

Dream Simple DPA Application, Borrower Disclosure, and First-Time Homebuyer Affidavit

A single borrower-facing document combining the Dream Simple DPA Application, plain-language Borrower Disclosure, and First-Time Homebuyer Affidavit. Executed by each borrower; counter-certified by the Lender. Submitted with the loan file per Lender Program Manual Section IV.

DREAM SIMPLE DOWN PAYMENT ASSISTANCE APPLICATION, BORROWER DISCLOSURE, AND FIRST-TIME HOMEBUYER AFFIDAVIT

A Single Document. Three Functions.

Part 1: Application

A. Borrower(s)

	Borrower 1	Borrower 2 (if any)
Full legal name		
Current mailing address		
Email		
Phone		
Date of birth		
Citizenship status	<input type="checkbox"/> U.S. Citizen / National <input type="checkbox"/> Qualified Alien (8 U.S.C. § 1641)	<input type="checkbox"/> U.S. Citizen / National <input type="checkbox"/> Qualified Alien

B. Subject Property

Street address	
City, State, ZIP	
County	
Property type	<input type="checkbox"/> SFR detached <input type="checkbox"/> SFR attached <input type="checkbox"/> Condominium <input type="checkbox"/> PUD <input type="checkbox"/> 2-4 Unit (owner-occupied)
Purchase price	\$
Expected closing date	

C. First Mortgage

Lender name	
Loan officer	
First mortgage program	<input type="checkbox"/> FHA <input type="checkbox"/> Conventional <input type="checkbox"/> VA <input type="checkbox"/> USDA <input type="checkbox"/> HUD 184 <input type="checkbox"/> Other:
First mortgage loan amount	\$
First mortgage note rate	%
First mortgage term	years

D. DPA Requested

Dream Simple amount requested	\$
(must not exceed lesser of 3.5% of purchase price or \$45,000)	

Part 2: Plain-Language Borrower Disclosure

Please read carefully. By signing, you confirm that you understand each point.

What Dream Simple Is

Dream Simple is a **silent second mortgage** funded by Dream Home Fund, a California 501(c)(3) nonprofit. The funds are used at closing to cover all or part of your down payment. The silent second is recorded as a lien on your home in second position, behind your first mortgage.

Loan Amount and Sizing

Your Dream Simple loan amount is the lesser of (a) 3.5% of the purchase price or (b) \$45,000. The 3.5% structure aligns with the FHA minimum required investment. If your first mortgage requires more than 3.5% down (for example, certain conventional programs), **you are responsible for the portion of the down payment in excess of 3.5%.**

No Monthly Payments. Simple Interest Accrues.

You do **not** make monthly payments on the Dream Simple silent second. However, **simple interest accrues** at your first mortgage note rate **plus 1%** per year. "Simple" means interest is calculated on the original principal only, never on accrued interest. Each year your balance grows by the same dollar amount.

When Repayment Is Due

The full principal plus all accrued interest becomes **due and payable** upon any of:

- Sale of the property
- Cash-out refinance of the first mortgage (rate-and-term refinance allows the silent second to remain, see below)
- Payoff of the first mortgage from any source
- Transfer of title (except into a family revocable living trust where you remain a beneficiary and occupant, prior written notice required)
- You stop occupying the property as your primary residence
- A Notice of Default is recorded against the first mortgage
- Loan maturity (matches the first mortgage term, generally 30 years)

Refinancing Your First Mortgage

- **Rate-and-term refinance (no cash out):** Dream Home Fund subordinates the silent second behind the new first mortgage. The silent second remains in place; existing rate, accrued interest, and repayment triggers do not change. A \$250 re-subordination fee applies at the new first mortgage closing.
- **Cash-out refinance:** Dream Home Fund does **not** subordinate. The silent second must be paid off as part of the refinance.
- **Voluntary payoff:** You may pay off the silent second at any refinance, and at any time before, to stop further interest accrual. There is no prepayment penalty.

The Silent Second Is Not Forgiven

The silent second is **never forgiven** over time. No matter how long you hold the home, the principal plus accrued interest must be paid off at one of the triggering events listed above.

Fees

- **\$500 Dream Home Fund Program Administration Fee**, payable to Dream Home Fund at closing only if the silent second funds. Itemized on your Closing Disclosure.
- **No application fee. No pre-approval fee. No fee unless the loan funds.**
- Standard third-party closing costs (homebuyer education, appraisal, title, escrow, recording, lender fees) are not collected by Dream Home Fund and remain your responsibility under the first mortgage.

Examples (Illustrative Only)

Scenario	Detail
Purchase price	\$800,000
Dream Simple silent second	\$28,000 (3.5% of price)
First mortgage rate	6.5% (your rate; example)
Dream Simple accrual rate	7.5% (your rate + 1%)
Annual interest accrued	\$2,100 per year
Balance owed after 5 years	\$38,500 (\$28,000 + \$10,500 interest)
Balance owed after 10 years	\$49,000 (\$28,000 + \$21,000 interest)

If you sell, refinance with cash-out, or trigger another repayment event, the full balance above is due from sale or refinance proceeds.

Subordination Rights and Dream Home Fund Decisions

Dream Home Fund's decisions on subordination requests, payoff statements, and other servicing actions are made in good faith and in accordance with the Dream Simple Program Handbook in effect at the time of the request. Dream Home Fund reserves the right to update the Handbook from time to time; the version in effect at origination governs your loan unless a later change is more favorable to you, in which case the more favorable terms apply.

