

**The Industrial Development Authority of the
City of Tucson, Arizona
and
The Industrial Development Authority of the
County of Pima**

**Administrator's Guidelines
for
TUCSON P2P PROGRAM**

**acting with
ADOH - Arizona Home Foreclosure Prevention
Funding Corporation
for the
Down Payment Assistance Loan (P2P)**

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Revisions are shown on Page 3



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7-21-16	Who to Contact added additional resources for U.S. Bank questions	6
7-22-16	Removed Fiscal Agent Fee of \$100 Removed CIC \$100 Second Mortgage Fee	12 25
7-29-16	Revised allowable homebuyer education providers	11
09-21-16	Revised Program Forms & Docs Section regarding the DPA File to ADOH	20 & 21
9-23-16	Updated US Bank website address	21
11-04-16	Revised entire guide to remove any reference to the P2P forms and process. Contact ADOH directly for P2P process training and forms.	Entire Guide

THE ORIGATION AND FUNDING TEAM



The Industrial Development Authority of the City of Tucson, Arizona and The Industrial Development Authority of Pima County (collectively, the “Authorities”), are providing eligible homebuyers with an HFA Preferred Program first mortgage loan that comes with a special Down Payment Assistance Loan for residences located within the municipal boundaries of the City of Tucson and City of South Tucson. The DPA Loan is provided through an agreement between the Authorities and the Arizona Department of Housing. These DPA Loans will be funded by ADOH as detailed in the step-by-step process link located in these guidelines. The DPA funds are part of the U.S. Department of the Treasury’s Troubled Asset Relief Program’s (TARP’s) Hardest-Hit Fund.

These guidelines will provide Participating Lenders a general roadmap of the process required by the stakeholders. There are specific requirements mandated for this program including origination and delivery timelines, supporting documentation and eligibility criteria.

Participating Lenders

In this program, lenders must be approved and meet the mortgage origination requirements of the GSE’s and the Master Servicer. In addition, in order to originate the DPA Loans, the lender must have an executed Lender Agreement with the Authorities, and follow any requirements that are set forth therein outside of this program’s requirements.

U. S. Bank - Master Servicer

The Master Servicer in this Program is U.S. Bank, and they are responsible for providing loan requirements, information and training concerning the 1st Mortgage Loan file. This will include acceptable loan products, required forms and supporting documentation, and delivery and funding requirements for the first mortgage. The Master Servicer receives all mortgage files, reviews mortgage files, notifies lenders of mortgage file exceptions, approves mortgage files, purchases 1st mortgage loans from the lenders, pools loans and delivers the purchased loans to the ultimate investor. The Master Servicer has the right to reject loans that are not closed in accordance with government-sponsored enterprises (GSE) lending guidelines, and meet the criteria as set forth by Fannie Mae, Freddie Mac, and FHA.

eHousingPlus - Reservation and Program Compliance

eHousingPlus (the "Program Administrator") is the program compliance administrator, managing the day to day program activities on behalf of the Authorities, and providing certain compliance and administrative services. Although there are requirements set forth by the Master Servicer, and the Authorities, the Program Administrator's role is to provide system and program portals on behalf of the Authorities that provides program information, the how-to's of the program, this guide and related program forms, and additional information to aide the Participating Lenders in the successful origination of eligible loans. The Program Administrator is the main point of contact for general Program Notices, and also provides lender support for specific areas. The Program Administrator is responsible for the review and approval of the Compliance Package, and works with the lenders to ensure that it meets the program criteria as applicable.

