



**WEST VIRGINIA SECRETARY OF STATE**

**MAC WARNER**

**ADMINISTRATIVE LAW DIVISION**

**eFILED**

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Office of West Virginia  
Secretary Of State

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**NOTICE OF FINAL FILING AND ADOPTION OF A LEGISLATIVE EXEMPT, INTERPRETIVE OR PROCEDURAL  
RULE**

AGENCY: Housing Development Fund TITLE-SERIES: 88-04  
RULE TYPE: Procedural Amendment to Existing Rule: No Repeal of existing rule: No  
RULE NAME: Veterans' Home Loan Mortgage Program of 2024  
CITE STATUTORY AUTHORITY: §31-18F-6

This rule is filed with the Secretary of State. This rule becomes effective on the following date:

September 27, 2024

**BY CHOOSING 'YES', I ATTEST THAT THE PREVIOUS STATEMENT IS TRUE AND CORRECT.**

**Yes**

**Erica L Boggess -- By my signature, I certify that I am the person authorized to file legislative rules, in accordance with West Virginia Code §29A-3-11 and §39A-3-2.**

88CSR4

TITLE 88  
PROCEDURAL RULE  
WEST VIRGINIA HOUSING DEVELOPMENT FUND

SERIES 4  
VETERANS' HOME LOAN MORTGAGE PROGRAM OF 2024

**§88-4-1. General.**

1.1. Scope. -- This rule is adopted to implement the West Virginia Veterans' Home Loan Mortgage Program of 2024, West Virginia Code §§ 31-18F-1, et seq. This rule provides explanation and guidance to program loan applicants and participating lenders.

1.2. Authority. -- W. Va. Code § 31-18F-6.

1.3. Filing Date. – September 27, 2024.

1.4. Effective Date. – September 27, 2024.

1.5. Incorporation by Reference. – The Procedural Guide is attached hereto as Exhibit A and incorporated by reference into this rule. To the extent any provisions of the Procedural Guide are inconsistent with the Act or this rule, the Act and this rule shall govern. Terms used in the Procedural Guide that are defined in the Act or this rule shall have the meaning ascribed by the Act or this rule, as applicable.

**§88-4-2. Definitions.**

2.1. "Act" means the West Virginia Veterans' Home Loan Mortgage Program of 2024, West Virginia Code §§ 31-18F-1, et seq.

2.2. "First time home buyer" means an individual who has not previously owned an interest in real property occupied by the individual as their primary residence at any time during the three-year period ending on the date the program loan closed. The targeted area exception for the West Virginia Housing Development Fund's Homeownership Program does not apply to the Program.

2.3. "Procedural Guide" means the West Virginia Veterans' Home Loan Program Procedural Guide, attached hereto as Exhibit A and incorporated herein by reference.

2.4. "Property" means the residential dwelling purchased or to be purchased with a program loan that meets Program requirements.

2.5. "Program loan" means a mortgage loan made pursuant to the Act and this rule.

**§88-4-3. Applicant Eligibility Requirements.**

3.1. To qualify for a program loan, an applicant must:

3.1.1. be a West Virginia resident;

3.1.2. be an eligible veteran;

3.1.3. be a first time home buyer;

3.1.4. have successfully completed a homebuyer education class approved by the board of the West Virginia Housing Development Fund; and

3.1.5. have a minimum of \$2,500 of their own funds invested in the transaction.

3.2. There is no income limit for program loan eligibility.

**§88-4-4. Lender and Servicing Requirements.**

4.1. The program is governed by and subject to the Act, this rule and the Procedural Guide.

4.2. Program loans shall be originated and serviced using the processes set forth in the Procedural Guide.

4.3. To participate as a lender under the Program, a lender must be a West Virginia Housing Development Fund approved participating lender under the requirements set forth in the Procedural Guide. The lender must comply with the Procedural Guide.

4.4. The West Virginia Housing Development Fund shall pay the participating lender an origination premium for each eligible program loan in an amount equal to the origination premium for a West Virginia Housing Development Fund Homeownership Program loan, as set forth in the Procedural Guide.

4.5. Program loans shall be serviced by the West Virginia Housing Development Fund and shall be subject to a customary loan servicing fee paid to the West Virginia Housing Development Fund, according to the loan type. A servicing release premium shall be paid by the West Virginia Housing Development Fund to the lender in accordance with the provisions of the Procedural Guide.

4.6. Lenders shall provide the West Virginia Housing Development Fund and the Legislative Auditor access to all records and documents related to program loans.

**§88-4-5. Qualifying Property.**

5.1. The property to be purchased with a program loan must be:

5.1.1. located in the State of West Virginia;

5.1.2. occupied by the borrower as the borrower's primary residence within 60 days of program loan closing; and

5.1.3. Meet additional property requirements set forth in the Procedural Guide.

**§88-4-6. Program Loan Terms and Conditions.**

6.1. The amount of a program loan shall not exceed 100% of the value of the statewide allowable purchase price limit for the program of \$350,000, as determined by the West Virginia Housing Development Fund.

#### 88CSR4

6.2. Each program loan must be fully insured or guaranteed by Federal Housing Administration, Veteran's Affairs, United States Department of Agriculture or an acceptable Private Mortgage Insurance company.

6.3. The maximum program loan amount that borrowers can finance shall be the maximum amount allowed by the insurer or guarantor, as the case may be, provided it does not exceed the purchase price limit of \$350,000.

6.4. Each program loan must be secured by a first lien deed of trust upon the property.

6.5. The borrower must contribute a minimum of \$2,500 of the borrower's own funds toward the transaction. The minimum contribution may be used toward paying closing costs.

6.6. Program loans shall be 30-year, fixed rate loans.

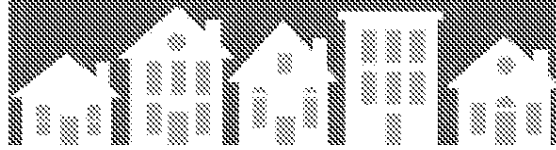
6.7. The program loan interest rate shall be 1% lower than the West Virginia Housing Development Fund's Homeownership Program rate or the Fannie Mae 60-day lock rate, whichever is lower, and shall be posted on the West Virginia Housing Development Fund's website.

6.8. The lender may charge and collect lender fees not exceeding the amount allowable in the Procedural Guide.

6.9. Program loans must be processed and underwritten to Federal Housing Administration, Veteran's Affairs, or United States Department of Agriculture guidelines, depending on the loan type, in accordance with the Procedural Guide. Federal Housing Administration loans must also comply with the West Virginia Housing Development Fund's credit score and debt-to-income overlays set forth in the Procedural Guide. Conventional loans with private mortgage insurance must be processed and underwritten to Fannie Mae guidelines.

**88CSR4**  
Exhibit A

West Virginia Veterans' Home Loan Program Procedural Guide  
(Attached)



West Virginia Housing  
Development Fund

**WEST VIRGINIA VETERANS' HOME LOAN  
PROGRAM  
PROCEDURAL GUIDE**

5710 MacCorkle Avenue, SE  
Charleston, WV 25304  
800-933-9843  
800-933-8511  
[www.wvhdf.com](http://www.wvhdf.com)

July 2024



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**INTRODUCTION  
TO  
THE WEST VIRGINIA HOUSING DEVELOPMENT FUND**

The West Virginia Housing Development Fund (the “WVHDF” or “Fund”) is a public body corporate and governmental instrumentality of the State of West Virginia created pursuant to Chapter 31, Article 18 of the West Virginia Code to provide safe, decent, and affordable residential housing for West Virginians. The Fund offers a variety of loan programs to meet the needs of low to moderate income homebuyers, including: (1) Homeownership Program; (2) Movin’ Up Program; (3) Movin’ Up Special Program; (4) Low Down Home Loan (LDHL); and (5) West Virginia Veterans’ Home Loan Program (“Veterans’ Program”). These loans are originated primarily through the Fund’s lending partners.

This guide is designed to provide our lending partners with the information needed to facilitate the origination, processing, underwriting, closing and delivery of loans for the West Virginia Veterans’ Home Loan Program. Please refer to the Fund’s Single Family Lending Procedural Guide for all other programs. **The Fund reserves the right to amend this procedural guide from time to time as necessary and will provide notification of any modification to all lenders.** Amendments to this procedural guide will be made by means of program bulletins, lender memos, and by the update of our website-maintained guide.

This guide will be used in conjunction with the guides and announcements from Fannie Mae (FNMA), the Federal Housing Administration (FHA), the Veterans Administration (VA), and the United States Department of Agriculture Rural Development (RD) where appropriate.

**CONTACTS AND PHONE NUMBERS**

The Fund’s Website: [www.wvhdf.com](http://www.wvhdf.com)  
Lending Partners Resource Page: [www.wvhdf.com/lending-partners](http://www.wvhdf.com/lending-partners)  
Fannie Mae Selling Guide: [www.efanniemae.com](http://www.efanniemae.com)

Single Family Phone Numbers: 304-391-8600 or Toll Free 1-800-933-9843

<b>Title/Area</b>	<b>Phone</b>
Senior Division Manager – Single Family Lending	304-391-8743
Underwriting & Post-Closing Manager	304-391-8734
Business Development & Loan Origination Manager	304-391-8677
Funding Coordinator	304-391-8610
Loan Closing & Pipeline Manager	304-391-8731
Loan Servicing /Customer Service	800-933-1272

**FAX NUMBERS**

Third-Party Originator	304-391-8765
Payoff Requests/Loan Servicing	304-391-8750

## CHAPTER 1

### LENDER APPLICATION APPROVAL PROCESS

Veterans' Program loans are originated, processed, and closed by a network of approved, participating lending institutions ("Participating Lenders"). The loans and servicing rights are then purchased by the Fund following settlement. This Chapter covers the eligibility requirements and general duties for Participating Lenders.

#### **LENDER APPLICATION AND APPROVAL PROCESS**

Complete and fully-executed, prospective Participating Lender application packages will be received annually – only – from February 1 – March 31. The Fund will generally notify lenders of their acceptance, rejection, or status within 30 days from receipt of the package. Prospective Participating Lenders should know WVHDF is an NCSHA HFA1 aligned agency.

