

UNION HOME MORTGAGE

Getting The Gift Right

UHM Training for Gifts and Grants





Contents

100.0	Gifts and Grants	4
100.1	Overview	4
101.0	Definition of a Gift	4
102.0	Cash Gift from a Person – Acceptable Sources	4
102.1	Source of Gift Quick Reference Table	7
103.0	Amount and Uses of Cash Gift Funds – Quick Reference Table.....	8
200.0	Minimum Required Investment (MRI) with Gift – Conventional Quick Reference Table	9
300.0	Gift Documentation Requirements	10
301.0	Gift Letter Requirements	10
302.0	Gift Documentation – Paid Prior to Closing	10
303.0	Gift Documentation – Paid at Closing	10
304.0	Donor Evidence of Withdrawal Requirements	11
305.0	Gifts from Business Accounts.....	11
306.0	Grants and Funds from an Entity	11
307.0	Required Aspects of Gifts and Grants from an Entity that must be Evident via Documentation in the Loan File:.....	11
307.1	Employer Assistance Documentation Requirements (Conventional Only)	12
400.0	Gifts of Equity – Conventional and Government.....	13
500.0	Cash Back at Closing	13
	Fannie Mae	13
	Freddie Mac	13
	FHA.....	13
	VA.....	13
	USDA	14
600.0	Red Flags it might not be a Gift	14
700.0	Encompass Entry – Gifts from Relative or Another Acceptable Individual	15
701.0	Gift Funds Entry Screen.....	15
702.0	Borrower Summary Origination Screen	16
703.0	1003 URLA Part 3 / Section 2: Financial Information – Assets and Liabilities / 2a. Assets – Bank Accounts, Retirement and Other Accounts you have – Borrower and Co-borrower Screen	17
704.0	1003 URLA Part 4 / Section 4: Loan and Property Information / 4d. Gift or Grants you Have Been Given or Will Receive for this Loan Screen	18



GET THE GIFT RIGHT

705.0	Completing the HUD-92900LT FHA Loan Transmittal Screen	18
800.0	Encompass Entry – Grants from a Government Entity or Non-Profit 501(c)(3)	19
801.0	Grants: Borrower Summary Origination Screen	19
802.0	1003 URLA Part 3 / Section 2: Financial Information – Assets and Liabilities / 2a. Assets – Bank Accounts, Retirement and Other Accounts you have – Borrower and Co-borrower Screen	20
803.0	Grants: 1003 URLA Part 4 / Section 4: Loan and Property Information / 4d. Gift or Grants you Have Been Given or Will Receive for this Loan Screen	21
804.0	Grants: Completing the HUD-92900LT FHA Loan Transmittal Screen	22
705.0	Closing	22



100.0 Gifts and Grants

100.1 Overview

Gifts or donations from entities (grants) are permitted by all of the investors used by UHM. This includes Fannie Mae, Freddie Mac, FHA, VA and USDA. There are many similarities in the rules however there are some important differences. The requirements in this section apply when the borrower is receiving a gift to help with any of the costs associated with the transaction. This may be evident by a large deposit on the bank statement or a large debt that has been recently paid down or paid in full.

Gift funds represent an additional layer of risk on the loan when compared to borrowers who use their own funds as payment in full. Partners should be diligent in properly identifying that a gift meets all UHM requirements.

101.0 Definition of a Gift

A gift refers to a contribution of cash or equity with no expectation of repayment, at any time. A gift has no strings attached.

102.0 Cash Gift from a Person – Acceptable Sources

FANNIE MAE:

Fannie Mae allows a gift to be provided by:

- A relative, defined as the borrower's spouse, child, or other dependent, or by any other individual who is related to the borrower by blood, marriage, adoption, or legal guardianship; or
- A non-relative that shares a familial relationship with the borrower defined as a domestic partner (or relative of the domestic partner), individual engaged to marry the borrower, former relative, or godparent.

The donor may not be, nor have any affiliation with, the builder, the developer, the real estate agent, or any other interested party to the transaction.

Note: Gift funds from the seller who is also an acceptable donor and not affiliated with any other interested party to the transaction are allowed. The donor of a gift of equity cannot be an interested party to the transaction.

Fannie Mae will also accept a wedding gift from unrelated persons as an eligible source of funds. See the ["Wedding Gifts"](#) Section.