WHO TO CONTACT

Question	Direct Questions to:	Contact Information
General Program Compliance Questions	eHousingPlus (eHP)	Sue Denihan sue@ehousing.cc 813-579-6293 Patt Denihan patt@ehousing.cc 954-430-6072
Assistance with eHP Lender Portal		Joe Athey joe@ehousing.cc 813-579-6294 Jennifer Erwin Jennifer@ehousing.cc 813-579-6295
Assistance with User Credentials for eHP Lender Portal		Vicki Stewart Vicki@ehousing.cc 813-579-6283
Update an Underwriter Certified Loan	eHousingPlus (eHP)	Anyone at eHP Compliance Office services@ehousingplus.com 954-217-0817
Program Training Problems with Training	eHousingPlus (eHP)	Click on this link: http://www.ehpuniversity.com/index.html?page_id=48 Joe Athey joe@ehousing.cc 813-579-6294
System Software Training for eHP Lender Portal	eHousingPlus (eHP)	Click on this link for the once weekly Live Webinar: http://www.ehousingplus.com/ehp-system-trainings/ Or Contact: Jennifer Erwin jennifer@ehousing.cc 813-579-6295 Vicki Stewart vicki@ehousing.cc 813-579-6283
Program Rates	eHousingPlus (eHP)	Click on this link: http://www.ehousingplus.com/available-programs/arizona/ida-pima-tucson/PT_p2p/ Then click on the <i>Rates/Offerings</i> page.
TRID issues	U.S. Bank	usbhmlendersupport@usbank.com
Questions related to mortgage file, escrow, insurance, high priced loans, MDIA, RESPA, payments and credit underwriting questions	U.S. Bank Lenders need to refer to internal Underwriting Department or Manager	For general questions, contact US Bank at hfa_programs@usbank.com or 800-562-5165 Option 2 (for general questions) US Bank does not re-underwrite loans. Please note: US Bank only answers underwriting questions from the underwriter of a lender for whom US Bank provides underwriting services.
All P2P Document, Lender Training and submission Questions	ADOH	Reginald Givens: reginald.givens@azhousing.gov 602-771-1041

Question	Direct Questions to:	Contact Information
Questions regarding the shipping of closed loan files	eHousingPlus (eHP) for questions regarding the program compliance file US Bank for questions regarding the first mortgage closed loan file	services@eHousingPlus.com 954-217-0817 hfa.programs@usbank.com 800-562-5165
Questions regarding exceptions	eHousingPlus (eHP) for questions regarding exceptions on the program compliance file US Bank for questions regarding exceptions on the first mortgage closed loan file US Bank for post funding questions	Debbie Kerr eHP.exceptions@ehousingplus.com 954-217-0817 X216 hfa.communications@usbank.com 800-562-5165 hfa.exceptions@usbank.com hfa.postfunding@usbank.com

Extended Customer Service Hours for eHousingPlus Team

A member of our staff is available after hours until 8 pm Eastern Time Mon-Fri *
 Other than specific submitted files in review, we may be able to resolve some issues, answer general program information questions, or get the ball rolling in helping you resolve the issue.

Between the hours of 5 - 8 pm ET, Mon - Fri please dial (813) 579-6284 for assistance.

*** During Daylight Savings Time**, nearly 8 months of the year. In Arizona there is a three hour difference between Eastern Daylight Time and Mountain Standard Time (the same as Pacific Daylight Time). There are other states that observe Mountain Daylight Time.

8 pm Eastern Daylight Time = 7 pm Central Daylight, 6 pm Mountain Daylight, and 5 pm Mountain Standard and Pacific Daylight times.

During the balance of the year, there is a two hour difference between Eastern Standard and Mountain Standard Time.

8 pm Eastern Standard Time = 7 pm Central Standard, 6 pm Mountain Standard, and 5 pm Pacific Standard times.

IMPORTANT TO NOTE

AVAILABILITY OF RATES, FUNDS, AND ASSISTANCE: AMOUNTS ARE SUBJECT TO CHANGE AT ANY TIME. Please note that the availability of funds, rates, and assistance amounts are subject to change at any time. With respect to loans that are already reserved and in compliance with program timelines indicated in this Guide, the rates and assistance amount will not change.

SYSTEM AVAILABILITY SCHEDULE FOR RESERVATION LOCKS: NEW Reservations (locks) can only be accessed during Open Lock Periods. In this program they are:

Monday - Friday 8:00 am to 6:00 pm Mountain Standard Time (MST), excluding certain holidays which will be posted prior on the program web page. The Program Web page is located at: http://www.ehousingplus.com/available-programs/arizona/ida-pima-tucson/PT_p2p/

SECTION 1: PROGRAM PRODUCTS

The following product is available in this program:

LOAN PRODUCT	FICO REQUIREMENT	LTV/CLTV	ASSISTANCE AMOUNT
HFA Preferred 1st Mortgage	640	95%/105%	10% not to exceed \$20,000

First Mortgage

The borrower receives a 30-year, fixed rate, fully amortizing first mortgage loan with 360 level monthly payments.

