Arizona Housing Finance Authority

(Acting on behalf of Arizona Department of Housing)

HOME PLUS

Home Loan Program

Program Guidelines:

"HOME Plus" Home Loan – DPA Program

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Updates on page 3

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EQUAL HOUSING LENDER

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THE AzHFA PARTNERSHIP TEAM

Arizona Housing Finance Authority – Program Administrator

Creates and directly implements the first mortgage and down payment assistance program, sets the interest rates, terms, points, authorizes disbursement of the down payment assistance funds, **and** markets the program through our participating lenders. Approves and monitors lender participation.

Participating Lenders

Take applications, reserve in eHousingPlus system, process, underwrite, approve, fund, close and sell qualified loans to the program's Master Servicer. Lenders are responsible for servicing program loans in accordance with Agency requirements until they're purchased by the Master Servicer.

U S Bank - Master Servicer

Provides information and training concerning the mortgage loan file including acceptable loan products and delivery and funding, receives all mortgage files, reviews mortgage files, notifies lenders of mortgage file exceptions, approves mortgage files, purchases first mortgage loans and delivers loans.

eHousingPlus - Reservation and Program Compliance

Maintains the program reservation system and related website, posts guidelines, provides auto-fill forms, provides training on compliance issues and system, makes corrections and updates in the reservation system at lender, Authority or master servicer requests, answers program and system questions, sends program notices regarding program timelines, receives compliance files, reviews, posts and notifies of exceptions and approves compliance file.

HOME PLUS MORTGAGE PROGRAM

GENERAL

The **HOME Plus** Home Loan Program (the "**HOME Plus**") is being implemented by the Arizona Housing Finance Authority (the "AzHFA") on behalf of the Arizona Department of Housing. eHousingPlus (the "Administrator") is acting as the administrator of the **HOME Plus** Program. In addition to the provisions set forth in these Program Guidelines, the provisions set forth in the Mortgage Origination Agreement shall also apply; in the event of a conflict, the provisions of the Mortgage Origination Agreement shall control.

HOME PLUS FIRST MORTGAGE LOAN

All borrowers under the **HOME Plus** Program will receive a 30-year, fixed rate, fully amortizing first-lien mortgage loan (a "**HOME Plus** Loan") and a grant equal to 5%, 4%, 3% or 2% based on the underlying mortgage. The down payment assistance grant is calculated on the first-lien mortgage loan amount and can be applied toward the down payment and/or closing costs. (a "DPA Grant") (see "DPA Grant" below).

DAILY INTEREST RATE LOCK RESERVATION

Interest rates for the **HOME Plus** Program are posted to the eHousingPlus.com web page under Available Programs, Arizona, Arizona Housing Finance Authority, RATES tab. Interest rates and reservations for this program are available Monday – Friday 7:00 A.M. – 5:00 P.M. Mountain Standard Time, excluding Holidays.

PLEASE NOTE THAT INTEREST RATES and the DPA GRANT AMOUNT ARE SUBJECT TO CHANGE AT ANY TIME. Once reserved, the interest rate and the DPA Grant amount will not change as long as loan is delivered according to the timetable included in these guidelines.

Interest rate buy-ups or buy-downs are not available on the **HOME Plus** program.

DPA ASSISTANCE GRANT

The DPA Assistance Grant will be a stated percentage of the **HOME Plus** Loan Note amount. The DPA Assistance Grant is in the form of a non-repayable grant; <u>no repayment of the DPA Assistance Grant will be required</u>.

The Arizona Housing Finance Authority's **HOME Plus** down payment assistance program provides the applicable assistant in a grant. Since no promissory note, warranty deed or lien is filed and there are no repayment terms, requirements, etc. no additional or specific program guidance on TRID requirements is necessary for our AzHFA **HOME Plus** participating lenders. The lender will need to follow any and all regulatory requirements relating to the underlying first mortgage.

A Lender will make the determination that a borrower meets the requirements of the **HOME Plus** Loan and the requirements for receiving a DPA Assistance Grant. When the lender reserves the first mortgage in the eHousingPlus system, the DPA Assistance Grant is automatically reserved. There is no additional reservation necessary. The Authority (AzHFA) will advance (table fund) the DPA Assistance Grant amount to the Title Company on the related **HOME Plus** Loan closing. The DPA Assistance Grant is only available in conjunction with a **HOME Plus** Loan.