Funds From an Estate or Trust:

The trustee of an estate or trust may use funds from these sources to give a gift when they meet the requirements for an acceptable donor, as defined above.

When the gift is sourced by a trust established by an acceptable donor or an estate of an acceptable donor, the gift letter must be signed by the donor and list the name of the trust or the estate account.



FREDDIE MAC:

Freddie Mac allows a gift to be provided by:

- The borrower's spouse, child or dependent
- An individual related to the Borrower by blood, marriage, or adoption
- A guardian of the Borrower
- A person for who the borrower is a guardian
- The borrower's fiancé, fiancée, or domestic partner.
- An unrelated individual with close, family-like ties to the borrower (ex: Godparent or similar is acceptable; Freddie Mac does not allow gifts from "close friends").
- The estate of, or a trust established by, a related person.
 - The Gift Letter must:
 - Be signed by the trustee or the authorized representative of the estate, as applicable.
 - State the donor's name and that the funds are given by a Related Person, a trust established by a Related Person or the estate of a Related Person, as applicable.
 - Include the donor's mailing address and telephone number. When the donor is a trust or an estate, provide the mailing address and telephone number of the trustee or authorized representative, as applicable.
 - State the actual or the maximum amount of the gift funds or gift of equity.
 - Establish that the gift funds or gift of equity are a gift that does not have to be repaid.

Freddie Mac will also accept: gifts from related and/or unrelated persons an eligible source of funds for a Mortgage secured by a Primary Residence from a:

- Wedding gift - See [Wedding Gift](#) Section
- Graduation gift
 - The gift funds must be on deposit in the Borrower's depository account within 90 days of the date of the graduation.
 - The Loan file must include evidence of graduation from an educational institution (e.g., diploma or transcripts) that supports the date of graduation and a verification of the gift funds in the Borrower's depository account.

Note: When a Mortgage is secured by a second home and the LTV/TLTV/HTLTV ratio is greater than 80%, the gift is permitted only if the Borrower has made a Down Payment of at least 5% from Borrower personal funds.



FHA

For FHA loans, the donor can be:

- A family member defined as follows, regardless of actual or perceived sexual orientation, gender identity, or legal marital status:
 - Child, parent, or grandparent
 - A child is defined as a son, stepson, daughter, or stepdaughter.
 - A parent or grandparent includes a stepparent/grandparent or foster parent/grandparent.
 - Spouse or domestic partner
 - Legally adopted son or daughter, including a child who is placed with the borrower by an authorized agency for legal adoption or foster child
 - Brother, stepbrother, sister, or stepsister
 - Uncle, aunt
 - A son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, sister-in-law of the borrower.

FHA additional acceptable donors (Not permitted for gifts of equity):

- The borrower's employer or labor union.
- A close friend with a clearly defined and documented interest in the borrower. Documentation of the relationship is required, such as a Letter of Explanation (LOE), to accept donors of this kind. The following relationships fall into this category:
 - Cousin
 - Fiancé/Fiancée
 - Future Father-in-Law or future Mother-in-Law
- A charitable organization.
- A governmental Agency or public entity that has a program providing homeownership assistance to low- or moderate-income families or first-time homebuyers.

USDA/VA

For USDA or VA loans, a gift can be provided by a donor that does not have any affiliation with the builder, developer, real estate agent, or any other interested party to the transaction.

Refer to the agency guidelines on Interested Party Contributions.

**Wedding Gifts**

Wedding gift money is generally acceptable when there is adequate documentation to support the event and timing of a large deposit.

Fannie Mae: The gift should follow Large Deposit guidelines, and documentation supporting the receipt of the gift funds (ex. a copy of a wedding invitation) should be included in the loan file.

Freddie Mac: The gift funds must be on deposit in the Borrower's depository account within 90 days of the date of the marriage license or certificate. The Loan file must also include a copy of the marriage license or certificate and a verification of the gift funds in the Borrower's depository account

Refer to the section Grants and Funds from Entities for additional acceptable sources of gift funds.

102.1 Source of Gift Quick Reference Table

Note: This table does not include all gift requirements, and applies to cash gifts only.