HFA Preferred is a version of Fannie Mae Home Ready, formerly known as the MyCommunityMortgage program, that offers a maximum LTV of **95.00%** as the 1st Mortgage Loan.

These Guidelines do not include all of the specific Fannie Mae HFA Preferred agency related 1st mortgage program requirements. Lenders must follow Fannie Mae HFA Preferred agency guidelines for the underlying 1st mortgage.

Furthermore, the Master Servicer, US Bank may have additional underwriting overlays.

Lenders should contact their underwriter for updates to information for HFA Preferred. Such information is provided by third parties (i.e. Fannie Mae, U.S. Bank, etc) who do not provide updated information to eHousingPlus.

Assistance - DPA 2nd Mortgage Loan

The down payment and closing cost assistance in this program is secured by a second mortgage in an amount equal to **10% of the Purchase Price not to exceed \$20,000**. The assistance is funded by ADOH.

The following terms are effective for all second mortgage loans:

- **Five-year**, deferred payment loan, **100%** forgiven after full **five years**,
- **0%** interest rate, and
- No monthly Payment

SECTION 2: THE REQUIREMENTS

Please note that there are Program requirements, Fannie Mae requirements and U.S. Bank requirements. Follow the strictest of the guidelines unless otherwise noted. If your company has stricter requirements, you must follow those requirements.

Qualified Homebuyer

- There is no first-time homebuyer requirement in this program.
- Regarding non-permanent residents, follow Fannie Mae guidelines.
- Borrower cannot have received a mortgage loan financed directly or indirectly from the proceeds of bonds issued by either or both of the Authorities within the **3 year** period immediately preceding the origination of the loans under the program.

Income Limits

For all household sizes, income cannot exceed **\$92,983**.

In determining gross monthly income, the income of all borrowers expected to **both (a)** live in the residence and (b) who are credit qualifying on the Note must be taken into account.

For compliance purposes, use 1003 qualifying income.

Homebuyer Education

Each borrower 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 as 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. (Rev 07/29/16)

Fannie Mae HFA Preferred Mortgage

LTV's 95.0% or less

Minimum 640 FICO

Maximum LTV / CLTV - 95.0% / 105%

Max DTI – 45%

Manual underwrite allowed – see agency restrictions 16% Charter Minimum MI – LTV's 90.01% - 95.0%

12% Charter Minimum MI – LTV's 90.0% - 85.01% 6% Charter Minimum MI – LTV's 85.0% - 80.01%

The minimum credit score requirements apply to ALL borrowers on the transaction.

- If minimum credit score required by Fannie Mae HFA Preferred is higher than the program minimum, then you must follow Fannie Mae 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 ResidenceEligible Area

Loans in the program are limited to Qualified Residences located within the municipal boundaries of the City of Tucson and the City of South Tucson. Note: many properties outside them municipal boundaries have mailing addresses that say "Tucson" or "South Tucson". Lenders must verify the proper location of the property through the tool at <http://gis.pima.gov/maps/landbase/parsrch.htm>

In order to be a Qualified Residence, the Authorities shall require the Lender to determine that the property meets all of the following requirements (collectively, a "**Qualified Residence**"):

The residence the homebuyer intends to acquire is to be financed, in part, with a Fannie Mae HFA Preferred product which requires compliance with the Fannie Mae HFA Preferred guidelines.

The homebuyer must intend to use the property as his or her principal residence.

The Acquisition Price (purchase price) of the property must be less than **4** times the income limit, i.e., currently **\$371,932**. (If the subject property purchase price is less than \$75,000 additional disclosures may apply.)

The property must be a single-family home, condominium unit, a townhome or a **2-4** family dwelling unit of which **one unit** is to be occupied by the homebuyer as his or her principal residence. **Note:** the Fannie Mae HFA Preferred program guidelines have additional requirements for multi-unit properties including, but not limited to additional down payment and reserve requirements.

The property purchased must be an existing structure. Newly-constructed properties, including spec homes and model homes, are not eligible for the program.

Homebuilders cannot sell the properties that are eligible for participation in the program.

Manufactured homes and mobile homes, recreational, seasonal or other types of vacation or non-permanent homes **are not permitted**.