The Participating Lender and TPO application packages are available by contacting the Fund's Business Development and Loan Origination Manager at [jhvibert@wvhdf.com](mailto:jhvibert@wvhdf.com) or 304-391-8677. Prospective lenders must meet eligibility requirements set forth below and submit the appropriate application package along with all required documentation via email to the Fund's Business Development and Loan Origination Manager at the address above or mail to WVHDF Attn: SFL – Business Development and Loan Origination 5710 MacCorkle Avenue, SE, Charleston, WV 25304.

After review and approval, the Fund will execute and return one copy of the Loan Purchase Agreement. These Agreements establish the principal legal obligations of the Fund and/or participants in the program. The Fund is under no obligation, legal or otherwise, to do business with any entity regarding any Fund program. The Fund reserves the right in its sole discretion to select and/or terminate its program participants.

### PARTICIPATING LENDER

#### **ELIGIBILITY REQUIREMENTS**

To be eligible as a Participating Lender, the prospective lender must satisfactorily complete the lender Application, provide all items requested with it, pay an application fee of \$2,500.00, and meet the following qualifications:

- Authorization to do Business. Be a properly licensed and legally organized bank or savings and loan whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC), or a credit union with deposits insured by the National Credit Union Administration (NCUA), or a currently licensed West Virginia Residential Mortgage Lender.
- Insurance Requirements. Have and maintain a fidelity bond and mortgage errors and omissions coverage.

- **Insurer Approvals.** Be approved as an originator by a private mortgage insurer acceptable to Fannie Mae or be an FHA, VA, or RD approved mortgagee.
- **Mortgage Loan Originators.** Mortgage Loan Originators must be licensed or registered as required by federal and/or state law.
- **Experienced Staff.** Must have full-time staff with demonstrated ability and experience in single-family mortgage loan origination, processing, underwriting (if applicable), closing and post-closing.
- **Quality Control Plan.** Provide a copy of company's quality control plan that meets all insurer/guarantor/investor requirements as they apply to loans originated.
- **Performance Record.** Must have a record of satisfactory performance with other mortgage lenders or insurers which can be demonstrated by the submission of three letters of recommendation (or agency approval).
- **Hiring Procedures.** Provide a copy of company's hiring procedures for checking all employees, including management, involved with the origination loans against the GSA Exclusionary List and HUD LDP List.
- **Required Training.** Originators, Processors, Underwriters (if applicable) and closing employees must attend required training sessions provided by the Fund.
- **Other Qualifications.** Must meet such other qualifications as the Executive Director shall deem to be related to the performance of its duties and responsibilities.
- **Required Loan Purchase Agreement.** Execute the Fund's Loan Purchase Agreement.

### **DELEGATED UNDERWRITING APPROVAL**

To be approved to participate as a Delegated Underwriter, the Participating Lender must meet the following requirements:

- **Experience:** Participating Lender must have experience in the Fund's programs with a minimum of 12 conventional loans satisfactorily delivered in the preceding calendar year.
- **Qualified Designated Staff.** Participating Lenders who are interested in attaining delegated underwriting status must submit a letter of request signed by an officer of the company that includes the name(s) of qualified designated staff to underwrite Fund program loans and an acknowledgement that the lender accepts responsibility for the underwriting decisions. A resume for designated staff must be submitted along with the letter of request.
- **Required Training.** Lender training must be completed by designated staff.
- **Test Cases.** A specified number of satisfactory test cases must be submitted prior to loan closing for review by the Fund's Underwriting Manager. The number may vary based on previous performance, volume, and number of branches.
- **Withdrawal of Delegated Status.** Low submission of loans, inactivity or consistent Quality Control or compliance violations may result in withdrawal of delegated underwriting status.

## **MAINTAINING APPROVAL STATUS**

After initial approval, Participating Lenders will be required to meet the following requirements to maintain their status as an approved lender:

- Following approval, Participating Lenders (as an organization) must have at least 1 loan purchased every 6 months in order to maintain their approved status and have the benefit of being listed on the Fund's approved lender website. Consideration of lesser volume will be given in underserved and rural areas.
- Participating Lenders will be deactivated and removed from the website if the minimum origination volume of 1 loan purchased every 6 months is not met. In order to be reactivated a lender must re-apply, pay the new lender application fee (if the re-application date is more than 3 months from deactivation) and have staff re-trained on Fund policies and procedures. Notices will be sent 30 days in advance of deactivation.
- Insurance Requirements. Maintain required fidelity bond and errors and omissions insurance. When requested, the Participating Lender will provide the Fund with a certificate from the insurance provider confirming that the fidelity bond and mortgage errors and omissions insurance is still in effect.
- Quality Control Plan. Provide annual certification that Quality Control Plan meets applicable insurer, agency and/or investor guidelines.
- Organizational Changes. Provide written notice to the Fund of any major organizational changes, including but not limited to:
  - Resignation or replacement of senior management personnel.
  - Resignation or replacement of the Participating Lender's designated delegated underwriting staff for Fund loans.
  - Mergers, acquisitions, or corporate name change.
  - Any reorganization, which centralizes or decentralizes a primary function (i.e., underwriting, closing or post-closing).
  - Opening or closing of offices originating the Fund's loans
- Contact Information. The lender must advise the Fund, in writing, of any changes to their primary business contact information including main mailing address, phone/fax numbers, email addresses and ACH account information within five (5) business days of the event.
- Satisfactory Rating/Good Standing. Maintain a satisfactory rating by or good standing with applicable regulatory agency or agencies and applicable governmental mortgage insurers or guarantors. Advise the Fund immediately of any suspensions, sanctions, debarments, probationary status, or any other action imposed by any federal, state, or local authority.
- Appraisal Management Companies. Lender must inform the Fund of any change in the Appraisal Management Companies (AMCs) it utilizes during the course of its business with the Fund. This notice, which must include contact information for the AMC, must be sent to Fund management no less than 30 days prior to the addition or deletion of any AMC.
- Delegated Underwriting. To maintain delegated authority, the approved underwriter(s) must attend all refresher courses held by the Fund and maintain a satisfactory record of

performance. Files will be routinely reviewed for compliance to underwriting guidelines and regulatory requirements.

- Compliance with Fund Requirements. Maintain compliance with applicable state and federal laws, rules and regulations and the requirements of this Procedural Guide and the Loan Purchase Agreement including any subsequent amendments thereto.

## **RESPONSIBILITIES**

Approved Participating Lenders are generally responsible for originating, processing, closing, post-closing and delivering all loans in accordance with this Procedural Guide and any other applicable guidelines referenced herein. Participating Lenders with delegated underwriting authority are also responsible for underwriting.

To participate in the Fund's loan programs, Participating Lenders must comply with the certifications, representations, warranties, and requirements contained in the Loan Purchase Agreement, which is incorporated herein by reference, and this Procedural Guide and any subsequent amendments thereto. The Fund may immediately terminate a lender's participation in the Fund's loan programs if the lender fails to observe or perform any covenant, obligation or agreement in the Loan Purchase Agreement or this Procedural Guide.

## **COMPENSATION, PREMIUMS, AND FEES**

Unless otherwise stated in specific program guidelines, the Participating Lender may not charge or collect any fees or discount points in excess of those stated herein. The Participating Lender may collect fees for reimbursement of costs incurred, such as credit reports, appraisals, tax transcripts/records of account, or flood certification fees, as applicable.

A \$350 Administration fee payable to West Virginia Housing Development Fund is required on all loans. This fee will be net funded at purchase of the loan.

### **West Virginia Veterans' Home Loan Mortgage Program**

- Origination Fee – The Participating Lender will be compensated an origination premium on program loans up to 1.85% of the first loan amount with a minimum of \$1,500 upon closing/funding. The gain-on-sale/origination premium is capped at \$4,000.00, per loan. The program summary in effect at the time of loan lock-in will indicate the amount paid by the loan applicant and/or the Fund. This amount is also available on the rate sheet from the day the loan was locked in with the Fund. The Participating Lender cannot reduce or refund this amount to the borrower without written consent from the Fund.
- Service Release Fee – All servicing rights must be sold and transferred to the Fund. A service release premium up to 0.65% of the first loan amount will be paid to the lender on all loans. The service release fee is capped at \$1,000.00, per loan. The service release premium will be reflected on the program summary, effective the date of loan lock-in, as well as the rate sheet. Service release fees are paid to the Participating Lender when all

post-closing documents are received and accepted. The Participating Lender cannot reduce or refund this amount to the borrower.

- “Other” allowable fees - Participating Lender may collect from the borrower up to \$650.00 for other reasonable customary charges made by the Participating Lender under its general residential mortgage lending policy including, without limitation, fees associated with the processing, underwriting, and closing of the loan as permissible by the insuring and/or licensing agency.
- A \$350 WVHDF Administration fee payable to West Virginia Housing Development Fund is required on all first deed of trust loans, to be labeled “WVHDF Administration Fee.” This fee will be net funded at purchase of the loan and is in addition to “Other” allowable fees, above, for a total of \$1,000.

Compensation and fees may be changed or eliminated at the discretion of the Fund.

### **NON-COMPLIANCE AND REMEDIES**

Non-compliance with the representations, warranties and requirements contained the Loan Purchase Agreement and this Procedural Guide and any other applicable guidelines referenced therein may result in the following remedies: imposition of fees or penalties, the required repurchase of specified loans, suspension from any activity as a Participating Lender (including new reservations or delegated underwriting authority) or termination of program participation.