The amount of the down payment assistance is based on the underlying mortgage type, detailed as follows:

Mortgage Type	**DPA Grant**
Fannie Mae HFA Preferred LTV 95% or less	5%
Fannie Mae HFA Preferred LTV 95.01% - 97%	4%
Freddie Mac HFA Advantage LTV 95% or less	5%
Freddie Mac HFA Advantage LTV 95.01%-97%	4%
FHA	3%
USDA-RD	2%
VA	2%

Qualified U.S. military personnel, Veterans, active duty military, active reservists and active members of the National Guard are eligible for an additional 1.00% of down payment assistance. This additional 1% is available on any mortgage type, increasing the DPA by an additional 1%. Subject to change at any time, this allocation is limited and available on a first-come, first serve basis.

The DPA Assistance Grant can be applied only for the following purposes (i) to pay for any portion of the Purchase Price of the Residence due and payable at Closing which is not funded by the Mortgage Loan (i.e., any portion of the "down payment" for the Residence) and (ii) to pay for any closing costs (see next paragraph) collected by the Lender. Because the DPA Grant Assistance is a fixed percentage, any remaining / unused DPA Grant Assistance must be applied as a principal reduction. The DPA Assistance Grant will not be applied by the Mortgagor for any other purpose without the consent of AzHFA or the Servicer.

Closing costs mean prepaid taxes, hazard and mortgage insurance premiums (including single premium borrower paid), origination and discount points, guaranty fees, credit report fees, survey fees, appraisal fees, inspection fees, title insurance premium, abstract and attorney's fees, escrow and courier fees, recording fees, and similar fees.

PROGRAM ELIGIBILITY – Underlying Mortgages

At this time, the **HOME Plus** Program permits FHA-insured, VA-guaranteed, U.S. Department of Agriculture-Rural Development (USDA-RD) guaranteed loans, including HUD 184 Native American Loan Products, Freddie Mac HFA Advantage (HFA Advantage is a variance of the FHMLC Home Possible product) and Fannie Mae HFA Preferred Loans (HFA Preferred is a variance of the FNMA Home Ready formerly, MyCommunityMortgage product). FHA 203K and FNMA Homestyle Renovation loans are not currently available under the **HOME Plus** program.

Within the Program Guidelines are the overarching requirements related to the **HOME Plus** DPA Program. The Program Guidelines do not include ALL specific (FHA, VA, USDA-RD, Freddie Mac HFA Advantage and Fannie Mae HFA Preferred) agency relating program guidelines within this single document. The respective agency guidelines for the underlying mortgage (FHA, VA, USDA-RD, Freddie Mac HFA Advantage and Fannie Mae HFA Preferred) must be met and requirements adhered to. Furthermore, the master servicer, US Bank could have additional underwriting overlays.

U.S. Bank's MRBP Home Mortgage Lender manual can be found at www.mrbp.usbank.com or direct underwriting inquiries can be made to hfa.programs@usbank.com

ELIGIBLE BORROWERS:

- There are NO first-time home buyer requirements under the **HOME Plus** Program (and there is no such requirement to qualify for a DPA Grant).

- Regarding non-permanent residents, the respective agency guidelines for the underlying mortgage (FHA, VA, USDA-RD, Freddie Mac HFA Advantage and Fannie Mae HFA Preferred) must be met and requirements adhered to. AzHFA will add no additional overrides for the **HOME Plus** Program.

- All borrowers must be considered irrespective of age, race, color, religion, national origin, sex, marital status, military status or physical handicap.

- Borrowers must occupy the property as their primary residence and reside in the subject property within 60 days of closing.

INCOME LIMITS:

In determining gross monthly income, the income of all borrowers expected to ***both*** live in the residence and who are credit qualifying /on the Note must be taken into account. For compliance purposes, the borrower(s) income calculation is based on the respective agency income guidelines for the underlying mortgage (FHA, VA, USDA-RD, Freddie Mac Advantage and Fannie Mae HFA Preferred) and as disclosed on the final, signed and dated Fannie Mae Universal Residential Application Form 1003.