IMPORTANT - At closing, the borrower and spouse may not own any interest in another residential dwelling. Manufactured housing is considered a residential dwelling for this purpose. A time share interest is not considered as ownership of a residential dwelling. Borrowers must occupy the property within 60 days of closing.

Additional Facts

It's expected that lenders have reviewed some **preliminary documentation and believe that applicants will also qualify for credit. Excessive cancellations will be reviewed** to assure that program funds are not being utilized **inappropriately**.

Appraisal

The appraisal must indicate that the home has at least a 30 year remaining useful life.

Buy-ups or Buydowns

Not permitted

Cash Back

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 Fannie Mae HFA Preferred guidelines.

Cosigners

Not permitted

Construction to Perm

Not permitted.

Discount Points

Not permitted.

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 may be covered by the DPA 2nd Mortgage funds.

Homebuyers Solution Program (PTHS)

Layering of the Pima/Tucson Homebuyers Solution grant program with the HFA Preferred first mortgage program is not permitted.

Manual Underwriting

Manual underwrite allowed, must follow both Fannie Mae & U.S. Bank guidelines. Should guidelines differ, the stricter of the two shall prevail.

Minimum Loan Amount

There is no minimum loan amount in this program.

Mortgage Credit Certificate (MCC) Program

To the extent permitted by Fannie Mae HFA Preferred guidelines, HFA Preferred 1st Mortgage loans with DPA 2nd Mortgage loans may be combined with a qualified mortgage credit certificate program but must meet stricter MCC guidelines.

Prepayments

HFA Preferred 1st Mortgages may be prepaid at any time without penalty. However, if the DPA 2nd Mortgage Loan is repaid within **5 years**, then the homebuyer will not have any of that debt forgiven.

Recapture Tax

Does not apply in this program.

Refinances

Not permitted.

Tax Returns or Tax Transcripts

Not required.

SECTION 3: THE PROGRAM ORIGINATION PROCESS

MANDATORY PROGRAM TRAINING

Lender training is mandatory for anyone working with this program.

- 1. eHousingPlus Program Training online 24/7:** [To attend click on this link.](#)
- 2. eHousingPlus Lender Portal System Training live weekly** GoToWebinar with eHousingPlus Compliance Office [Click here to register to attend.](#) (This training is ONLY required for anyone who will need access to the lender portal. AND has not already attend the system training.)
- 3. U.S. Bank online 24/7. See Who to Contact in these guidelines.** Questions regarding the US Bank training should be directed to the US Bank HFA Division 800-562-5165.
- 4. Contact Reginald Givens with ADOH for P2P process training.** reginald.Givens@azhousing.gov or 602-771-1041

LENDER PORTAL USER CREDENTIALS

Following completion of Program training at eHP University, an email will be sent to lenders giving directions on how to apply for User Credentials for the program's lender portal. These instructions are for both new users of the system and existing users looking to add programs to their profile.

QUALIFY

Lenders use program requirements **detailed in these Guidelines in Section 2: Program Requirements** to qualify applicants for the program. **BUYERS MUST HAVE A FULLY- EXECUTED SALES CONTRACT FOR A SPECIFIC PROPERTY** in order to have funds reserved. The contract may be dated prior to the date of the loan application. To assure that loans are purchased, please follow the Processing, Delivery and Purchase Timetable on page 16. Please **DO NOT** reserve loans that cannot meet the timetable. This is particularly important with respect to foreclosures and short sales.

IT IS THE LENDERS RESPONSIBILITY TO MAKE SURE THE PROPERTY IS LOCATED WITHIN THE ELIGIBLE AREA. LENDERS ARE REQUIRED TO USE THE FOLLOWING PROCESS TO DETERMINE ELIGIBILITY.

If the residence to be acquired had an address of **1601 S. 6th Avenue, South Tucson, Arizona 85735**, then:

Step No. 1 -- Go to <http://gis.pima.gov/maps/landbase/parsrch.htm>

Step No. 2 – Enter “1601” into the “Street Address Number Search” box.

Step No. 3 – Click on “**Search**”.

Step No. 4 – Locate the full address among the listed choices.

Step No. 5 – Confirm that the “**Jurisdiction**” column lists “**South Tucson**” or “**Tucson**”.