- Late Delivery Fees – The Fund may impose penalties for failure by the Participating Lender to submit required loan documents within the required time period.
  - Closed loan packages, including the complete credit package, must be submitted to the Fund within 10 calendar days of the loan closing on all loans. Loan packages not received within this time frame may be subject to a late fee.
- Late deferred document fees for program loans are as follows and will be deducted from future payment of fees:

○ File completed within 0-90 calendar days	N/A
○ File completed within 91-120 calendar days	.250% of loan balance
○ File completed within 121-150 calendar days	.500% of loan balance
○ File completed within 151-180 calendar days	.625% of loan balance
○ File completed over 180 calendar days	.650% of loan balance
- For loans more than 180 days past date of initial review, the lender may be requested to repurchase the loan. Repurchase requests will be mailed to the lender within 30 days of the loan reaching 180 days past the date of initial review. Under extenuating circumstances, an extension may be granted to the lender at the discretion of the Fund and a fee may be imposed.
- Repurchase of Loans – A repurchase request for any loan will be for an amount equal to the unpaid principal balance of the mortgage loan, plus accrued interest and costs incurred by the Fund, loan origination fees and any service release premium paid to the Participating Lender for the loan along with any amount of the LDHL loan which also may have been provided to the borrower. The following may result in repurchase:
  - Non-compliance with applicable Program requirements.

- Non-compliance with documentation requirements.
- Failure to comply with federal or state laws, rules, or regulations.
- Misrepresentation or misstatement.
- Incorrect documents.
- Failure to deliver good title.
- Failure to provide all loan documents within required time frames.
- Non-compliance or breach of the purchase agreement with the Fund.
- Any loan which, within the first four payments of principal and interest due under the Note, the loan becomes two months or more in arrears as to principal and interest, or otherwise in default which, after any required notice and any cure period or regulatory waiting period, would give the Fund the right to foreclose.

The grounds for and terms of repurchase are more fully set forth in the Loan Purchase Agreement.

### **PROCESSING PROCEDURES**

Loans originated and processed under the Veterans' Program are to follow specific program requirements as described within this guide.

### **RATE SHEET**

Each day a rate sheet is delivered via e-mail providing information on the program rates and terms available for that day. This rate sheet may be revised from time to time during a business day. It is the Originator's responsibility to ensure that they have the most current sheet available when they reserve a loan.

### **LOCKING IN A LOAN**

To reserve funds, the Participating Lender or retail Originator must enter the applicable data on the "Enter\_Lock\_Request" page in PowerLender and submit lock request.

## **CHAPTER 2**

### **OVERVIEW AND GENERAL ELIGIBILITY REQUIREMENTS**

#### **PURPOSE OF THE VETERANS' PROGRAM**

The objective of the Veterans' Program is to assist eligible veterans in the purchase of their first home by providing a mortgage interest rate that is 1% lower than the WVHDF's Homeownership Program. The Fund's Low Down Home Loan Program is available on Veterans' Program loans subject to the requirements below.

## **GENERAL ELIGIBILITY REQUIREMENTS**

Loans must comply with the respective program-specific eligibility requirements, as well as applicable underwriting and processing guidelines and federal guidelines depending on the loan type (FHA, VA, RD). In cases where the federal underwriting or eligibility guideline is stricter than that of the Fund, the federal guideline shall be followed.

- The Fund will accept General Qualified Mortgages (QM) as defined under the Consumer Financial Protection Bureau's Revised General Qualified Mortgage Rule and Qualified Mortgages as defined under the final rules adopted by HUD, VA and USDA under the authority granted in 15 U.S.C. 1639c. In limited circumstances, the Fund will accept loans that meet the manual underwriting and approval requirements set forth in Chapter 3.
- Higher Priced Mortgage Loans (HPML) are generally ineligible for delivery to the Fund with limited exceptions. Higher Priced Mortgage Loans must be reviewed by the Fund for acceptance prior to closing. Lenders should remit the loan's QM findings to Jon Rogers or Justin Hylbert for HPML analysis.
- All loans must follow the processing, underwriting, and closing procedures provided in this manual.
- Loans must be secured by a valid first lien on the eligible dwelling, and a second lien for the Low Down Home Loan (if applicable).
- Loans must be subject to adequate insurance coverage in accordance with this Procedural Guide and the Fannie Mae's Seller's Guide or the requirements of FHA, VA, and RD programs, as applicable.
- Loan conditions must be satisfied.
- Proper loan closing procedures must be utilized.
- The Fund requires lenders to collect a WVHDF Administrative Fee of \$350 on all loans.
- Loans must be eligible in accordance with this Procedural Guide and Fannie Mae FHA, VA, and RD guidelines, as applicable.
- FHA-insured loans must comply with the Fund's credit score and Debt-to-Income (DTI) overlays in the Underwriting section of this Procedural Guide.
- Veterans' Program loans must comply with all requirements outlined in this Procedural Guide, the West Virginia Veterans' Home Loan Mortgage Program of 2024 Act and accompanying procedural rule, including the statewide house price limit of \$350,000.00.
- Loans must otherwise comply with all applicable federal and state laws, rules and regulations, the provisions of this Procedural Guide and the terms and conditions of the Loan Purchase Agreement.
- For rates, refer to the daily rate sheet.

## **LOW DOWN HOME LOAN**

The Fund offers low interest rate Low Down Home Loans (LDHL) to aid eligible borrowers in the purchase of their home. This loan closes in the name of the Fund, and Fund designated trustees are named on the Deed of Trust. The LDHL must be secured by a valid second lien position on the

eligible dwelling. This program is available for Veterans' Program loans only under the following terms and conditions:

- The eligible borrower(s) meets the income limits for the Fund's Homeownership Program by way of federal compliance calculation, for those on the Note and/or Title. These limits are available on the Fund's website.
- The maximum allowable loan amount is \$8,000 with a fixed rate of 2.000%, fully amortized over a 15-year term.
- The LDHL is permitted in conjunction with first Deed of Trust loan to values (LTVs) of 80.00% and higher, only. Said differently, if the Borrower has more than a 20.00% down payment, the LDHL cannot be utilized with the Veterans' Program.
- The maximum combined loan to value (CLTV) will be dictated by the insuring agency but in no instance can it exceed the Fund's maximum CLTV of 105%.
- For LTV/CLTV determination, the Fund requires total loan amount to be used for these calculations. The Fund allows the actual calculation versus the FNMA guidelines of rounding. LTV's below 90% or LTVs of 90% and above determine the available amount of the LDHL.
- Payment amount is included in the ratios for repayment.
- Loan is assumable.
- Loan must be paid in full if the property is refinanced or sold.
- Funds are to be applied first towards any standard closing cost that the borrower is obligated to pay and then any remaining balance can be applied as down payment. Funds used as down payment can also be considered the borrower's funds to cover personal property on the Veterans' Program.
- Borrowers can be reimbursed for approved items that they have paid outside of closing and documented. Approval is at the Fund's sole discretion.
- Any unused proceeds are to be returned to the Fund with the closing package in the form of a check to be applied as a principal reduction to the LDHL.
  - Principal reductions to the LDHL are limited to a maximum of \$1,000.
- Standard FNMA documents are to be used for the Note and Deed of Trust (DoT).
- It is mandatory that the Fund provide the funds for this loan at the closing table. Loan proceeds must be requested from the Fund by 2:00 p.m. the business day prior to the loan closing. The loan must be approved and cleared for funding by a Fund underwriter prior to the funding request being processed in our office.
  - All late and/or same day Funding requests will be assessed a late fee of \$100.00 to be deducted from the Origination Fee paid at Funding (purchase) of the 1<sup>st</sup> DoT.
- Note that this program requires a Loan Estimate and a Closing Disclosure with the Fund named as the lender. The deed of trust recording fee is the only fee that should be reflected on the Closing Disclosure.
- Documents associated with the LDHL must adhere to all TILA-RESPA Integrated Disclosures (TRID) rule.

## CHAPTER 3

### UNDERWRITING AND ELIGIBILITY REQUIREMENTS

The Fund offers a variety of loan options. The eligibility and underwriting guidelines specific to the Fund's programs will be found in this guide. All loans delivered to the Fund require an Approve/Eligible or Accept finding from appropriate automated systems. The HFA Preferred loan product should be selected when inputting loan information in Desktop Underwriter (DU). The lender is responsible for providing evidence of satisfactory, enforceable mortgage insurance when applicable.

**Conventional Loans** – Conventional loans originated and processed under the Fund's Veterans' Home Loan Mortgage Program are to be generally underwritten to follow FNMA guidelines. Program specific requirements outlined in this guide will take precedence in the case of conflict. All conventional loans are required to be processed through Desktop Underwriter. An Approve/Eligible is required for loan to be eligible for purchase. For loans receiving an Approve/Ineligible, Refer with Caution, or, Out of Scope finding, refer to the section for Manual Underwriting.

**VA and FHA Insured Loans** – The Participating Lender is responsible for obtaining VA or FHA approval on Veterans' Home Loan Mortgage Program. The automated system findings must be in the file receiving an Approve/Eligible decision. VA and FHA loans that require a manual downgrade to a Refer status per automated underwriting system (AUS) findings are not acceptable for delivery to the Fund. When underwriting an FHA or VA insured loan that is to be financed under our programs, use FHA or VA credit documentation guidelines, unless specified otherwise within our guidelines. The LTV and CLTV calculations are to be determined using the total loan amount (face amount of the note). The loan amount cannot exceed the appraised value, with exceptions for the FHA upfront mortgage insurance premium and the VA funding fee, and in no case may the loan amount exceed the house price limits. Secondary Market loans insured by FHA or VA are not eligible for delivery to the Fund.

**FHA-Insured Loans** – Veterans' Home Loan Mortgage Program loans are subject to the following minimum credit score and maximum DTI overlays:

- 620 – Minimum, representative credit score.
- 50% – Maximum, total debt-to-income ratio on files with a representative credit score of 639, or below. Loans with a 640 representative score and above may exceed the 50% threshold.
- FHA-insured loans must receive a DU "Approve/Eligible" finding and are not eligible for a manual downgrade under any circumstances.

**USDA/RD Insured Loans** – RD insured loans must be submitted and approved through Guaranteed Underwriting System (GUS), receiving an Accept/Eligible finding, with all conditions of the automated system and matrix guidelines satisfied. The Participating Lender is responsible for underwriting and obtaining the approval of RD guarantee on the loan. When underwriting a RD insured loan that is to be financed under our Veterans’ Home Loan Mortgage Program, use RD credit documentation guidelines, unless specified otherwise within our guidelines. The LTV and CLTV calculations are to be determined using the total loan amount (face amount of the note).