Source of Gift*	FN	FR	FHA	VA	USDA
Family member ^①	Y	Y	Y	Y	Y
Fiancé, Fiancée	Y	Y	must be a clearly defined and documented interest	Y	Y
Domestic Partner	Y	Y	must be a clearly defined and documented interest	Y	Y
Close Friend	No	No	must be a clearly defined and documented interest	Y	Y
Non-Relative with Familial Relationship (Ex.: Godparent or similar)	Y	Yes	must be a clearly defined and documented interest	Y	Y
Wedding Gift Money	Y	Y – within 90 days of the marriage	Y	Y	Y
Graduation Gift Money	N	Y – within 90 days of date of graduation	N	N	N
Seller who is not a family member (Refer to Gift of Equity)	N	N	N	N	N
Realtor, Builder, Developer or affiliate	N	N	N	N	N
Government or Non Profit Entity*	Y – OO Only	Y – OO Only	Y	Y	Y

**Refer to the section Grants and Funds from an Entity.*

Important Note: Cash on Hand is not an acceptable source of donor gift funds.



103.0 Amount and Uses of Cash Gift Funds – Quick Reference Table

Note: This section does not include all gift requirements, and applies to cash gifts only. Refer to Section 400.0 for Gifts of Equity.

A gift may be used on owner occupied and second home transaction to cover the costs associated with the transaction. This includes the down payment, closing costs, and prepaid charged to the borrower as shown on the Loan Estimate and Closing Disclosure based on the rules below.

Products vary in the following areas:

- Gifts are not permitted as reserves for FHA manual underwriting and 3-4 unit properties and USDA loans.
- Minimum Required Investment (MRI) varies based on occupancy. Refer to the MRI Table for Fannie Mae and Freddie Mac.
- Gifts are not permitted on investment property.
- Gifts from nonprofits cannot result in any cash back to the borrower, be used to pay off debt, or be used for reserves (refer to Section 307.0).

Gift Uses	FNMA*	FHLMC*	FHA	VA	USDA
Down Payment	Y	Y	Y	Y	Y
Closing costs and prepaids	Y	Y	Y	Y	Y
Pay off debt ¹	Y	Y	Y	Y	Y
Reserves	Y	Y	Y – except manual UW or 3-4 Unit	Y	NO
Home improvement or repairs	Y	Y	Y – energy related only	Y	Y

***MRI requirements may apply.** Refer to the section on Minimum Required Investment with Gift.

¹Gifts of cash can be used to pay off debt, except in cases where the gift is from a nonprofit or government entity.



200.0 Minimum Required Investment (MRI) with Gift – Conventional Quick Reference Table

Fannie Mae and Freddie Mac require the borrower make a minimum investment from his/her own funds. The MRI applies to certain LTV, Occupancy and source of gift, combinations.

The following rules apply to a gift of cash and a gift of equity from a person:

LTV, CLTV, or HCLTV Ratio	Minimum Borrower Contribution Requirement from Borrower's Own Funds	
80% or less	1–4-unit Principal Residence	A minimum borrower contribution from borrower's own funds is not required. All funds needed to complete the transaction can come from a gift.
	Second Home	
Greater than 80%	(Freddie Only) 1-4 Unit Principal Residence	A minimum borrower contribution from borrower's own funds is not required. All funds needed to complete the transaction can come from a gift.
	(Fannie Only) 1 Unit Principal Residence	A minimum borrower contribution from borrower's own funds is not required. All funds needed to complete the transaction can come from a gift.
	(Fannie Only) 2-4 Unit Principal Residence	The borrower must make a 5% minimum borrower contribution from his or her own funds. ① After the minimum borrower contribution has been met, gifts can be used to supplement the down payment, closing costs, and reserves.
	Second Home	

Note: Disaster relief grants or loans may be used to meet the minimum borrower investment (Fannie Mae). Check agency guidelines and UHM memos covering Presidentially Declared Disaster Relief.

① If the borrower receives a gift from a relative or domestic partner who has lived with the borrower for the last 12 months, or from a fiancé or fiancée, the gift is considered the borrower's own funds and may be used to satisfy the minimum borrower contribution requirement as long as both individuals will use the home being purchased as their principal residence.