Note: The “Postal City” column does not apply to this program and use of its information may lead to a costly mistake.

PROCESS/UNDERWRITE LOAN APPLICATION

Lenders have **processed the loan application** prior to reserving the program 1st and 2nd mortgage loans. Lenders underwrite & are responsible for credit decisions of the loans in the program. Servicer does not re-underwrite loans. Decide if loan can meet the program timeline.

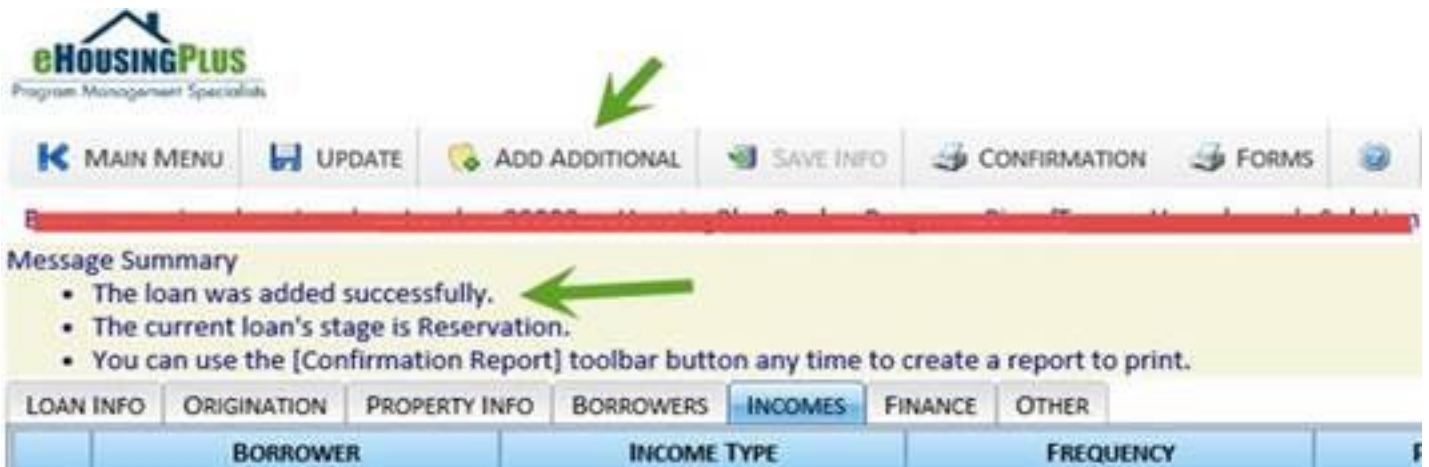
RESERVE

The eHousingPlus system controls fund availability with limits on both the first and second mortgages. **RESERVATIONS CAN ONLY BE MADE DURING THE PROGRAM LOCK PERIODS OF MON-FRI 8 AM - 5 PM MOUNTAIN STANDARD TIME (during Eastern Daylight time, and 8 AM - 6 PM MOUNTAIN STANDARD TIME, during Eastern Standard time).**