The RD guarantee fee and closing costs cannot be included in the loan amount. The Veterans’ Home Loan Mortgage Program prohibits the inclusion of the closing costs in the loan amount. Other guidelines apply as previously stated.

Special programs that provide down payment assistance (i.e., HOME Consortium, Federal Home Loan Bank, Northern Panhandle, etc.) should be submitted to the fund for review and acceptance prior to taking loan applications on our programs using this type of assistance.

## **UNDERWRITING OPTIONS**

All documents should be submitted through the Fund’s Lender Portal with appropriate upload type selected. Refer to the Portal chapter for more details.

### **File Review by the Fund**

- This option should be utilized for all conventional loans submitted by non-delegated Participating Lenders. The following documents are required for initial review and conditional approval:
  - Initial, fully executed 1003 application
  - Fully executed sales contract/purchase agreement including all addendums
  - Current Deed (on refinance transactions)
  - 1st couple of pages of Credit report reflecting borrower name and scores (if issued by Factual Data) and the report must be able to be reissued to the Fund; otherwise, WVDHF must pull an additional report
  - Any pay stubs, verifications of employment (VOEs), verifications of deposit (VODs), Bank Statements, Court Orders, etc. that may have been received at application. Full credit and collateral documentation may be submitted as “prior to closing” (PTC) conditions.
- Documents should be submitted using the Lender Portal with the following selections:
  - *Initial Underwriting (UW) Submission* >for initial review only
  - *Underwriting PTCs* > all conditions for underwriting review)
  - *Appraisal* >Only appraisals (or compliance inspections with photos) must be sent through this separate upload type so that report stays in PDF form. All other documents pertinent to the appraisal are to be sent as an Underwriting PTC
- The Fund will review the file within 2-3 business days of receipt. The lender will receive loan decision through the portal as a download. Email notification will be sent to any

persons who have uploaded documents. Approval, rejection, and listings of pended items can be printed from the download file.

- All conditions of the loan approval must be met prior to or at closing. A Final Approval/“Clear to Close” must be obtained prior to closing with any closing conditions provided in the closed loan package submitted to the Fund.

### **Delegated Underwriting (DE)**

The Participating Lender will underwrite files utilizing its on-staff Fund approved DE underwriter. After a lender has obtained delegated status, the lender’s staff should direct underwriting questions to its delegated underwriter.

- The DE Underwriter will complete the required screens in PowerLender, validating the registered information against the final approved information. Once the file is satisfactorily reconciled with no alerts or warnings, receiving a green status light, the loan receives final approval and status is updated to “Clear to Close.”
- Original appraisals are uploaded to the Lender Portal/VirPack.
- FHA loans with LDHL/DPA: request should be sent to the Fund for FHA Award Letter to be placed in file.

### **Federal Compliance Review**

This option is for the non-delegated participating lenders in submitting government loans. The lender’s government approved/delegated underwriter will review and render decision for credit and collateral, based on the insuring agencies guidelines. The lender takes full responsibility for this decision. Deficiencies found in the loan underwriting may result in repurchase of the loan.

- Submission of Federal Compliance documents only are required. Any missing documents will be requested as a prior to closing condition. The remainder of the credit and collateral file should be sent with the closed loan package after closing.
  - *Initial UW Submission* > for initial review only.
  - *Underwriting PTCs* > any conditions requested to complete review
  - *Appraisal* > appraisals only are to be sent using this option to retain report in PDF form. Documents pertaining to the appraisal are to be sent with PTC conditions.

## **MANUAL UNDERWRITING**

### **Approve/Ineligible**

For Conventional loans meeting program guidelines and using the Fund’s LDHL but receiving an Approve/Ineligible due to “Multiple High Risk Factors,” the underwriter has the option of approving the loan when it meets the following criteria:

- Minimum credit of 620 with no derogatory credit in the last 24 months
- Maximum housing ratio of 33%
- Maximum total debt ratio of 41%
- No current NSF or overdrafts on depository accounts
- Borrower reflects sufficient funds to close

- Ability to receive private mortgage insurance as applicable

### **Refer with Caution**

Conventional loans receiving a Refer with Caution finding, may be eligible for manual underwriting at the discretion of the Fund's Underwriting Manager. Typically, this will be when extenuating circumstances apply that cannot be analyzed by FNMA. An explanation of the circumstances, along with supporting documentation, would be required along with meeting the criteria listed below. A full credit file would then be submitted for review.

- **Eligibility Requirements**
  - Minimum Credit Score of 640
  - All non-medical collections and charge offs with individual balance of \$200 or aggregate of \$1,000 must be paid prior to closing. All liens and judgements must be paid prior to closing.
  - Disputed accounts must be resolved with new credit report obtained to reflect resolution.
  - Maximum Debt to Income (DTI) of 41%
  - Reserves of 2 months principal, interest, taxes and insurance (PITIA)
  - Mortgage Insurance provided if applicable
- **Compensating Factors**
  - Previous housing experience documented with 12 months satisfactory payment with payment shock not exceeding 1 ½ times current payment without savings to offset. (verification of rent from management company, not from an individual landlord; or 12 months cancelled checks)
  - Equivalent savings pattern as substitute for previous housing
  - Residual income 150% of VA Table
  - Additional income received for (preferably) 12 – 24 months, that is not acceptable for DTI qualifying

### **Out of Scope**

Conventional loans receiving an Out of Scope DU finding (even with no credit score) may be eligible for manual underwriting following FNMA's guidelines for non-traditional credit. Full credit files (excluding appraisal) should be submitted for review by the Fund.

## **BORROWER ELIGIBILITY REQUIREMENTS**

### **Borrower Requirements:**

- Borrower must be a resident of West Virginia which means an individual(s) who maintains, or will maintain after receiving a mortgage loan, a primary residence within West Virginia, and who has not established a residence elsewhere even though the individual may be temporarily absent from the state.
- Borrower must be an eligible veteran under program guidelines. Eligible veteran means an individual who is a West Virginia resident and who is in military service or has been

in military service and was discharged under honorable conditions. "Under honorable conditions" means a discharge or separation from military duty characterized by the armed forces as under honorable conditions. The term includes honorable discharge and general discharge. The term does not include a dishonorable discharge, or another administrative discharge characterized by military regulation as other than honorable. Military Service means membership in the West Virginia National Guard, membership in the Federal Reserve forces of the armed forces of the United States pursuant to Title 10 of the U.S. Code, or Service on federal active duty pursuant to Title 10 of the U.S. Code. An un-remarried spouse of an eligible veteran killed in the line of duty and a child of an eligible veteran killed in the line of duty are also eligible. Proof of veteran eligibility consists of copies of current orders, DD214 or other official documentation that states the Character of Discharge, or military "died in line of duty" death certificate.

- There is no income limit imposed for borrowers under this program.
- Borrower must be a first time homebuyer. First time homebuyer means an individual who has not previously owned an interest in real property occupied by the individual as their primary residence at any time during the three-year period ending on the date the program loan closed. The targeted area exception for the Homeownership Program does not apply to the Veterans' Loan Program.
- Borrower must have a minimum of \$2,500 of their own funds invested in the transaction. The minimum contribution may be used toward paying closing costs.
- "Sweat equity" is not counted towards any portion of the \$2,500 investment.
- Grant or gift funds for down payment and/or closing cost assistance are allowed; however, no portion of grant/gift funds can count towards the borrower's \$2,500 required investment.
- Borrower must complete a first-time homebuyer education program approved by the West Virginia Housing Development Fund.
- The purchase price limit for all properties financed in the program is \$350,000 for all counties.

**In assuring that these requirements are met, the Participating Lender must obtain and review the following:**

- 1003 application residency and declarations section with three (3) years residency information disclosed (address/residency type/landlord name & address as applicable)
- Signed federal income tax returns for previous one (1) year
- Credit reports from each of the areas/countries/locality in which any borrower(s) has resided in the past three years
- In determining whether a borrower is a first time homebuyer, prior ownership interest for this program includes, but is not restricted to:
  - A fee simple interest
  - A joint tenancy, a tenancy in common, or a tenancy by the entirety
  - The interest of a tenant shareholder in a cooperative
  - A life estate

- A land contract, under which possession and the benefits and burdens of ownership are transferred although legal title is not transferred until some later time
- An interest held in trust for the eligible borrower (whether or not created by the eligible borrower) that would constitute a present ownership interest if held directly by the borrower
- An interest in a manufactured housing unit permanently attached to real property. For these purposes permanently attached is defined as the unit being permanently anchored to real property and has had the wheels and other components used in transportation removed.

Interests which are not considered ownership interests include: A remainder interest, a lease without regard to any purchase option, a mere expectancy to inherit an interest in a principal residence, the interest that a purchaser of a residence acquires upon the execution of a purchase contract, and an interest in other than a principal residence during the previous three years.

### **PROPERTY ELIGIBILITY REQUIREMENTS**

The Fund will finance single family dwellings located in West Virginia and used as a principal residence. This includes 1-4 units with borrower required to owner occupy one of these units, condominiums, townhouses, modular homes, and new, never-occupied manufactured homes (double wide) with complete turnkey setup via the dealer. Single wide manufactured homes are not eligible.

The dwelling must be structurally sound, functionally adequate, in compliance with all applicable zoning requirements, housing codes and the standards set forth by the Fund in the Appraisal Requirement Section.

The acquisition cost of the dwelling must meet the applicable purchase price requirement of the program.

The sales price of the subject property must not exceed \$350,000, statewide.

Title to property financed under this program must be fee-simple and secured by a first lien Deed of Trust.

Manufactured homes may be eligible providing they meet all following requirements:

- They must be new and never occupied
- Double-wide at minimum (no single-wides)
- They must be a complete turnkey set-up via a manufactured housing dealer
- Certificate of title must be retired

In cases of new construction, property and improvements must be fully completed prior to closing.