300.0 Gift Documentation Requirements

301.0 Gift Letter Requirements

A fully executed UHM Gift Letter is required. The Gift Letter must include the following:

- The Donor's name, address, telephone number, and relationship to the Borrower, and
- The Donor's statement that no repayment is expected from the Borrower, and
- The signature of the Donor, and
- The dollar amount of the gift.
 - FHA, USDA, and VA require the amount given to match the dollar amount reflected in the gift letter.
 - FNMA and FHLMC allow the gift letter to reflect either the maximum amount of the gift funds or gift of equity, or the actual dollar amount.

302.0 Gift Documentation – Paid Prior to Closing

- Acceptable Documentation for Gifts Paid by Wire Transfer Includes:
 - Evidence of the electronic transfer of funds from the Donor's account to the Borrower's account.
- Acceptable Documentation for Gifts Paid Using Certified Funds Includes:
 - The certified document, which must show the donor's name as the remitter and reflect a written dollar amount that matches the amount shown on gift letter (Refer to Section 301).
 - If the certified funds were sent directly to the Borrower, a verification of deposit into the Borrower's account (such as a deposit slip) is also required.
- Acceptable Documentation for Gifts Paid by Check Includes:
 - A verification of deposit into the Borrower's account, i.e., a deposit slip, and
 - A copy of the Donor's canceled gift check, the donor's bank statement, or the donor's withdrawal slip, which must clearly indicate the following:
 - The Donor's name, and
 - The Donor's address, and
 - A written dollar amount that matches the amount shown on the gift letter (Refer to Section 301).

303.0 Gift Documentation – Paid at Closing

- Acceptable Documentation for Gifts Paid Using Certified Funds Includes:
 - The certified document, which must show the donor's name as the remitter and reflect a written dollar amount that matches the amount shown on gift letter (Refer to Section 301).
 - If the certified funds have been made payable to the closing agent and the gift is shown on the closing disclosure, no additional documentation is required.
- Acceptable Documentation for Gifts Wired Directly to the Title Company:
 - Verification that the funds received by the title company came from the gift Donor's account. The wire must reflect the Donor's name, account number, and amount of the transfer. This must be a condition of the loan and verified by UHM.



304.0 Donor Evidence of Withdrawal Requirements

- Gift documentation must include evidence the Donor withdrew the funds from his/her account if the check or money order for the gift does not show the Donor's name as remitter.

305.0 Gifts from Business Accounts

If the source of the gift is from a business account, the Donor must verify he/she is the account owner.

306.0 Grants and Funds from an Entity

A grant is any donation to the borrower from an entity. In some cases, the entity may refer to the grant as a gift because it is not expected to be repaid. In other cases, the entity may establish an agreement with the borrower with terms and conditions under which the grant functions as a gift and does not need to be repaid.

Types of allowable entities include:

- Government grants and loan programs available under homeownership initiatives. This includes:
 - Housing Financing Agencies at the State government level and municipalities
- Disaster relief grants or loans
- Churches
- Nonprofit organizations (excluding credit unions)
- Federal Home Loan Bank (under one of its affordable housing programs)
- Employer Assistance (Conventional only)
- Any public agency

307.0 Required Aspects of Gifts and Grants from an Entity that must be Evident via Documentation in the Loan File:

- ✓ The donor of the gift or grant does not require or expect repayment.
- ✓ The gift or grant is given as part of an established program (need proof such as program materials).
- ✓ The entity is not an interested party.
- ✓ The funds were not obtained from an interested party either directly or through a third party.
- ✓ The subject property is owner occupied (no second homes or investment properties allowed).
- ✓ Evidence that funds were received by the Borrower.
- ✓ Documentation from the entity identifies the Donor's mailing address.
- ✓ Fannie Mae: Borrower must meet the Minimum Required Investment, unless the funds are from a Disaster relief grant or loan.
- ✓ Government and conventional programs do not permit the use of gifts or grants from any entity to be used to pay off debts.



307.1 Employer Assistance Documentation Requirements (Conventional Only)

A borrower of a mortgage loan secured by a principal residence, **in a Conventional transaction only**, may use funds provided by an employer to fund all or part of the down payment or closing costs subject to the minimum borrower contribution requirements described in [B3-4.3-08, Employer Assistance](#) of the Fannie Mae selling guide. Employer assistance can also be used for financial reserves, in a Conventional transaction, for all types of assistance with the exception of unsecured loans (which may only be used for the down payment and closing costs). Employer assistance funds are not allowed on a second home or an investment property.