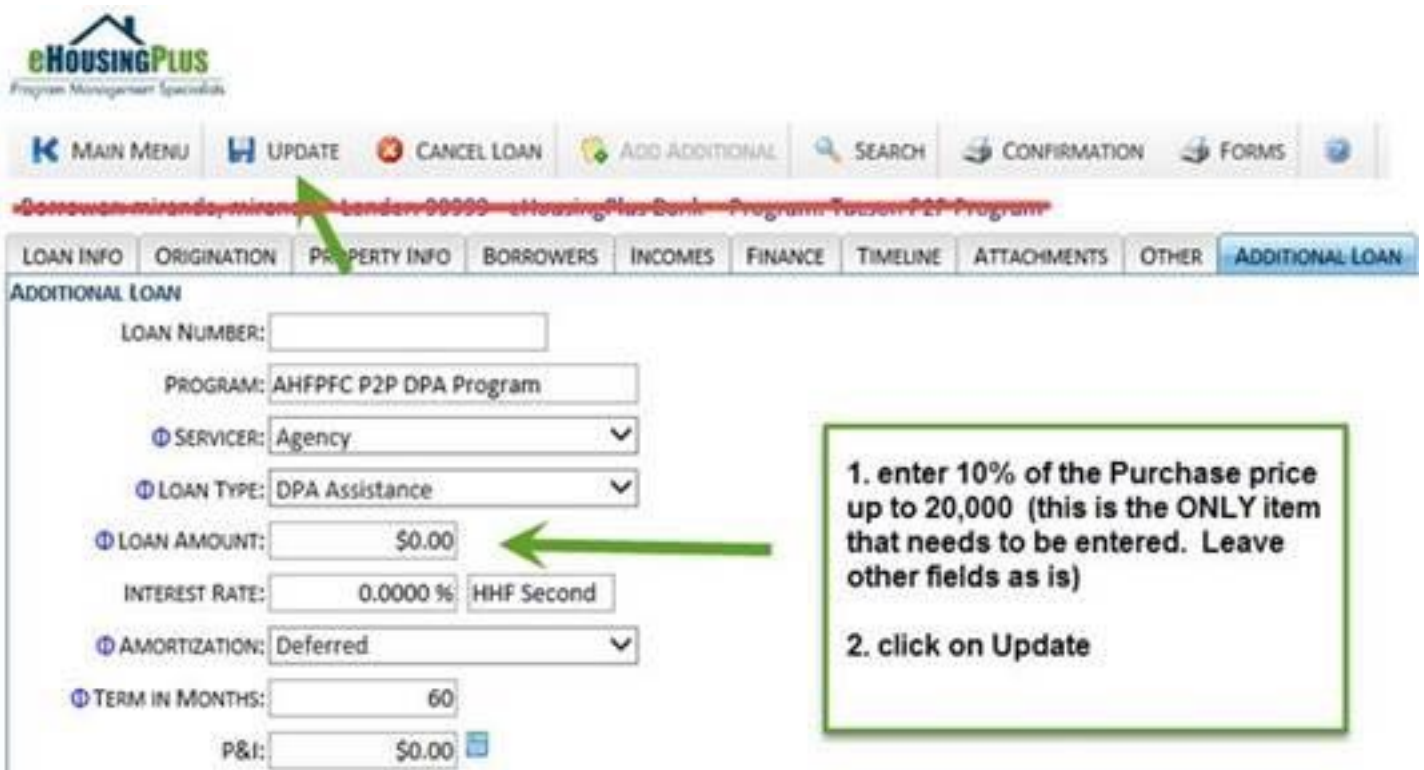
To reserve funds in this Program, [click on this link](#), or visit the Program Page where you can also log in: http://www.ehousingplus.com/available-programs/arizona/ida-pima-tucson/PT_p2p/

First Mortgage: The first mortgage program will be available as the Tucson P2P Program on the Rate Offerings Screen. Select this option, follow the prompts and screen and complete the first loan lock.

After reserving the first mortgage loan, you will receive a confirmation of the first mortgage lock, and the selection button to add the second mortgage (DPA) loan, as depicted below.



The DPA Pop-Up Screen will appear, with certain pre-populated info. ENTER THE LOAN AMOUNT FOR THE DPA, and click UPDATE.



UNDERWRITE AND CERTIFY

Following credit approval AND WITHIN 25 DAYS OF LOAN RESERVATION, the Lender's Underwriter completes the online Underwriter Certification within the

eHousingPlus Lender Portal. Underwriters must have access to the eHousingPlus Lender Portal in order to complete this step.

Processing, Delivery and Purchase Timeline

The total timeline for loans in this program is 70 days from Reservation to Purchase.

- (1) 1st and 2nd mortgage loans must be reserved in the eHousingPlus Lender Portal.
- (2) Loans must be Underwriter Certified in the eHousingPlus system within 25 days of loan reservation. **Loans not meeting this requirement will cancel automatically.**
- (3) 2nd Mortgage Funding Request should be addressed by ADOH. Please contact Reginald Givens with ADOH for details: reginald.givens@azhousing.gov or 602-771-1041.
- (4) All loans have to be cleared of all deficiencies and purchased by the 70th day, unless lenders request a one-time loan purchase extension with fee (see below).