**Loans are subject to the following additional requirements:**

- **Maximum Lot Size.** The land appurtenant to a residence shall be considered as part of the residence only if such land is typical for the area and reasonably maintains the basic livability of the residence and does not provide, other than incidentally, a source of income to the mortgagor. This must be supported by similar comparable. In no instance can the land exceed five acres.
- **Use of Property.** A principal residence does not include any residence which can reasonably be expected to be used: (a) primarily for a trade or business, except for a two to four family residence, in which case the borrower shall be permitted to rent or lease the non-owner-occupied unit(s), (b) as an investment property, or (c) as a recreational or second home. Not more than fifteen percent (15%) of the total living area of a residence may be used in a trade or business which would permit any portion of the costs of the dwelling to be deducted as an expense for Federal Income Tax purposes (except in the case of a two to four family residence, in which case the borrower shall be permitted to deduct for Federal Income Tax purposes the costs associated with the non-owner-occupied units).
- Refer to the Appraisal section for additional details.

**Acquisition Cost** - Purchase transactions for all programs have the price established by a sales contract. Veterans' Home Loan Mortgage Program have specified house price limits, referred to as "acquisition cost," which is the cost of a completed residential unit. No portion of the proceeds of the loan can be used to acquire furniture or other personal property not permanently affixed to the residence. When a sales contract or the appraisal references personal property, the down payment amount needs to cover the value of the personal items to ascertain that Veterans' Home Loan Program dollars are not financing these items. If the property is a newly constructed home with appliances, or appraisal indicates a newly renovated kitchen with appliances, then the actual invoice must be used for the value. The Fund allows for \$50 per used appliance for value pertaining to calculations of personal property. Personal property other than appliances will need to have a value established by a qualified person with the file containing documentation to support how the value was derived. The acquisition cost of a residence does NOT include:

- Usual and reasonable settlement and financing costs (settlement costs include title and transfer costs, title insurance, survey fees and other similar costs, and financing costs include credit reference fees, legal fees, appraisal expenses, "points" which are paid by the purchaser[s], or other costs of financing the residence; such amounts must not exceed the usual and reasonable costs which otherwise would be paid where financing is not provided by Qualified Mortgage Bonds);
- The imputed value of services performed by the purchaser or members of his/her family, which include only the purchaser's spouse, brothers and sisters, ancestors, and lineal descendants in construction or completing the residence; or
- The cost of land owned by the purchaser(s) for at least two years before the date on which the construction of the residence begins.
- Once a sales contract is executed, raising the sales price and seller-paid closing costs, resulting in an increase to the 1<sup>st</sup> DoT mortgage amount, is not an acceptable practice for our programs.

The Fund follows FNMA for all loan programs in calculation of sales concessions and financing concessions over allowable financing by interested party contributions (IPC's).

**Condo Requirements** – For condo reviews of all conventional loans, we will require the FNMA Condo Questionnaire (Form 1076) to be completed and submitted for review. All supporting documentation should be included, such as: covenants and restrictions (C&Rs), bylaws, budget, insurance, appraisal, etc. For government-insured loans, the lender's DE underwriter will make the determination if the condo meets the insuring agency's guidelines and provide supporting documents in the closed loan package.

**Planned Unit Development (PUD) Requirements** – For PUD reviews, the Fund uses FNMA's definition of what constitutes a PUD on conventional loans: "A project or subdivision that consists of common property and improvements that are owned and maintained by a Homeowners Association (HOA) for the benefit and use of the individual PUD units." These are typically made up of single family residences with minimal common elements. If the appraisal indicates the property is a PUD, it should be run in DU as such. For delegated lenders, your underwriters will determine if these projects meet FNMA guidelines by reviewing the HOA documents (C&Rs and bylaws) and provide them in the closed loan package. For loans in which the Fund makes the credit decision and reviews the property, we will require the HOA documents as a prior to closing condition for review. For government-insured loans, the lender's delegated underwriter will be responsible for reviewing to determine if the property meets the agency's guidelines and provide supporting documents in the closed loan package.

## **APPRAISALS**

The Fund requires an independent appraisal of the subject property in accordance with Fannie Mae's appraisal guidelines (or FHA, VA, or RD as applicable) to be included in the loan credit package. Fannie Mae's appraisal guidelines are available at [www.efanniemae.com](http://www.efanniemae.com) within the Selling Guide and include information on the selection of an appraiser, information the lender needs to maintain on file, and review of the appraisal. Both the lender and the appraiser need to be knowledgeable of the requirements set forth in Fannie Mae's and the insuring agency's appraisal guidelines. Appraiser comments should be provided to support adjustments; narrative is extremely helpful in determining acceptability of the property and report.

The Fund also requires the Participating Lender and the appraiser to be aware of and comply with state and federal laws, rules and regulations concerning real estate appraisers and appraisals. On all loans submitted to the Fund, the appraisal must be uploaded into Fannie Mae's Uniform Collateral Data Portal (UCDP) and the Document File ID number provided at the time of the appraisal submission. An appraisal with full inspection specific to property type (Fannie Mae Form 1004, 1004C, 1073 or 1025) with all attachments is always required on loans for the Fund EXCEPT when Secondary Market loans receive the option of a Value Acceptance (formerly,

Property Inspection Waiver) through Desktop Underwriter. Lenders must always provide the appraisal to the Fund through the Lender Portal.

**Comparables** – Comparables must support that the subject amenities are common and customary. Examples of this would be if subject only has a ¾ bath, one bedroom, no bedroom closets, or below grade, then the comparable used should be the same.

**Dwelling** – The appraiser is to report any obvious items or areas that affect the safety, livability, and marketability of the property. Correction of these items will be required to be addressed prior to loan closing regardless of insuring agency’s requirements.

- If the appraisal indicates evidence of wood-boring insects, dampness, or abnormal settlement, the appraisal must comment on the significance of these items, if an additional inspection is required, and on the effect of the value and marketability of the subject property. If an inspection is required, the lender must either provide satisfactory evidence that the condition was corrected or submit a professionally prepared report indicating, based on an inspection of the property, that the condition does not pose any threat of structural damage to the improvements. Copy of acceptable credentials should also be provided.
  - Roof – A roof inspection must be provided by a licensed contractor when required by the appraisal, sales contract, or underwriter upon knowledge of potential problems. When a roof inspection is required, the Fund requires a 2-year minimum remaining life. Metal and slate roofs are acceptable and must meet the same guidelines.
- To be counted as a bedroom there must be an operable window and not be a captured room (pass-through one room to get into the other).
- The appraiser must comment that the square footage or number of bedrooms within the unit is common and customary to the area and must support the comment with similar comparables in the appraisal report.
- Unique floor plans/building structures must meet FNMA guidelines.
- Electrical – Each unit must have an electrical system of adequate size for the unit, but in no case can the service be less than 100 amps.
- Smoke Detectors – Smoke detectors are required to comply with West Virginia law.
- Utilities are required to be on and inspected. If not on at the time of appraisal inspection, the Fund will accept compliance inspection by appraiser, licensed contractor, or home inspector.
  - Heating – The Fund follows FNMA guidelines wherein dwellings must be suitable for year-round use with improvements considered adequate and conforming to the market.

**House site** – For all sites being considered for financing under the Veterans’ Home Loan Program, the program allows for only one home site, with maximum of 5 acres and supported by similar comparables. Refer to Property Eligibility for more details.

**Manufactured Homes** – Manufactured homes are built in the controlled environment of a manufacturing plant and are transported in one or more sections on a permanent chassis (metal beams). If the unit has the metal beams it is to be treated as a manufactured home and the appropriate manufactured unit appraisal forms are required. A manufactured home is built to the Federal Manufactured Home Construction and Safety Standards (HUD Code) and must display a certification label on the exterior of each transportable section as well as the required Data Plate Refer to FNMA guidelines for additional information.

We will accept new manufactured units. These units must be placed on a permanent foundation in accordance with the local zoning and building codes and assumes the characteristics of site-built housing thus becoming part of the real property. Homes must be on original set up site. The foundation is not required to be brick or block skirting; vinyl siding will be sufficient. The Fund requires that wheels, axles, and the trailer hitches be removed when the unit is placed on its permanent site and that both the perimeter and pier foundations have footings located below the frost line. Units must be installed per the manufacturer's recommendations. Anchors must be provided where required by state law. Certificates of title must be retired.

For additional information on the titling of manufactured home units refer to the closing chapter.

**Multiple Lots** – The Fund follows FNMA guidelines on contiguous requirement.

**Repair Compliance Inspection Certification** is required to verify any/all required repairs have been 100% completed. (Use Fannie Mae's Appraisal Update and/or Completion Report or the Fund will accept FHA/VA forms if applicable).

- Must include all repairs, including any required by the Fund.
- Must include date and signature of an approved appraiser (if proposed construction, should be the same one that appraised the property based on plans and spec sheets).
- Must include photos per Fannie Mae guidelines.
- If construction or major repairs are underway at the time of the appraisal, the appraiser must make a compliance inspection following the completion of the work. If the appraiser is not professionally or by experience qualified to evaluate the completion of construction, a professional qualified in the particular construction area must be retained. A reasonable charge for the compliance inspection may be added to the appraiser's fee. Items inspected by the appraiser or other professionals must be listed on the compliance inspection report or attached sheet. On repair items that lenders feel comfortable inspecting, we will accept a lender's certification (letter format) stating that repairs have been completed along with a photo(s) of the repairs. Examples of these repairs might include handrails, scraping and painting, and seeding of lawn.

**Repair Escrow** – Generally, repairs are required to be completed prior to closing. The insuring agency's certificate of insurance must be in place and effective when the Fund purchases the loan. If a lender encounters extenuating circumstances or weather-related delays, they should contact the Fund for waiver consideration on a case-by-case basis.

**Streets** – The property should face a publicly dedicated and maintained street that meets community standards and is generally acceptable to area residents. If it appears that the property is located on a street that is not typical of other streets in the community, the appraiser should include comments on any effect that being on that street could have on the property's marketability and value.

If the property is located on a community-owned or private street, the report should indicate whether there is an adequate enforceable agreement concerning the maintenance of the street. Recorded documentation for the maintenance of the street must meet Fannie Mae or the insuring agencies guidelines.