Equal Credit Opportunity Notice

Dream Home Fund is committed to fair lending and complies with the Equal Credit Opportunity Act (ECOA), the Fair Housing Act, and California fair housing law. Dream Home Fund does not discriminate on the basis of race, color, religion, national origin, ancestry, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, source of income, military or veteran status, disability, age, medical condition, genetic information, citizenship, primary language, or immigration status (subject to lawful eligibility requirements).

The federal agency that administers compliance with the law concerning this creditor is the **Consumer Financial Protection Bureau, 1700 G Street NW, Washington, DC 20552.**

Complaints

If you have a complaint about your loan, your application, or Dream Home Fund's conduct, please email complaints@dreamhomefund.com. You may also escalate to the CFPB, the California Department of Financial Protection and Innovation, HUD, HUD's Office of Fair Housing and Equal Opportunity, the California Civil Rights Department, or the California Attorney General's Charitable

Trusts Section. See the Complaints page for filing details. You will not be retaliated against for filing a complaint.

Privacy and Information Use

The personal information you provide will be used to process your application, evaluate your eligibility, and (if your loan funds) administer the silent second for the life of the loan. Dream Home Fund will not sell your personal information. Dream Home Fund may share information with capital partners and regulators as permitted by law and as described in our Privacy Policy.

Part 3: Borrower Affidavit and Certifications

By signing below, I (we), the Borrower(s), under penalty of perjury under the laws of the State of California, affirm and certify each of the following:

- 1. First-Time Homebuyer Status.** I have not had an ownership interest in any principal residence, nor have I resided in a principal residence owned by my spouse, during the three (3) years immediately preceding the date of this affidavit. "Ownership interest" includes fee simple, community property, life estate, vested beneficial interest in a trust holding the property, ownership interest as a borrower or co-borrower on a mortgage, interest in a business entity holding the property, and inherited properties.
- 2. Owner Occupancy.** I intend to occupy the subject property as my primary residence within 60 days of closing and to continue occupying it as my primary residence for the term of the Dream Simple silent second loan.
- 3. Citizenship / Residency.** I am a citizen or other National of the United States, or a Qualified Alien as defined at 8 U.S.C. § 1641.
- 4. Homebuyer Education.** I (or at least one borrower on this loan) have completed an 8-hour HUD-approved homebuyer education course before closing, and have received a completion certificate.
- 5. Dream Home Fund Financial Education Course.** I have completed the Dream Home Fund Financial Education Course (program-specific module for Dream Simple) and have received the certificate of completion.
- 6. No Cash Back.** I understand that Dream Simple funds may be used solely for the down payment on the subject property. I will not receive any cash back from the Dream Simple loan at closing. Dream Simple funds may not be used to pay closing costs, prepaid items, my own debt, or for any other purpose.
- 7. Acknowledgment of Repayment.** I understand and acknowledge each of the repayment triggers, refinance rules, and interest accrual terms set forth in Part 2 above. I have read the example accrual table and understand that the balance grows each year and is not forgiven.

8. **Truthfulness of Application.** All information I have provided in the loan application, this affidavit, and the supporting documents I have furnished is true, complete, and correct to the best of my knowledge as of the date of signature. I understand that knowingly providing false information may result in denial of my application, revocation of any approval, acceleration of the silent second, and civil or criminal liability under federal and California law.
9. **Right to Acknowledge.** I have had the opportunity to review this document, ask questions, and consult independent counsel of my choice. I am signing voluntarily and with full understanding of its terms.

Borrower 1 Signature _____ **Date** _____

Print Name _____

Borrower 2 Signature (if any) _____ **Date** _____

Print Name _____

Part 4: Lender Certification

The undersigned Lender, an enrolled lender under the Dream Home Fund Lender Participation Agreement, certifies as follows in connection with the Borrower(s) and transaction described above:

- 1. First mortgage credit-qualified.** The Lender has credit-qualified the Borrower(s) under the applicable first mortgage program (FHA, VA, USDA, or Conventional) and has issued first-mortgage final approval.
- 2. Complete and accurate submission.** The submission package transmitted to Dream Home Fund is complete and accurate, including borrower-signed Dream Home Fund DPA Application, Borrower Disclosure, and First-Time Homebuyer Affidavit (this document), and the supporting documentation itemized on the Lender Submission Checklist.
- 3. No known disqualifying facts.** To the best of the Lender's knowledge after reasonable due diligence, the Borrower(s) meet the eligibility requirements set forth in the Dream Simple Program Handbook, and the Lender is not aware of any fraud, misrepresentation, regulatory action, or unresolved compliance issue affecting this transaction.
- 4. ECOA / Reg B compliance.** Demographic monitoring information has been collected at application as required under Regulation B (12 C.F.R. § 1002.13).
- 5. Rep and warranty.** The Lender makes the foregoing certifications as binding representations under the Lender Participation Agreement and accepts the cure, repurchase, and indemnification obligations described therein in the event of any inaccuracy.

Lender name	
Lender NMLS ID	
Authorized signer (print name)	
Title	
Signature	
Date	

Notary Acknowledgment

The affidavit certifications in Part 3 are notarized using a California All-Purpose Acknowledgment, executed at the same closing table as the DPA Note and Subordinate Deed of Trust.

DHF Use Only

Received with submission file	<input type="checkbox"/> Yes <input type="checkbox"/> Incomplete
File number	DHF-
Reviewer initials	
Date received	
Date approved	