- **The borrower(s) income cannot exceed $89,088.**

PURCHASE PRICE LIMITS:

Acquisition Limits (Purchase Price Limits)
Acquisition cost means the cost to a Mortgagor of acquiring a Residence from the Seller as a completed residential unit - in most cases this is the Sales Price. This must include everything paid by the buyer or on the buyer's behalf with the exception of Agency-permitted financing costs. If the respective agency guidelines for the underlying mortgage (FHA, VA, USDA-RD, Freddie Mac HFA Advantage and Fannie Mae HFA Preferred) have a lower purchase price limit then it must be met and requirements adhered to.

- **The acquisition cost of the property cannot exceed $356,352.**

MINIMUM CREDIT SCORE / MAXIMUM DEBT-TO-INCOME RATIO

Government Loans (VA, USDA-RD):

- Minimum 640 credit score
- Max DTI - 45%

Government Loans (FHA):

- Minimum 660 credit score
- Max DTI - 45%
- No Manual underwrite for FHA mortgages

Fannie Mae HFA Preferred & Freddie Mac HFA Advantage Mortgages:

LTV's 95.01% - 97%	LTV's 95.0% or less
• Minimum 680 score	Minimum 640 FICO
• Max DTI – 45%	Max DTI – 45%
• No Manual underwrite	Manual underwrite allowed
• 18% Charter Minimum MI	16% Charter Minimum MI

- The minimum credit score requirements apply to ALL borrowers on the transaction.
- If minimum credit score required by an Agency (FHA, VA, USDA-RD Freddie Mac HFA Advantage and Fannie Mae HFA Preferred**)** is higher than the program minimum, then you must follow Agency guidelines.
- If as a Participating Lender your internal requirements dictate a higher minimum credit score, you must adhere to your lending guidelines.
- If a tri-merged credit report is used, the middle score must be the program minimum or higher.
- If a merged credit report only returns two scores, the lower of the two scores must be the program minimum or higher.
- Please see the U. S. Bank website "Bulletins" regarding manual underwriting.

QUALIFIED RESIDENCE REQUIREMENTS

- For GNMA, new or existing, one or two unit dwellings, detached or attached, condos, town homes. See US Bank website for Bulletins and Guidelines on credit overlays.
    - A duplex may be financed under the program as long as one unit of the duplex is occupied by the Eligible Borrower as their Principal Residence.

- For Fannie Mae HFA Preferred and Freddie Mac HFA Advantage, only new or existing Single Family properties, including attached PUD's / Townhouses are allowed. No manufactured homes are allowed, **Condos are allowed at LTV's of 95.0% or less.** See US Bank website for Bulletins and Guidelines on credit overlays.
    - For FNMA HFA Preferred and Freddie Mac HFA Advantage, the borrower may not own any other residential dwelling at the time of closing; this includes deeded and inherited property and manufactured homes.
- **Manufactured Homes are not permitted on ANY underlying mortgage type.**
- Homes are considered new if never previously occupied. Mobile, recreational, seasonal or other types of vacation or non-permanent homes are not permitted. Properties purchased in the program must be residential units and the Eligible Borrower must reasonably expect to occupy the property as their Principal Residence within a reasonable time (not to exceed 60 days) after the financing is provided.
- **HOME Plus** Government Loans (FHA, VA, and USDA-RD) are available Statewide EXCLUDING Maricopa and Pima Counties. Eligible areas include Apache, Cochise, Coconino, Gila, Graham, Greenlee, La Paz, Mohave, Navajo, Pinal, Santa Cruz, Yavapai and Yuma Counties.
- **HOME Plus** Fannie Mae HFA Preferred and Freddie Mac HFA Advantage are available Statewide EXCLUDING Pima County. Eligible areas include Apache, Cochise, Coconino, Gila, Graham, Greenlee, La Paz, Maricopa, Mohave, Navajo, Pinal, Santa Cruz, Yavapai and Yuma Counties.