### **CONSTRUCTION LOANS**

For construction to permanent loans, the loan file needs to be accurately documented with total acquisition cost by a turn-key construction contract utilizing a licensed contractor. A copy of the construction Note, Closing Disclosure and the Deed are required to be submitted. On new construction of manufactured homes (doublewide only), a copy of invoice from manufacturer to dealer and dealer to borrower is required. The dealership must act as general contractor and be licensed for 100% turnkey set up.

Under the Veterans' Home Loan Mortgage Program, a borrower cannot roll other expenses into the construction loan (closing costs, payoff of other debt, etc.) above the acquisition cost and can only payoff the construction loan that is structured with short-term financing and no permanent financing rollover language.

On the Veterans' Home Loan Mortgage Program when the deed is already in the borrowers name the borrower cannot occupy the home until the permanent financing with WVHDF is closed due to being considered a refinance transaction with Right of Rescission documentation required.

Under no circumstances will the Fund consider purchase of a new construction loan wherein the 1<sup>st</sup> lien Note contains rollover financing options.

### **CO-SIGNERS/NON-OCCUPANT BORROWERS**

The Fund does not accept co-signers/non-occupant borrowers in its loan programs. In the instance that FHA, VA, or RD may accept co-signers, the Fund's policy of no co-signers/non-occupant borrowers will prevail.

### **CREDIT POLICIES**

The Fund does not accept paying off revolving debt to qualify. Revolving credit is considered a lifestyle and must be used in qualifying borrowers. Installment loans paid off or paid down should be carefully considered. Satisfactory, sufficient funds must be verified, and loan must be

documented paid in full. Desktop Underwriter (DU) will determine if derogatory credit must be paid; any omitted debt must be addressed with satisfactory documentation.

Frozen credit reports or accounts are required to be made accessible to the Fund and our Participating Lenders throughout the mortgage application process.

### **CREDIT REPORTS**

When information is being received from a borrower to complete the application process, it is important that you ask the borrower to provide a list of all their debts including account numbers, payment amounts and estimated balances. Do not auto populate the liabilities on the loan application from the credit report without verifying debt with borrower. By signing the application (1003) borrower is stating populated debt to be accurate.

The Fund does not accept credit “rescoring” as a means to eliminate or reduce loan level price adjustments (LLPA) or to obtain loan approval.

The Fund will accept a lender’s credit report for use in underwriting when the following criteria are met:

- Report is ordered through Factual Data from a compatible platform (Enterprise);
- Report is less than 45 days old at time of submission/deliverance;
- Report has not already been imported into an automated system; and
- Pages with Factual Data reference/computer id number and credit scores are provided.

Any reported mortgages should be addressed when borrower is purchasing in non-targeted counties. Documentation is required to support borrower has not had ownership in a primary residence for prior three (3) years.

### **ELECTRONIC SIGNATURES**

The Fund will accept electronically signed loan documents with the exception of the Note and Deed of Trust. Electronic signatures must comply with the E-Sign Act of 2000, Uniform Electronic Transactions Act (UETA), and any HUD, RD, VA, or FNMA guidelines as well as all applicable state requirements.

### **ESCROW REQUIREMENTS**

All loans are required to have established escrow accounts for the payment of hazard insurance, real estate taxes, private mortgage insurance, and flood insurance if applicable to the loan.

## **FEDERAL TAX RETURN**

A Tax Return Transcript or Record of Account are acceptable alternatives to the actual returns. These must be obtained from the IRS. An Account Transcript is not an acceptable alternative as it provides only limited information. IRS tax forms (1040, 1040A, 1040EZ) are to be signed on the signature line provided, alternative documentation used to confirm tax information must be signed by the borrower(s) on first page only. Complete returns include all schedules with W2's. Loans submitted for approval after April 15 must be accompanied by the previous year's federal tax return. Extensions for the filing of the tax return with the IRS are not acceptable. The Fund will not proceed with the loan until the required tax returns are filed with the IRS. Tax transcripts may also be required in these cases for verification of filing. When the previous year's federal return is available prior to April 15, it should be included in the loan package.

**Qualifying Purposes** – Personal federal tax returns for the previous two years are required for calculation of income if the applicant is self-employed. Other employment situations following Fannie Mae guidelines or FHA, VA, or RD if applicable may also require tax returns (commissioned, employed by family, trust, rental, etc.). If a slow or declining economy exists, tax returns for the current year will be required prior to IRS's April 15<sup>th</sup> filing date. Tax returns are to be signed on the signature line and include all forms and supporting schedules. In most instances, applicants will be required to provide two years' business tax returns also to further support their income.

*NOTE* – Copies of State Tax Returns are not required and should never be submitted.

## **FORMS**

Each program loan must be executed on forms approved by the Fund, and by Fannie Mae, FHA, VA, and RD where appropriate. The forms specific to the Fund are available on our website at [www.wvhdf.com](http://www.wvhdf.com).

## **HOMEOWNERSHIP EDUCATION**

On all loans delivered to WVHDF, at least one borrower signing the Note must complete the HomeView Homeownership Education course with the Certificate of Completion provided as evidence of fulfillment.

A link to the HomeView online course can be found on our "Lending Partners" website and must be used to avoid a cost to the borrower. Should the presence of a disability, lack of Internet access, or other issues prohibit online completion, please refer to Fannie Mae selling guide for additional instructions.

On government-insured loans, requirements per the agency may vary. Lenders should follow the insuring agency's guidelines or their DE Underwriter's recommendation for homeownership

education requirements. At a minimum, at least one borrower signing the Note must complete a Homeownership Education course.

### **INCOME LIMITS**

There are no income limits on these loans.

### **MORTGAGE INSURANCE**

Conventional loans that exceed 80% loan to value (LTV) based on the lesser of sales price or appraised value must carry private mortgage insurance coverage provided by a Fannie Mae approved company. Acceptable providers are listed on Fannie Mae's website at [www.efanniemae.com](http://www.efanniemae.com). This insurance is obtained under the Participating Lender's name and then assigned to the Fund.

FHA, VA, or RD loans are required to have the appropriate default insurance as provided by those agencies. Lenders are responsible for providing the insuring agency with correct and current information and for obtaining an enforceable certificate with no outstanding conditions at the time of closing.

Conventional, insured loans require the following coverage amounts:

- 95.01% - 97.00% LTV            18% coverage
- 90.01% - 95.00% LTV            16% coverage
- 85.01% - 90.00% LTV            12% coverage
- 80.01% - 85.00% LTV            6% coverage
- 0.00% - 80.00% LTV            0% coverage

Note that special programs that may be offered from time to time can require higher coverage amounts, which will be disclosed in the program summaries provided as available.

### **PERSONAL PROPERTY**

Personal property other than appliances must have a value provided by a person/company with acceptable credentials. Personal property cannot be included in financing of real estate property and is considered a sales concession. Follow FNMA guidelines for calculating LTV/CLTV. If the sales contract is renegotiated to remove personal property, value of items must still be provided with expectation of sale price being lowered by same amount. Refer to Acquisition Cost for guidelines specific to the Veterans' Home Loan Program.

### **POWER OF ATTORNEY**

Power of attorney (POA) documentation may be acceptable when the parties to the transaction are unavailable to execute the closing documentation. The responsibility for ensuring that the

POA properly allows for the sale and/or purchase of real estate and incurring debt on behalf of the party shall reside with the lender and their closing attorney.

On loans in which the Fund is the underwriter, the POA for the buyer must also be provided to the underwriter as a prior to closing condition.

All POA documents utilized (both buyer and seller) to facilitate the transaction must be recorded and a copy of the recorded document must be submitted in the final loan documentation submitted to the Fund.

### **PRE-APPROVALS**

Pre-Approval submissions are available for participating, non-delegated lenders. This review is offered only on conventional transactions. In PowerLender, registration is required using TBD as the property address, the “Register (Do not lock)” box should be selected in the Lock A Rate section, and the page should be saved. Users *should not* click the “Submit Lock Request” button for Pre-Approvals.

Submit the following documents through the Portal using the PL – Initial UW Submission delivery option:

- A fully completed and signed 1003 with TBD as property address.
- Credit Report:
  - Must be issued by Factual Data
  - Cannot have been reissued through any AUS or other system prior to coming to the Fund.
  - Must be a tri-merged report.
  - No other credit documents will be reviewed and should not be submitted.

Upon the Fund receiving an Approve/Eligible finding through DU, a pre-approval letter will be issued to the lender conditional to satisfactory verification of information on the application and the DU Findings. This pre-approval will expire after 30 days and changes in the rates, product eligibility as well as changes in the borrower’s information may affect approval.

Lenders are encouraged to accurately disclose this information to the borrower. The pre-approval letter is to the lender and may not be forwarded to the borrower.

Upon receipt of a signed sales contract, the lender will update loan information in the Fund’s registration system. The updated, signed 1003 should be submitted as a new submission to underwriting, using the same loan number. This is the one exception to uploading a second time to the PL- Initial UW Submission in the portal delivery.

## **UNDERWRITING FEES**

On all loans, the underwriting fee payable to the Fund is \$145.  
On delegated underwriting loans, there is no Fund underwriting fee.

## **CHAPTER 4**

### **DOCUMENT DELIVERY**

#### **LENDER PORTAL**

Lenders are required to upload files electronically through WVHDF's Document Upload Portal called VirPack. For Multi-function devices and scanners, the below settings will need to be made standard so that the quality of scanned files is optimal:

- 300 dpi
- Black & white (not grayscale as that will create significantly larger image files)
- Auto-Sense Page Size or different size pages
- TIFF Images
- No Page Scaling
- Do not compress and zip files

If you have any questions, please contact your technical support staff.

Each Lender will be required to designate a Portal Administrator who will approve and manage lenders users for the lender portal. This portal is to deliver documents to the Fund in a paperless manner. Once the Administrator has been set up by Fund personnel, the lender's staff may begin to self-register via our website [www.wvhdf.com](http://www.wvhdf.com) > Lending Partners > Document Delivery > Document Upload Portal > Not a Member? Register Here. Information must be fully completed, and users must provide the Group Request Token provided by their Administrator. The VirPack Originator Portal 3.2 User Manual is available on our website under Document Delivery.