Loan Purchase Extension Fee

Any loan not purchased within 70 days is ineligible for purchase unless the lender chooses a one-time only 30-day extension. The cost of the extension is \$375. \$375 extension fee is due whether or not loans are ultimately delivered and/or purchased. The \$375 will be netted by the Servicer when loans are purchased. If an extension is permitted, but the loan is not purchased, the originating lender will be billed for the extension fee of \$375. Any outstanding fees owed by the Lender may result in that Lender becoming ineligible to participate in the program.

At 101 days, a loan that hasn't been delivered is cancelled and cannot be reinstated. A new rate lock for the same borrower cannot be made until sixty (60) days after expiration of the prior Rate Lock period (including extension).

Again, the extension is offered once per loan and no further extensions will be allowed. Furthermore, regardless of choosing an extension, any loan not purchased within the approved timeframe will become the liability of the originating lender, including any down payment assistance provided at closing.

The **Extension Request** is available online on the Program page, located at: http://www.ehousingplus.com/available-programs/arizona/ida-pima-tucson/PT_p2p/ Click on the SUMMARY Tab, and look in the left margin for the Extension Request form. Complete online form and submit as indicated. Remember that the form must be submitted BEFORE the 70th day or the loan will automatically cancel.

PROGRAM FORMS AND DOCUMENTS

Some forms are available in auto-fill format in the eHousingPlus Lender Portal. The P2P documents are NOT available in the eHousingPlus Lender Portal. Contact ADOH directly for information regarding the P2P forms and process. There are three packages available for each loan:

- 1) 1st Mortgage File & Credit Package; Sent to US Bank
- 2) Compliance Package; Sent to eHousingPlus
- 3) DPA Package; sent to ADOH

It is important to provide accurate closing instructions to your Title Companies / Closing Agents. Incorrect and incomplete loan packages will cause a delay in purchase and approval.

1. The 1st Mortgage File – Credit Package to U.S. Bank.

The mortgage file, including the credit package, is sent to U.S. Bank via their document portal. There are specific requirements listed on their checklist and additional instructions required by the servicer. Please read those carefully. Additionally, the servicer's package (checklist and forms) is available on the U.S. Bank document portal at <http://www.mrbp.usbank.com/thirdParty/goOffsiteConfirm.cfm?BL=USB&ID=1006>

2. The Compliance package to eHousingPlus (Rev. 11/04/16):

The Compliance File Package, along with the designated Program Fees, must be sent to the Program Administrator after closing. Please refer to the checklist for fees indications. The Compliance Package includes:

- COPY of Homebuyer Education Certificate
- COPY of Real Estate Purchase Contract
- COPY of FINAL SIGNED 1003
- COPY of FINAL SIGNED CLOSING DISCLOSURE (TRID form)
- COPY of Warranty Deed

Delivered Compliance files will be reviewed, and file deficiencies will be posted on the Administrator's System. It is the responsibility of the lender to cure outstanding deficiencies/exceptions on loans in order for them to be eligible to be purchased in the program. Lenders may be penalized for chronically deficient file deliveries.

**3. Package to ADOH: [Click here for Step-by-Step Process](#)
(Rev. 11/04/16)**

SHIP/SUBMIT**HOW TO DELIVER REQUIRED FILES POST-CLOSING:**

There are three (3) files delivered post-closing, and it is extremely important that the lender submits all in a timely manner.

1. First Mortgage File – Credit Package to U.S. Bank.

- PLEASE NOTE THAT U.S. BANK REQUIRES ELECTRONIC FILES.
- Questions should be directed to U.S. Bank at 1-800-562-5165 or hfa.programs@usbank.com

The mortgage file, including the credit package, is sent to U.S. Bank via their document portal. The U.S. Bank Loan Delivery Checklist may be found on the U.S. Bank web site www.hfa.usbank.com

- Click on U.S. Bank Lending Manuals.
- Pop-up box will appear, click on Continue
- Web page will be redirected to U.S. Bank All Regs site
- Click on Housing Finance Authority folder

Please note that loans cannot be purchased by the servicer unless they meet the program compliance criteria (see Compliance Package below)