ADDITIONAL PROGRAM REQUIREMENTS

- Seller cannot advance funds, solicit or induce funds to be advanced by another, directly or indirectly, for the payment of any amount required by the Home Plus Loan;
- **No Construction-to-Perm Loans**: Construction loans convertible to permanent loans ("construction-to-perms") are not permitted.
- **Co-Signors:** Follow Agency (FHA, VA, USDA-RD, Freddie Mac HFA Advantage (HFA Advantage is a variance of the FHMLC Home Possible product) and Fannie Mae HFA Preferred Loans (HFA Preferred is a variance of the FNMA Home Ready formerly, MyCommunityMortgage product) if permitted co-signers cannot have an ownership interest). The master servicer, US Bank could have additional overlays, direct inquires can be made at hfa.programs@usbank.com
- **Homebuyer Education Course Required**: Each borrower (does not apply to non-occupant co-signors) must complete a homebuyer education course before closing. The homebuyer education requirement may be met by taking a pre purchase course through an internet-based program developed by mortgage insurance companies, such MGIC or Genworth Financial or through another HUD-approved homebuyer education provider. These outlets meet the standards prescribed by the National

Industry for Homeownership Education and Counseling (NIHEC). http://www.homeownershipstandards.com. These standards were developed by HUD, Freddie Mac, Fannie Mae, and various lenders and interest groups.

- **Cash back** to the borrower is not permitted. However, borrowers are permitted a reimbursement of overage of earnest money deposit to the extent any minimum contribution has been satisfied and permitted by Agency guidelines.
- **No Minimum Loan Amount**: there is no minimum loan amount required under the **HOME Plus** Program. If a minimum loan size applies, it is determined by the type of financing used (i.e. FHA, VA, USDA-RD, Freddie Mac HFA Advantage and Fannie Mae HFA Preferred).
- **Prepayments**: **HOME Plus** First Mortgages may be prepaid at any time without penalty.
- **No "Mortgage Subsidy" Recapture Tax**: There is no Mortgage Subsidy Recapture Tax under the **HOME Plus** Program.
- **No Refinancing:** The **HOME Plus** program is available for purchase money transactions only.
- **Escrow / Impound Account Requirements:** The borrowers must establish an impound/escrow account for monthly collection (1/12) and annual /semi-annual disbursement of the property taxes, homeowner's insurance premiums and private mortgage insurance (if applicable) and flood insurance (if applicable).
- **Reserve Requirements:** There are no minimum / maximum reserve requirements under the Home Plus Program. The Home Plus program does not have liquid asset overlays, restrictions or requirements, furthermore program does not impose restrictions on a homebuyer putting/ providing additional funds for the down payment / closing costs OR retaining his/her liquid assets in reserves and using just program funds for down payment / closing costs. If any reserves are required, these are determined by the type of financing used (i.e. FHA, VA, USDA-RD, Freddie Mac HFA Advantage and Fannie Mae HFA Preferred).
- **Home Inspection:** It is the homebuyer's option to obtain a home inspection. This is for their benefit and does not need to be provided to the lender, master servicer or program administrator. The fee for this inspection can be covered by the DPA grant funds.

LENDER TRAINING

Lender training is a three step process that involves AzHFA **HOME Plus** Program training via eHP University, US Bank (Servicer) Training and System Training via eHP University.

1. **Mandatory AzHFA HOME Plus Program Training.**
    a. Program training is offered via eHP University and is an online, non-instructor led course. Training is available 24 hours a day, 7 days a week, is self-paced and can be completed in 30-45 minutes. You attend when it is convenient for you.
    b. To attend, click the following link, create a user account and attend training. http://www.ehpuniversity.com/arizona-hfa.html
    c. Immediately upon course completion, the attendee will receive an email with a finisher's certificate, how to apply for user credentials and information on how to attend US Bank training.
2. **US Bank (servicer) Training**
    a. Just like the AzHFA **HOME Plus** Program training, the US Bank servicer training is available 24 hours a day, 7 days a week, is self-paced and can be completed in 30-45 minutes. You attend when it is convenient for you.
3. **eHousingPlus System Training**
    a. Every Wednesday at Noon Eastern Time, eHousingPlus conducts a Live Webinar system software training. During this training lenders learn how to use the eHousingPlus system software to reserve funds, print forms, etc. System training is completed in one hour.
    b. It is highly encouraged that anyone who will reserve funds, complete an underwriter certification, print forms, order DPA funds or clear exceptions attend this training.
    c. To attend, click the following link: http://www.ehousingplus.com/ehp-system-trainings/

