (mortgage identification number) separate from the first lien. TSAHC must receive the post-closing compliance package no later than 5 days after closing for registration in MERS. **TSAHC will register the loan in MERS.**

Q. What are the terms of the soft second lien?

A. The terms are as follows:

- 0% interest
- 30 year term
- No monthly payments due
- Repayable upon maturity, sale, transfer or refinance of the senior lien and failure to occupy property as principal residence

Q. Does the loan have to be repaid?

A. Yes, the loan will need to be repaid, in full, upon sale, transfer, or refinance.

Q. What is the minimum credit score?

The borrower needs to have a minimum credit score of 680.

Q. In what name does the Second Lien close?

A. The second lien loan closes in TSAHC's name. Both the first and second lien collateral will be sent to Lakeview for purchase.

Q. Who records the DOT?

A. The lender is responsible for recording the second lien DOT.

Q. Who registers the loan in MERS?

A. The Second lien MIN is generated by the lender. This will be different from the first lien MIN. This will be added to the Second lien DOT and submitted as a part of the post-closing package. TSAHC will then register the loan in MERS. *If your process requires you to register the loan in MERS, please use TSAHC's org ID: 1014711.*

Q. How is the lender reimbursed for the second lien?

A. The lender fronts the DPA at the closing table. TSAHC will reimburse the lender for the second lien when Lakeview purchases the first lien. This is done, in aggregate, on or about the 10th of the following month with a detailed list of transactions emailed to the lender.