Employer assistance may be in the form of:

- a grant,
- a direct, fully repayable second mortgage or unsecured loan,
- a forgivable second mortgage or unsecured loan, or
- a deferred-payment second mortgage or unsecured loan.

Funds must come directly from the employer, including through an employer-affiliated credit union.

When employer assistance is extended as a secured second mortgage, the transaction may be structured as a Community Seconds (see [B5-5.1-02, Community Seconds Loan Eligibility](#) in the Fannie Mae Selling guide) or it must satisfy Fannie Mae's eligibility criteria for mortgages that are subject to subordinate financing (see [B2-1.1-04, Subordinate Financing](#) in the Fannie Mae Selling guide).

If the secured second mortgage or unsecured loan does not require regular payments of either principal and interest or interest only, the lender does not need to calculate an equivalent payment for consideration as part of the borrower's monthly debt. If regular payments are required for the secured second mortgage, the payments must be included in the calculation of the debt-to-income ratio.

UHM must document:

- that the program is an established company program, not just an accommodation developed for an individual employee.
- the dollar amount of the employer's assistance.
- an unsecured loan from an employer with an award letter or legal agreement from the note holder and must disclose the terms and conditions of the loan.
- the terms of any other employee assistance being offered to the borrower (such as relocation benefits or gifts).
- that the borrower received the employer assistance funds directly from the employer (or through the employer-affiliated credit union).

For additional information, see [B3-4.3-08, Employer Assistance](#) in the Fannie Mae Selling guide.



400.0 Gifts of Equity – Conventional and Government

A gift of equity occurs when the seller is an **allowable Donor** and instead of giving the borrower cash, the Donor shows a gift as a credit to the borrower on the Closing Disclosure. Money does not actually change hands. In these arrangements, the Donor must have enough equity in the property to cover the gift amount.

Using Gifts of Equity:

- Gifts of equity are permitted for principal residence and second home purchase transactions; gift of equity cannot be used on rental/investment properties.
- The acceptable minimum donor and borrower contribution requirements for gifts also apply to gifts of equity.
- Gifts of equity may be used to pay the down payment, closing costs, and prepaids.
- **Freddie Mac Only:** Gifts of equity may be used to pay off debt at closing (not permitted for FNMA, FHA, VA, or USDA).
- **Reserves:**
 - FHLMC, FNMA, FHA, USDA: Gifts of equity may not be used to cover the borrower's reserve requirements.
 - VA: VA typically does not require the applicant to have additional cash to cover a certain number of mortgage payments, unplanned expenses, or other contingencies on a primary residence.

Documentation Requirements:

- A gift letter which meets UHM guidelines is required.
- The Closing Disclosure must show the gift amount as a line item that matches the gift letter.

500.0 Cash Back at Closing

Fannie Mae

Borrowers may receive excess funds from gifts of cash back at closing; however, excess funds from gifts of equity cannot be received as cash back at closing.

Freddie Mac

Borrowers may receive excess funds from gifts of cash and gifts of equity as cash back at closing.

FHA

Borrowers may receive excess funds after settlement if gift funds or a gift of equity exceeds the borrower's required funds to close. Manually underwritten loans must exclude any excess gifts the borrower receives at closing from all calculations for required reserves.

VA

Borrowers may receive excess gift funds or gifts of equity as cash back at closing, with a maximum amount of \$500. Excess gift funds cannot be used to meet reserves on rental properties.



USDA

Borrowers may receive excess funds after settlement if gift funds exceed the borrower's required funds to close. Manually underwritten loans must exclude any excess gifts the borrower receives at closing from all calculations for required reserves.

Excess gift of equity funds cannot be received as cash back at closing.