LENDER USER CREDENTIALS

Following the completion of the AzHFA **HOME Plus** Program Training via eHP University, an email will be sent to the attendee (lender) providing directions on how to apply for User Credentials for the lender portal. User credentials are necessary to system access and loan reservation.

LENDER COMPENSATION SUMMARY

- Maximum lender compensation is 2.50% on Fannie Mae HFA Preferred, Freddie Mac HFA Advantage and FHA and 1.00% on VA and USDA-RD mortgages. The entire lender compensation is paid in Service Release Premium SRP.

Loan Type	Origination points	SRP paid at loan purchase	Total Lender Compensation
Fannie Mae HFA Preferred LTV <95%	-0-	2.50%	2.50%
Fannie Mae HFA Preferred LTV 95.01% -97%	-0-	2.50%	2.50%
Freddie Mac HFA Advantage LTV <95%	-0-	2.50%	2.50%
Freddie Mac HFA Advantage LTV 95.01% -97%	-0-	2.50%	2.50%
FHA	-0-	2.50%	2.50%
USDA-RD	-0-	1.00%	1.00%
VA	-0-	1.00%	1.00%

- Normal lender administration, document preparation, processing and/or underwriting fees are not included in the lender compensation cap. Discount Points are not allowed.

PROGRAM FEES

ADMINISTRATOR FEE – eHousingPlus.

The Program includes a non-refundable **Compliance Review Fee of $225. Compliance fee will increase to $275 with all new loan reservation on or after January 1, 2016.**
The fee is payable at closing. The fee must be disclosed on the HUD-1 as being paid to eHousingPlus and can be paid by the buyer or seller.

SERVICER FEES – U.S. Bank

US Bank fees of **$85 Tax Service Fee and $400 Funding Fee** are payable at closing. Follow FHA guidelines for the tax service fee, it can't be paid by the borrower. Both must be disclosed on the HUD-1 as being paid to US Bank. The Funding Fee can be paid by the buyer or seller. These fees will be **netted** at loan closing and can't be financed.

On Fannie Mae HFA Preferred and Freddie Mac HFA Advantage mortgages with an LTV equal to or greater than 95.01% LTV U.S. Bank charges a **$300 Underwriting Fee**. Loans

reserved after 2/1/2015 that are shipped and underwrote by U.S. Bank and subsequently purchased by U.S. Bank will have the $300 underwriting fee deducted from the purchase wire at the time of funding. Loans underwritten by and not purchased by U.S. Bank will have the $300 underwriting fee collected via a quarterly billing statement. This underwriting fee ONLY applies on Fannie Mae HFA Preferred and Freddie Mac 95.01% LTV and greater transactions when the lender does not have delegated underwriting authority for this program AND LTV range.

OTHER LENDER FEES

Lender Fees are fees paid to the Lender for services rendered (i.e. Processing Fees, Underwriting Fees, Administrative or Administration Fees and Doc Prep Fees). Lender fees (regardless of what they are called) should not exceed what is charged to the Lender's other borrowers. **The purpose of down payment and closing cost assistance is not to provide a source to pay for such fees. This is a public purpose program for affordable housing and fees are closely monitored. Junk fees are not permitted and excessive fees will not be tolerated.** An Application Fee must include no more than the actual costs of allowable items such as appraisals.

PROGRAM TIMETABLE

Buyers MUST HAVE A FULLY- EXECUTED SALES CONTRACT FOR A SPECIFIC PROPERTY in order to have funds reserved or be on a waiting list. The contract may be dated prior to the date of the loan application. Buyers may be pre-qualified. However, if the buyer does not have a contract on a property, program funds cannot be reserved for the buyer until such time as the buyer presents a valid contract. To assure that loans are purchased, please follow the Processing, Delivery and Purchase Timetable below. Please DO NOT reserve loans that cannot meet the timetable.