For purposes of this portal, only the loan for the 1<sup>st</sup> Deed of Trust will be used. The loan for the 2<sup>nd</sup> Deed of Trust should never be selected. This includes the request for documents and funding of the 2<sup>nd</sup> Deed of Trust; these are to be requested using the loan number of the 1<sup>st</sup> Deed of Trust loan.

Portal Options are below:

Underwriting Compliance Sheet

Delegated underwriters are no longer required to send in a compliance sheet. This upload option is now used only to send in the FHA Award Letter request.

Initial UW Submission	For submission of <i>initial</i> underwriting review only – subsequent conditions are to be sent through different option.
Underwriting PTCs	Prior to closing conditions use this option to delivery to the underwriter.
Appraisal	The original appraisal report in color form must be sent in pdf form to this option. Compliance reports may also be uploaded to this option when color photos are being sent. All other supporting collateral documents should be sent with Underwriting PTCs.
2 <sup>nd</sup> DOT Requests	To request early OR closing disclosures/documents on our 2 <sup>nd</sup> Deed of Trust (LDHL) loan.
Funding Requests Closed Loan Package	Use this option to request funds for the 2 <sup>nd</sup> Deed of Trust Delegated Lenders -will upload the entire file <i>except</i> for the appraisal (both underwriting & closed package). Non-Delegated Lenders-Conventional loans – will upload the initial disclosures with the closed loan package. (The underwriting file with appraisal will already have been received and should not be resent.) Non-Delegated Lenders-Government loans – the remaining portion of the underwriting file, initial disclosures along with the closed loan file. (The Federal Compliance file and appraisal should not be resent.)
Post-Closing Conditions QC Conditions	All post-closing (deferred) conditions. Any items requested as a result of a Quality Control (QC) review (Pre-Fund or post-closing)

Documents will be returned from the Fund to the lender as a Download through the Lender Portal. An email notification will be sent to all persons who have uploaded documents on the particular loan.

Reminders:

- Always load documents to the correct, WVDHF loan number.
- The appraisal must be sent separate from the file in original/color pdf form using the appraisal option.
- Scan and upload documents in black & white except for the appraisal.
- Do not upload duplicates, ineligible copies and additional documentation not required. When sending in original documents, scan, and upload prior to mailing.

See Exhibit A, Lender Portal Quick Reference, p. 45.

## CHAPTER 5

### LOAN LOCK IN POLICIES AND PROCEDURES

Loans may be locked by Participating Lenders for specific programs, applicants, and properties. The interest rate is locked after loan application and the lender has determined that the borrower meets the eligibility requirements and guidelines for the loan program. The Participating Lender may request changes, extensions, and cancellations through our lock system, PowerLender. Video tutorials for PowerLender are found on the PowerLender launch page and our Lending Partners website for your continued use.

#### **LOCK PERIOD**

The Fund offers rate locks of 60 days for existing home purchases and 180-days for new construction. Lenders may use a 60-day lock on new construction provided the loan closes within that time or the lock is subject to our normal lock extension policies. See full policy on 180-day locks, below. If the rate lock expires prior to the loan closing, generally borrowers will be required to accept the worst-case scenario. For example, if rates have fallen, the rate will be extended at the current rate. If rates have increased, the rate lock must be extended at the higher rate. Generally, the only exceptions offered to this policy are when the Fund can be shown to have contributed to a delay in the loan closing. Locks should not be cancelled and re-locked as a way to provide an improved rate. Locks for the same applicant(s) and property must observe a “sit-out” period of 30 days after cancellation before re-locking. Additionally, the Fund will not accept locks if the applicant(s) and property are already locked with WVHDF through another lender for the sole purpose of improving the rate, until a 30-day “sit-out” period is observed. If a property has an expired rate lock (less than 30 days), pricing for a new rate lock on the same property will be subject to worse case pricing. A change in property is considered a new transaction and will require a new loan application and rate lock with current market pricing. The original loan must be cancelled prior to locking in a new property.

**180-Day Lock Policy** – The Fund offers a rate lock of 180 days for the Veterans’ Home Loan Program to allow for the construction of a new home. To secure a 180-day lock, a fee must be paid to the Fund within 5 days of requesting the loan reservation. The fee is 1% of the 1<sup>st</sup> mortgage amount not to exceed \$2000.00. For example, if the loan amount is \$175,000 then the required fee is \$1750.00. If the loan amount is \$275,000 then the required fee is \$2000.00. The fee can be paid by any party to the transaction and should come in the form of a check payable to WV Housing Development Fund and mailed to:

WVHDF  
Attn: SFL - Tricia Poe  
5710 MacCorkle Ave, SE  
Charleston, WV 25304

(Please also include identifying loan information – borrower name, subject property address – along with the check.) *If the fee is not received within 5 days of the reservation request, the lock will be cancelled.*

If the fee is paid by an interested party, i.e., seller or builder, as defined by Fannie Mae in B3-4.1-02 of their Selling Guide, then all guidelines of Interested Party Contributions shall apply to the payment of the fee. Please consult with your underwriter and/or the Fund as needed on this matter. If the fee is paid by the applicant, it will be necessary to properly document the sufficiency of the funds that were available to the applicant at the time the fee was paid.

For all 180-day reservations that successfully close, the fee will be refunded to the applicant and applied to the transaction at closing. To allow for adequate check processing, Lenders should contact Tricia Poe 10 days prior to closing to begin coordination of these funds being delivered to the Closing attorney. If an applicant holding a 180-day reservation has their application denied by the lender or by the Fund, the fee will be refunded to the party who paid it. Evidence of the denial by the lender must be provided to the Fund, by the lender, in order to facilitate the refund.

Any reservations that are withdrawn or expire without delivery of the loan will result in a forfeiting of the fee with no exception.

Refunds will be made to the party from which the fee was received only.

**Loan Estimate and Closing Disclosure Considerations** – The Rate Lock Fee is disclosed in Section A of the Loan Estimate as required by TRID. This fee is identified as a paid finance charge (PFC) if the fee is paid by the borrower and will reflect in the APR. Payment of this fee by Other Interested Parties to the Transaction may or may not be considered PFC's. Check with your Compliance Department/Officer for further direction.

**Float-Down Policy** – Applicants who are locked with a 180-day reservation shall have a one-time opportunity to float down their rate if interest rates decrease during their lock period under the following circumstances:

- The application must have credit approval.
- There must be a closing date scheduled no further than 30 days from the date of the request to float down.
- The current interest rate available must be at least 50 basis points lower than the locked in rate.
- A non-refundable fee of 1/4 % of the loan amount must be paid to the Fund at closing.
- The expiration date will stay the same regardless of when the float down occurs.

## **EXTENSIONS**

Extensions of 5-, 15-, and 30-days are available in PowerLender at no cost on program loans. The Fund will review all extension requests on a case-by-case basis. Generally, the Fund will grant extensions up to 30 days per loan at its current, locked rate. Under certain market conditions extensions may be unavailable and the loan will be subject to worst-case program pricing. Loans requiring multiple extensions exceeding 30 days may be subject to worst-case program pricing. Extensions are not an automatic process in PowerLender and require review; once an extension request has been submitted it will go to the lock desk for approval.

When a rate increase results in a previously approved loan to be denied due to the higher payment from the rate increase, we will consider requests to extend an existing lock on a limited basis.

## CHAPTER 6

### CLOSING DOCUMENTS AND REQUIREMENTS

All Fund loans are subject to the closing requirements contained in this chapter unless otherwise specified by a particular Fund program. Accuracy of the borrower's name, property address, and legal description must be confirmed and consistent on all documents throughout the loan file. Any inconsistencies must be legally certified and documented in the submitted loan file. All loan documents must be completed and executed in accordance with the Loan Purchase Agreement and all applicable laws, rules and/or regulations.

All underwriting conditions required by the commitment letter, conditions of the appraisal, or insurer requirements must be satisfied prior to closing.

- **UPON CLOSING, ALL WVHDF LOANS ARE IMMEDIATELY SERVICED BY THE FUND. LENDERS MUST REMIT LOAN PACKAGES TO THE FUND FOR LOAN SETUP TO ENSURE QUALITY CUSTOMER SERVICE AND SEAMLESS TRANSFER.**
  - **PARTICIPATING LENDERS SHOULD NOT INTERIM-SERVICE 1ST DoT MORTGAGES, AND IN THE CASE OF BORROWERS REMITTING PAYMENT TO THE ORIGINATING LENDER, PAYMENTS SHOULD BE SENT TO WVHDF.**
  - **AS A BEST PRACTICE, THE FUND RECOMMENDS PARTICIPATING LENDERS INCLUDE "GOODBYE LETTERS" WITHIN THEIR PACKAGES SIGNED AT CLOSING.**
- The closed loan package is to be submitted to the Fund within ten (10) calendar days after closing. Documents are to be uploaded into the Lender Portal in the "Closed Loan Package" drop down box in the order they appear under the Closed Loan Package/Post-Closing Checklist.
- Receipt of the above-mentioned documents in the prescribed time frame is vital in order to initiate accurate and timely servicing of the loan.

The following documents must be contained in the closed loan file submitted for purchase:

#### **4506-C/TAX TRANSCRIPTS/RECORDS OF ACCOUNT**

Lenders should order transcripts/records at loan origination. For QC purposes, all WVHDF loans require 2 years' transcripts/records remitted in the Closed Loan Package or supplied as a deferred document (post-closing) immediately upon receipt.

Tax Transcripts (4506-C form option "a.") or Records of Account (4506-C form option "b."), should be requested as follows:

- On all loans (proprietary products and Secondary Market),
- For each Borrower on the 1003/Note (only), and lenders are reminded,

- A two (2)-year history for each Borrower is required,
- The Transcripts/Records do not need signed/dated, and
- Lenders should ensure their own 4506-C form used to acquire the above are included in the Closed Loan Package.