600.0 Red Flags it might not be a Gift

- 📖 **Borrower states they are responsible for repaying the gift.**
 - When a borrower makes a direct statement that they will need to repay the amount shown as a gift, UHM Partners are responsible for considering the funds as a loan and not a gift. Some programs, such as FHA, permit secondary financing from a family member, under certain conditions. Refer to the FHA guidelines in 4000.1, II.A.4.d.
 - The borrower may change his/her statement as long as UHM receives a gift letter, meeting UHM requirements, signed by the Donor.
- 📖 **Borrower is unable to document the gift in accordance with UHM requirements.**
 - When the borrower makes repeated excuses for not being able to provide a signed gift letter, or supporting documentation, it is a measurable indicator that the documentation does not exist and/or the circumstances around the source of the funds are something other than a gift.
 - UHM requirements apply equally to all borrowers and are not waived, even when the borrower has reasons to believe we should make an exception.
- 📖 **The gift documentation does not line up exactly with the documentation or explanations. This can happen when money is transferred multiple times by the Donor and/or borrower.**
 - As stated in #2 above, all documentation must meet UHM requirements, which includes that the amounts all match across the documentation provided.
 - Check that all account numbers, names and addresses match across all documents.
- 📖 **The borrower's name is on the account.**
 - These cases are truly not a gift, and are the borrower's own funds, for mortgage underwriting purposes. Refer to the section on 'authorized users' to document the borrower's access to the funds.



700.0 Encompass Entry – Gifts from Relative or Another Acceptable Individual

701.0 Gift Funds Entry Screen

Gift details can be added to the Borrower Summary Origination Screen.

1. To begin, access the Borrower Summary Origination screen. Select the “Gift Funds” button under “Program Details.”

2. A pop-up screen will appear for entry of details for up to four gifts.

3. If the loan is an FHA loan and “Retired Source” is selected, the error message below will pop up to prompt “Active Option” to be selected instead.

Items listed on this screen are automatically populated on the gift letters generated by Encompass. Gift information will automatically flow from the Borrower Summary Origination screen to the URLA and the Gifts section on the HUD-92900LT FHA Loan Transmittal Form.



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702.0 Borrower Summary Origination Screen

In the Transaction Details section, select both the Down Payment Type & Down Payment Funds Type as "Gift Funds" from the drop-down menus:

Transaction Details			
Loan Details			
Purpose of Loan	Purchase	Other Description	
Occupancy	Primary	Gross Rent	
Loan Type	Conventional	Other Description	
Amortization Type	Fixed Rate	ARM Type	
Lien Position	Sub. Financing	Amort Type GPM	
Interest Only Months		<input type="checkbox"/> Qualify using P&I	
Purchase Price	100,000.00	Note Rate	3.000
Down Payment	20.000 % \$ 20,000.00	Qual Rate	3.000
Down Payment Type	Gift Funds	UnDiscounted Rate	
Down Payment Funds Type	Gift Funds	Term (Months) / Due In (Months)	360 / 360
Base Loan Amount	80,000.00	Monthly Payment	337.28
Total Loan Amount	80,000.00	Total Monthly Payment	602.28

Down Payment	20.000 % \$ 20,000.00	Qual Rate	3.000
Down Payment Type	Bridge Loan Cash On Hand Checking Savings Equity On Sold Property Equity On Subject Property Forgivable Secured Loan Gift Funds Life Insurance Cash Value Lot Equity Other Type Of Down Payment Rent With Option To Purchase Retirement Funds Sale Of Chattel Secured Borrowed Funds Stocks And Bonds Sweat Equity Trade Equity Trust Funds Unsecured Borrowed Funds		
Down Payment Funds Type		UnDiscounted Rate	
Base Loan Amount		Term (Months) / Due In (Months)	360 / 360
Total Loan Amount		Monthly Payment	337.28
		Total Monthly Payment	602.28
Dates			
Est Closing Date		Due Diligence Date	//
QM/ATR Review Complete		CD Delivery Date	12/10/2021
Contingency Date			
Closing Date Confirmed			
Closing Date Confirmed		Closing Time Confirmed	
Email for Docs		<input type="checkbox"/> Closing Date Confirmed	<input type="checkbox"/> Closer To Schedule With Title



703.0 1003 URLA Part 3 / Section 2: Financial Information – Assets and Liabilities / 2a. Assets – Bank Accounts, Retirement and Other Accounts you have – Borrower and Co-borrower Screen

When entering the borrower account information, you would **ALWAYS** enter the full balance on the statement. It does not matter if the gift has been deposited or not, as that will be indicated on the URLA part 4- 4d Gift or Grants you Have Been Given or Will Receive for this Loan. For Example:

- Example 1 - The borrower account statement shows a current balance of \$25,000, but they received a gift for \$10,000 that has already been deposited into the account. You would enter the balance as \$25,000.
- Example 2 - The borrower account statement shows a current balance of \$15,000. They are getting a gift for \$10,00 that HAS NOT been deposited. You would enter the balance as \$15,000