If the loan is not underwriter certified within 10 days of loan reservation, the loan is subject to cancellation. eHousingPlus via email notifies lenders that the loan may be canceled if the underwriter certification is not completed. Should the loan reservation be canceled at any point during the reservation, the issuer may allow the loan to be reinstated at the higher of the mortgage rate originally reserved or the then current program mortgage rate.

Please wait until 30 days before closing to reserve funds for new construction, short sales and foreclosures. Loans not purchased within the timeframe below cannot be purchased. The revolving pool of funds assures continuous funding. Fund availability makes it unnecessary to rush to reserve funds.

NOTE: It is expected that Lenders will review preliminary documentation and believe in good faith that applicants will qualify for loan credit approval. Excessive cancellations of loan reservations with respect to a Lender will be reviewed to assure that the Home Plus Program is not being utilized inappropriately by a Lender.

MILESTONE DATES:

Once a loan is reserved in the eHousingPlus system and is provided the Servicer's Loan number, the loan must be

1. underwriter certified within 10 days of loan reservation
2. closed and delivered to the Servicer within 35 days of loan reservation and
3. purchased within 60 days of loan reservation.

MORTGAGE LOAN DELIVERY and PURCHASE

Lenders must close, fund and deliver Mortgage Loans to the Servicer (U.S. Bank National Mortgage Association) within sixty (60) calendar days of the date the Mortgage Loan is reserved on the Lender Portal. Adequate time should be allowed for U.S. Bank to perform a compliance review of the credit loan package in order to cure any conditions prior to their approval to purchase the loan.

The Mortgage Loan must be purchased by the Servicer within sixty (60) calendar days of the date the Mortgage Loan is reserved on the Lender Portal. If a Mortgage Loan is not purchased within such sixty (60) day period, a one-time, extension is available for a fee that is applicable to the extension time necessary.

Rate Lock Extension	Extension Fees
7 days	0.09375 Points
15 days	0.18750 Points
22 days	0.28125 Points
30 days	0.37500 Points

These fees will be netted out of the lender service release premium (SRP) upon loan purchase by US Bank.

To the extent that Assistance is advanced on loans that do not close, are not purchased by the Servicer under the program or are to be repurchased by the lender prior to being pooled into a mortgage-backed security, the lender will be required to reimburse AzHFA with respect to such Assistance so advanced.

CANCELLATION and COMMITMENT EXPIRATIONS

The Lender is responsible for cancelling all Mortgage Loans subject to a reservation if the Mortgage Loan will not be delivered under the applicable Program. Please note, should the Lender cancel a reservation, the Lender will be prohibited from making another reservation for that Borrower for a period of 60 days or unless otherwise authorized by the Program Administrator.

a. In a case where the Borrower cancels or withdraws his or her application, the reservation of funds must be cancelled by contacting the Program Administrator.
b. In a case where the Commitment expires, the Lender must request an extension using the Extension Request Form available through the Lender Portal, and provide the new estimated closing date.

In all cases, the expiration of the Commitment without the required action by the Lender may result in the Lender being placed on "Inactive Status," meaning the Lender may submit no new reservations until the problem is resolved. Failure to comply with this provision may result in the Lender's expulsion from the Program.

SUMMARY of the ORIGINATION PROCESS

LOAN RESERVATION

Once the lender determines the borrowers(s) is program eligible the transaction can be reserved in the eHousingPlus system. The interest rate on the first mortgage is locked and the down payment assistance is set at the time of reservation, the 60-day delivery timeline also begins. It is strongly recommended that lenders do not reserve too early as exceeding the 60-day delivery timeline will result in an extension fee and a reduction of the lender compensation. Reserving the first mortgage automatically reserves the down payment assistance. The lender will receive a loan number and message confirming the successful completion of the reservation.

UNDERWRITING AND CERTIFY

Lenders underwrite & are responsible for credit decisions of the loans in the program. Servicer does not re-underwrite loans **. Following credit approval **AND WITHIN 10 DAYS OF LOAN RESERVATION**, Underwriter completes the online underwriter certification form.