2. Compliance File – to eHousingPlus

- Lenders access the Compliance File checklist and required forms in the eHousingPlus system when accessing the loan.
- All documents must be completed as indicated and executed by parties
- ONLY originals or certified true copies will be accepted on the forms indicated as Originals.
- Files must be shipped in an acco-bound folder; forms should be fastened in the order of the checklist, with the required payment included. DO NOT SUBMIT MULTIPLE BOUND LOANS IN ONE PACKAGE.
- Files not received properly identified and/or incomplete, will be returned to the lender at their expense, and will remain in a deficient status until the lender cures the deficiencies.
- Files are shipped to: eHousingPlus 3050 Universal Boulevard Suite 190 Weston FL 33331

DEFICIENCIES

It is the responsibility of the lender to monitor the loan for any deficiencies posted in the eHousingPlus System, and to cure them as soon as possible. Lenders are notified by eHousingPlus and US Bank of exceptions via email.

However, deficiencies on loans are available on-line, and can be viewed 24/7. Additional Deficiencies/Exceptions Reports are also available in the system for lenders to view.

U.S. Bank Deficiencies inquiries: hfacommunications@usbank.com

FINAL DOCUMENTS

The recorded 1st mortgage documents should be sent to U.S. Bank.

U.S. Bank Post Funding – hfa.postfunding@usbank.com

SECTION 4: PROGRAM FEES**First Mortgage Fees**

A 1.00% fee to be retained by the lender as Origination may be paid by buyer or seller as allowable. No additional Origination or Discount fees may be charged.

eHousingPlus Fees

The program includes an initial first mortgage Compliance/Admin Fee of \$275. There is a penalty fee of \$100 for files that are chronically deficient. The Compliance/Admin Fee should be payable to eHousingPlus via Cashier's or Corporate check and submitted with the Compliance File. The fee may not be financed. Compliance Fees may change during the course of the program. Lenders need to read program notices, and website updates on an ongoing basis to ensure that all applicable fees are collected and documented as needed.

The Compliance/Admin Fee is the fee charged by the Program Administrator/ Compliance Agent to process the applicant/borrower from Origination to Compliance Approval, and to assess that the lenders originating such loans are following Program guidelines for the benefit of the eligible borrower(s). The Program Administrator/ Compliance Agent tracks the loan via its web-based system, and assists the lender in processing the loan ensuring eligibility to the program available offerings, which can include various rate options, and down payment assistance.

The Compliance/Admin fee includes the review of information and documents delivered in the form of a Compliance File by the originating lender, on behalf of the borrower. Additionally the Compliance review verifies that the lender has charged only the fees allowed by the Program. Contrary to this, approval may be denied and/or fees may have to be reimbursed to the borrower. The compliance file processing consists of required affidavits, application, closing documents, certain non-mortgage documents, tax returns where applicable and other pre-defined Program documents that are disclosed to the potential borrower(s). This is required to ultimately receive Compliance Approval. These documents can support both the first mortgage and any down payment assistance available, and are required to ensure eligibility to the Program, Federal, State and Local requirements, where applicable. The Compliance review verifies that the data and documents submitted meet all requirements, and may include those for first-time homebuyer, income limits, sales price limits, targeted areas, homebuyer education, rate, term, points, fee limits, LTV, FICO score, special state, city, county program requirements for qualified military, first responders, teachers, etc.).

US Bank Fees

\$85 Tax Service Fee and \$400 Funding Fee. These fees will be netted out at time of purchase by U.S. Bank. Note: Please do not send separate checks for these fees.

Lender Fees

These are fees paid to the Lender for services rendered (i.e., Processing Fees, Underwriting Fees, Administrative or Administration Fees and Document Preparation Fees). Lender fees (regardless of what they are called) under the program should not

exceed what is charged to the Lender’s other borrowers. An Application Fee must include no more than the actual costs of allowable items such as appraisals.

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.

Second Mortgage Fees

Contact Reginald Givens with ADOH for details.

Total Lender Compensation

On each loan, the lender collects the 1.00% origination fee as explained above from buyer or seller (follow Fannie Mae HFA Preferred guidelines). In addition, Lenders will receive 1.75% upon purchase of the loan by the Master Servicer. VA loans will be purchased at a 0.50% discount and, therefore, a maximum net income of 2.25%.

Loan Type	Origination	Master Servicer Pays At Loan Purchase	Total Lender Payment
HFA Preferred	1.00%	1.75%	2.75%