Bor/Cob/Both	Account Type	Financial Institution	Account Number	Cash or Market Value
Both	Checking Account	ABC Bank	1234	25,000.00

Borrower Total: 25,000.00
Co-Borrower Total: 25,000.00
Total Asset Amount: 25,000.00

Bor/Cob/Both	Account Type	Financial Institution	Account Number	Cash or Market Value
Both	Checking Account	ABC Bank	1234	15,000.00

Borrower Total: 15,000.00
Total Asset Amount: 15,000.00



704.0 1003 URLA Part 4 / Section 4: Loan and Property Information / 4d. Gift or Grants you Have Been Given or Will Receive for this Loan Screen

From the drop-down menus, select who the Gift is for, what type of Gift it is, whether the Gift has been deposited or not, the source of the Gift, and the value of the Gift.

1003 URLA Part 4

Borrower ☐ Does not apply
Co-Borrower ☐ Does not apply

Bor/Cob/Both Asset Type: Cash Gift, Gift of Equity, Grant Deposited Source Cash or Market Value

Both Gift of Cash Deposited Relative 10,000.00

Total of Gifts and Grants 10,000.00

1003 URLA Part 4

Expected Monthly Rental Income
Occupancy Rate %
For LENDER to Calculate:
Expected Net Monthly Rental Income

4d. Gifts or Grants You Have Been Given or Will Receive for this Loan Show all Gifts or Grants

Borrower ☐ Does not apply
Co-Borrower ☐ Does not apply

Bor/Cob/Both Asset Type: Cash Gift, Gift of Equity, Grant Deposited Source Cash or Market Value

Both Gift of Cash No Relative 10,000.00

Total of Gifts and Grants 10,000.00

Comments

705.0 Completing the HUD-92900LT FHA Loan Transmittal Screen

The Gift Section will need to be completed. You MUST select and type in the information about the gift

Gifts ☐ Seller Funded DAP

1. Source / EIN Relative

☐ Gov't ☐ NP ☒ Family

Amount of Gift 10,000.00

2. Source / EIN

☐ Gov't ☐ NP ☐ Family

☐ Other

Amount of Gift



800.0 Encompass Entry – Grants from a Government Entity or Non-Profit 501(c)(3)

801.0 Grants: Borrower Summary Origination Screen

In the Transaction Details section, select both the Down Payment Type & Down Payment Funds Type as “Forgivable Secured Loan” from the drop-down menus:

Transaction Details			
Loan Details			
Purpose of Loan	Purchase	Other Description	
Occupancy	Primary	Gross Rent	Occupancy Rate %
Loan Type	Conventional	Other Description	
Amortization Type	Fixed Rate	ARM Type	
Lien Position	Sub. Financing	First	Amort Type GPM
Interest Only Months			<input type="checkbox"/> Qualify using P&I
Purchase Price	100,000.00	Note Rate	3.000
Down Payment	20,000 % \$ 20,000.00	Qual Rate	3.000
Down Payment Type	Forgivable Secured Loan	Term (months) / Due In (Months)	360 / 360
Down Payment Funds Type	Forgivable Secured Loan	Monthly Payment	337.28
Base Loan Amount	80,000.00	Total Monthly Payment	602.28
Total Loan Amount	80,000.00		

Down Payment	20,000 % \$ 20,000.00	Qual Rate	3.000
Down Payment Type	Bridge Loan		
Down Payment Funds Type	Cash On Hand		
Base Loan Amount	Checking Savings		
Total Loan Amount	Equity On Sold Property		
	Equity On Subject Property		
	Forgivable Secured Loan		
	Gift Funds		
Dates	Life Insurance Cash Value		
Est Closing Date	Lot Equity		
QM/ATR Review Complete	Other Type Of Down Payment		
Contingency Date	Rent With Option To Purchase		
	Retirement Funds		
	Sale Of Chattel		
	Secured Borrowed Funds		
	Stocks And Bonds		
	Sweat Equity		
	Trade Equity		
	Trust Funds		
	Unsecured Borrowed Funds		
Closing Date Confirmed			
Closing Date Confirmed			
Email for Docs			