** On Fannie Mae HFA Preferred and Freddie Mac HFA Advantage transactions with LTV's of 95.01% to 97% the Lender must have specific delegated underwriting authority with U.S. Bank. If the Lender does not have authority on this product and within the stated LTV range, the Lender will run the loan through DU or LP, prepare a complete loan credit package and ship

the file to US Bank for underwriting. The loan credit package is shipped to:

U.S. Bank Home Mortgage
Attn: Underwriting Department
17500 Rockside Road
Bedford, Ohio 44146
Mail Code: CN-OH-R2FR

Once the Fannie Mae HFA Preferred or Freddie Mac HFA Advantage +95.01% LTV transaction is approved by U.S. Bank, U.S. Bank will update the loan status in the eHousingPlus system to reflect "Underwriter Certified".

REQUEST DPA GRANT FUNDS

The Arizona Housing Finance Authority MUST provide DPA Grant funds directly to the Title Company / Closing Agent. DPA funds are requested by the lender prior to closing and table funded by AzHFA, sending DPA funds directly to the lenders Title Company. **The Lender will not advance the DPA Grant funds.** These requirements apply to all loan types.

In order to expedite the delivery of the DPA Grant funds:

1. After the underwriter certification of the loan has been completed, and with a scheduled closing date, the Lender's authorized representative must fill out and execute the DPA Grant Funds Request Form available. within the eHousingPlus Lender Portal

2. The DPA Funding Request Form must be printed, signed and scanned in pdf, jpg, and tiff or png format. The DPA Funding Request form CANNOT be handwritten; it must be from the eHousingPlus Lender Portal after an Underwriter Certification has been submitted online. Should any of the reservation information on the transaction need to be corrected, contact the eHousingPlus compliance department at (888) 643-7974 or email eHousingPlus Services at services@ehousingplus.com and a compliance specialist will assist in updating the system.

3. Two business days prior to loan funding, the Lender must send a complete, executed scanned version of the DPA Grant Funds Request Form to AzHFA at: **azhfadpa@azhousing.gov** AND **dirk.swift@azhousing.gov**

4. Request Form Review
   a. Anything received by 12 pm (noon) Arizona Time will be verified that day and the requests forwarded to our Custodian Bank; Zion's First National Bank.
   b. Requests received after 12 pm Arizona Time will be processed by 12 noon the following day.
   c. Any DPA Grant Funds Request Form received over the weekend or on a holiday will be processed on the next business day.

5. The DPA Grant Funds Request Form will be reviewed by AzHFA for accuracy. Lenders will be contacted by AzHFA if the Request Form cannot be verified. Verified Request Forms are sent by AzHFA to the Custodian Bank for authorization to disburse DPA funds. The Custodian wires DPA funds directly to the Closing Agent/Title Company and NOT to the Lender or the Borrower.

6. Please make sure that instructions are provided to internal Processor/Closer and to the Title Company/Closing Agent. **Please label the HOME Plus down payment assistance on the Closing Disclosure / HUD-1 as "AzHFA Home Plus DPA Grant".**

If the **HOME Plus** Loan does not close on the Loan closing date indicated on the DPA Grant Funds Request Form, the Lender will notify the Authority if the loan does not close and the funds will be returned to the Authority's Account not later than the close of business within three business days following the expected loan closing date. Wiring instructions for the return of funds are as follows:

Zions First National Bank
ABA: 124000054
Account # 08-00006-15
Further Credit: A/C #0512001
Beneficiary: Arizona Housing Finance Authority

Tina Valenzuela – Corporate Trust Administrator
Christina..Valenzuela@zionsbank.com
(602) 212-5457

7. It is AzHFA's goal is to facilitate this process and to provide Lenders the assistance needed to ensure the DPA Grant funds are available at each Home Plus Loan closing. Please make sure that azhfadpa@azhousing.gov AND **dirk.swift@azhousing.gov** are added to your white lists/contacts for both system-generated emails and other emails

relating to the DPA Grant Funds Request. Should you have any questions, please contact eHP staff at services@ehousingplus.com and / or Dirk Swift at dirk.swift@azhousing.gov or (602) 771-1091.