802.0 1003 URLA Part 3 / Section 2: Financial Information – Assets and Liabilities / 2a.
Assets – Bank Accounts, Retirement and Other Accounts you have – Borrower
and Co-borrower Screen

***No Grant information needs to be entered into the Bank Account section

1003 URLA Part 3

Section 2: Financial Information - Assets and Liabilities Completed ☐ Jointly ☐ Not Jointly

2a. Assets - Bank Accounts, Retirement and Other Accounts You Have - Borrower and Co-Borrower Show all VOD

Bor/Cob/Both	Account Type	Financial Institution	Account Number	Cash or Market Value
Both	Checking Account	ABC Bank	1234	15,000.00
Both	Savings Account	XYZ Bank	5678	15,000.00

Borrower Total 30,000.00 Total Asset Amount 30,000.00

Co-Borrower Total 30,000.00



803.0 Grants: 1003 URLA Part 4 / Section 4: Loan and Property Information / 4d. Gift or Grants you Have Been Given or Will Receive for this Loan Screen

From the drop-down menus you will select: Who the Grant is for, The Asset type will be Grant, If it has been deposited or not, the source of the Grant (Select the one that applies), and the value. Then you will need to put the specific source of the Grant in the Comment Section.

Note: TPO will only permit DPAs with no lender involvement or approval.

4d. Gifts or Grants You Have Been Given or Will Receive for this Loan Show all Gifts or Grants

Borrower ☐ Does not apply
Co-Borrower ☐ Does not apply

Bor/Cob/Both	Asset Type: Cash Gift, Gift of Equity, Grant	Deposited	Source	Cash or Market Value
Both	Grant	No	State Agency	10,000.00

Total of Gifts and Grants 10,000.00

Comments
KHC DAP

Section 5. Declarations

1003 URLA Part 4

Expected Monthly Rental Income
Occupancy Rate %

For LENDER to Calculate:
Expected Net Monthly Rental Income

4d. Gifts or Grants You Have Been Given or Will Receive for this Loan

Borrower ☐ Does not apply
Co-Borrower ☐ Does not apply

Bor/Cob/Both	Asset Type: Cash Gift, Gift of Equity, Grant	Deposited	Source	Cash or Market Value
Both	Grant	No	State Agency	10,000.00

Total of Gifts and Grants 10,000.00

Comments
KHC DAP

Select the source that applies and then put the specifics in the comments



804.0 Grants: Completing the HUD-92900LT FHA Loan Transmittal Screen

The Gift Section will need to be completed. You MUST select and type in the information about the Grant. Type in the Specific Source and then select the box that applies on if the Grant is from a Government, Non-Profit, or Other for that source.

The screenshot shows the 'Gifts' section of the HUD-92900LT FHA Loan Transmittal Screen. It includes a 'Seller Funded DAP' checkbox, a '1. Source / EIN' field with 'KHC DAP' entered, and checkboxes for 'Gov't', 'NP', and 'Family'. The 'Amount of Gift' field is set to '10,000.00'. A second section for '2. Source / EIN' is also visible below.

705.0 Closing

When gift funds are being utilized and a gift amount has been entered in the "Prior to Funding Conditions" pop up, the alert below will be shown:

The 'Gift Funds' pop-up window displays a warning message: "Obtain copy of the funds transfer (Must include donor's name. Wire transfer OR Cashier's Check acceptable). Verify that the title company has received the funds from Donor listed below." It includes fields for 'Gift Donor Name', 'Donor Acct #', and 'Amount of Gift Funds' (set to 5000). A red box highlights the 'Amount of Gift Funds' field. A red asterisk warning states: "IF THE AMOUNT STATED WITHIN THE CONDITION IS NOT THE SAME, THE FILE MUST BE RETURNED TO UW FOR REVIEW".

Additionally, the following Prior to Funding (PTF) condition may be utilized for additional Closing instructions:

The screenshot shows a 'Prior to Funding (PTF)' condition form titled 'Assets (Conv, RD, VA) - Gift Wire Transfer at Closing'. It includes a 'Description' field with the same warning message as the previous form. Below the description is a 'Documents' section. The form also includes fields for 'Category' (Assets), 'Prior To' (Funding), 'Owner' (Closer), 'Days to Receive', and 'Print' options (Internally and Externally). A checkbox for 'Allow to Clear' is also present.