PROGRAM COMPLIANCE FORMS

The simple rule of whom signs program forms – if the person is named on the Mortgage/Deed, they sign the forms. If they are not on the Mortgage/Deed, they do not sign the forms. Having people sign documents who should not sign is as incorrect as not having all sign who should.

Original, personal signatures of all borrowers and sellers are required and must match on all documents associated with the transaction.

Forms are available online at www.ehousingplus.com and most fields' auto-fill for printing as a completed document.

PRE-CLOSING FORMS:

- **DPA Wire Request (must submit 2 full business days prior to closing)**

CLOSING FORMS (Rev 7-1-13)

- **Mortgagor Certificate**
- **DPA Acknowledgment – Gift Letter Form**

POST-CLOSING FORMS

- **Compliance File Checklist with Required Documents**

MORTGAGE CLOSING / SETTLEMENT

It's important to provide accurate closing instructions to closing agents. All program docs must be returned to the lender. At closing the borrower will sign the (1) Mortgage Certificate and the (2) Down Payment Assistance Acknowledgement Gift Letter. The originals remain with the lender, copy to borrower, US Bank, EHousingPlus (and in FHA Case Binder if applicable). All forms can be found behind security at the eHousingPlus website.

SHIP / SUBMIT CREDIT & COMPLIANCE FILES

There are two (2) files shipped post-closing and it is extremely important that the lender submits both and timely manner.

1. **Mortgage File – Credit Package.**
   The mortgage file, including the credit package is sent to US Bank. The US Bank Loan Delivery Checklist may be found on the US Bank web site, www.mrbp.usbank.com
   Click on US Bank Lending Manuals.
   Pop-up box will appear, click on Continue
   Web page will be redirected to US Bank All Regs site
   Click on Housing Finance Authority folder
2. **Compliance File**
   The compliance file is sent to eHousingPlus at:
   eHousingPlus
   3050 Universal Blvd.
   Suite 190
   Weston, FL 33331

Documents required for eHousingPlus Compliance File

1. **Real Estate Purchase Contract - copy**
   The full address of the property, full names of all sellers and buyers, total purchase price of the property must be included. If there is not an address for new construction, a lot number and subdivision name is required. All named persons must sign. Include the name and title whenever a representative is signing for a corporation.

2. **Final Typed Loan Application (1003) - copy**
   The typed application signed and dated by all parties is required. Loan interviewer must complete and sign page 3 of 4 of the 1003. If this is not possible, then an Officer must sign in place of the interviewer. All persons taking title to the property must execute all documents. The income disclosed on the Affidavit must be the same or more than that shown on the 1003. The purchase price, loan amount, and other financial details must be the same as shown on all other documents.

3. **Settlement Statement – Closing Disclosure (HUD-1) - copy**
   Borrowers on the Closing Disclosure must be all persons taking title to the property and match the Affidavit and application. Persons not taking title to the property may not appear or sign the Closing Disclosure

4. **Warranty Deed - copy**

5. **Homebuyer Education Certificate - copy**

Homebuyer Education must be completed prior to closing. Certificates are acceptable if the **completion date is within 12 months of loan closing of the HOME PLUS loan.**

6. **Signed Mortgage Certificate – original**

7. **Compliance Review fee of $225.**

   Corporate Checks only made payable to eHousingPlus, include borrower name and servicer loan number on check.

8. **OTHER**

Those Qualifying for Military Increased Assistance

- Veterans using increased Assistance provide copy of Discharge Papers **to be included in compliance file.**
- Other military using increased Assistance - paystubs or VOE serve as proof for the lender.
- **If the military branch income is being used to qualify borrower, lenders retain paystub or VOE in their file. If the military branch income is NOT being used to qualify borrower, send paystub in the Compliance File.**

EXCEPTIONS

Lenders are notified by eHousingPlus and U.S. Bank of exceptions. Exceptions for both eHousingPlus and U.S. Bank are available in the eHousingPlus web-based system.

FINAL DOCUMENTS

The recorded mortgage documents should be sent to U.S. Bank.