### **Tax Transcripts/Records of Account Exception**

If transcripts/records were requested but not received prior to sending the Closed Loan Package, lenders should include in the package:

- Copy of the 4506-C(s) used to request the transcripts/records, and
- Evidence of the order for transcripts/records, as available. (We understand evidence for orders placed will vary by lender.)

The above exception guidance will be sufficient to satisfy the Fund’s transcript/records requirement without penalty to the lender should transcripts/records not be included within the Closed Loan Package. However, once the transcripts/records are received, they must be remitted immediately to WVHDF as “Post-Closing Conditions” in the Lender Portal.

### **TAXPAYER FIRST ACT DISCLOSURE**

Completed and signed.

### **APPRAISAL FINDINGS DETAIL REPORT (Doc File ID)**

Printout provided after the appraisal is submitted through the appropriate appraisal portal, per insurer/investor.

### **ASSIGNMENT**

The Fund is an active Mortgage Electronic Registration Systems (MERS) member. Assignments are to be executed, recorded, and submitted by only non-MERS member Participating Lenders. Please refer to the MERS section below for more information.

Closing package MUST contain a clocked copy of the fully executed Assignment (if applicable), indicating date, time, instrument number and county of recording. Original recorded document may be deferred.

### **BUILDER’S WARRANTY & CERTIFICATE**

- Newly constructed homes are subject to a Builder’s Warranty and Certificate that the structure will comply with the approved plans and specifications for a period of one year from the date of completion. In the case of a manufactured housing unit, two Builder’s Warranty and Certificates are required. The first will cover only the work performed and materials supplied by the builder (i.e., incidental to the placement and affixing of the unit

on the site). The manufacturer must provide the second Builder's Warranty on the unit itself.

- Builder warranty may be included in the construction contract, or a separate document provided by the builder.

### **CLOSING DISCLOSURE (CD)**

A fully completed Closing Disclosure executed by all parties to the transaction with all addendums is required. The Participating Lender is responsible for complying with all state and federal laws, rules, and regulations.

Borrower may not receive funds in excess of paid outside of closing (POC) items and earnest money deposit back at closing. Costs must be shown as POC to be included in allowable cash back to borrower. The Participating Lender is responsible for complying with requirements of insurer/guarantor regarding allowable fees to ensure receipt of loan guaranty certificate.

### **CLOSING DISCLOSURE (CD) FOR LOW DOWN HOME LOAN (LDHL)**

A fully completed Closing Disclosure executed by all parties to the transaction with all addendums is required. The Participating Lender is responsible for complying with all state and federal rules and regulations. The Fund must be named as the lender and the recording fee for the Deed of Trust must be disclosed. No other fees are to be charged. Any principal reduction to the LDHL must be made by check. Must meet all state and federal laws, rules, and regulations.

### **CLOSING FUNDS DUE**

This form must show breakdown of all funds collected at closing for interest and escrow and will be net funded from lender proceeds.

### **CLOSING INSTRUCTIONS**

Closing attorneys should be explicitly instructed to allow only those included on the WVHDF/lender approval to take title.

### **CREDIT REVERIFICATION/LQCC REPORT**

While the Fund has no preference as to the provider of the report received, Participating Lenders should ensure a pre-closing, soft inquiry/reverification of credit is provided in accordance with their internal compliance directives.

### **DEED**

Clocked copy of fully executed deed of conveyance.

## **DEED OF TRUST**

- MERS-compliant Deeds of Trust should be used, as applicable.
- Closing package **MUST** contain a clocked copy of the fully executed document, indicating date, time, instrument number and county of recording. Original recorded document may be deferred. The document must be on the most current West Virginia Single Family Fannie Mae/Freddie Mac Uniform Instrument and be a valid first lien on the eligible single-family dwelling being financed by the loan.
- For manufactured homes, the legal description must clearly reference the serial numbers of the units.
- Trustees may be either the Fund's (Kristin A. Shaffer, residing in Putnam County and Samme L. Gee, residing in Kanawha County), or the lender's own. When the lender's trustee is used, the trustee's complete mailing address is to be disclosed.
- Lender must be named as Beneficiary.
- Names/Signatures (only persons who hold title to the property [named on the deed] are required to sign the Deed of Trust; a spouse who is not on the deed need not sign).
- If CONDO, PUD, etc., applicable riders must be attached. Fillable Addendum is located on the Fund's website.

## **DEED OF TRUST FOR LOW DOWN HOME LOAN**

The Fund prepares and supplies all closing documents required for the Low Down Home Loan. These documents are prepared in the name of WVHDF.

Closing package **MUST** contain a clocked copy of the fully executed document, indicating date, time, instrument number and county of recording. Original recorded document may be deferred. The document must be a valid second lien on the eligible single-family dwelling being financed by the loan.

Document must be the most current West Virginia Single Family Fannie Mae/Freddie Mac Uniform Instrument with the Fund listed as the lender. The closing package is provided by the Fund at no cost to the lender upon request through the portal.

## **FINAL APPLICATION**

Final loan application reflecting all verified information must be signed by borrowers and lender at closing.

## **FLOOD DETERMINATION CERTIFICATIONS**

To comply with the National Flood Insurance Act of 1968, as amended, a life of loan Flood Determination Certification by a licensed vendor meeting Fannie Mae and transfer of mortgage holder requirements must be provided to the Fund with the closing package on all loans. The lender is responsible for the transfer of tracking notification to the Fund upon delivery of the loan

to the Fund. Flood Certifications take precedence over the appraisal or survey as the conclusive evidence of the need for flood insurance.

Flood Determination Certifications are required on all loans. If flood insurance is not available in certain flood hazard areas because the community does not participate in the National Flood Insurance Program, the Fund will not purchase mortgages secured by properties located in those areas. Review the certifications with care; the properties that are in non-participating communities appear on the Flood Determinations as “NO” not in a flood prone area.

### **FLOOD INSURANCE**

- Flood insurance is required on Flood Zone A or any Zone A subcategory. The Participating Lender is responsible for and warrants compliance with the provisions of the Flood Disaster Protection Act of 1973, as amended. If the property is identified as being in an area that requires flood insurance, the lender is required to provide the Fund with evidence that flood insurance has been obtained.
  - Flood coverage must adhere to FNMA, or government insurance standards, and must be sufficient to cover the unpaid loan balance. Deductibles must be a minimum of \$1,000.00, or if the coverage is over \$100,000.00 the deductible minimum may be \$1,250.00. The maximum deductible allowed by the Fund is \$5,000.00, however in the event of a loss, the insured is responsible out-of-pocket for losses to the extent of the deductible selected.
- Flood insurance should be a separate policy *and* premium from the hazard insurance policy.
- Application along with paid receipt will be accepted. Flood insurance coverage is not required on second deed of trust closing cost assistance loans.
  - Mortgagee must be the West Virginia Housing Development Fund or the lender, their successors and/or assignees as their interests may appear.

### **HAZARD INSURANCE**

- Basic Hazard Insurance Requirements - Each single-family dwelling (including townhouses) must be covered by a hazard insurance policy (fire and extended coverage). Hazard insurance coverage is not required on second deed of trust closing cost assistance loans.
  - A copy of the hazard insurance certificate or a copy of the declaration page of the policy must be submitted with the purchase package evidencing a policy or a binder guaranteed for a one-year period effective the date of closing.
  - Approved Insurers must be in accordance with Fannie Mae requirements.
  - Mortgagee must be shown as West Virginia Housing Development Fund or the Participating Lender, their successors and/or assignees as their interests may appear; and be shown as first lien holder position.
  - Amount of insurance required:
    - At least equal to the face amount of the 1<sup>st</sup> note, **or** to cover the face amount of the loan less site value from the appraisal. If the site value

option is used, the policy must contain replacement coverage on the dwelling and a temporary dwelling clause. This would be required to be carried for the life of the loan and the borrower must accept all policy increases.

- The deductible amount is as follows for all loans:
  - Unless a higher maximum deductible amount is required by state law, the maximum allowable deductible for a first mortgage is the higher of \$2,000 or 1% of the face amount of the policy. The deductible clause may apply to either fire, extended coverage, or both.
- Specific Hazard Policy Provisions - In addition to containing the basic terms described above, each hazard insurance policy must fulfill the following requirements:
  - Insurance policies must be sufficient in amount and scope of coverage to meet any applicable requirements of FHA, VA, RD, or private mortgage insurance company.
  - Each program loan must provide that, in the event of any near or total loss settlement on a hazard insurance policy, the Fund has the option of applying the loss settlement proceeds against the principal amount of the program loan rather than toward restoration of the property.
  - All policies of hazard insurance must contain or have attached the standard mortgagee clause customarily used in the area in which the property is located, lender's name, their successors and/or assignees as their interests may appear as the mortgagee. The policy must provide that the insurance carrier will notify the Fund at least 30 days in advance of the effective date of any cancellation, termination, or non-renewal of the policy.
- Planned Unit Development (PUD) Organization Insurance or condos must comply with Fannie Mae guidelines.

## **HEALTH DEPARTMENT**

The Fund follows FNMA, or the insuring agency guidelines on FHA, VA, and RD loans with respect to requirements for private water system and/or septic systems. *(Section condensed from prior version.)*

- If a satisfactory inspection cannot be completed prior to closing due to vacancy, an escrow must be established and administered by the lender or attorney. The seller deposits funds in escrow equal to 1 ½ times the cost of a new system designed for the individual lot. When escrowing, determine if the septic system will work on the lot size or if an aerator needs to be considered. Follow WV Department of Health and Human Resources guidelines on evaluating and approving sewage disposal systems. Once a satisfactory approval of the system is received, the escrowed funds may be released.

## **INITIAL ESCROW ACCOUNT DISCLOSURE**

The lender is required to compute, prepare, and provide the initial escrow account analysis and statement to the borrower on the date of settlement and the computation must be made by the aggregate accounting method. These escrow funds will be net funded in the funding process.

## **LOAN ESTIMATE (LE)**

A fully completed Loan Estimate executed by the borrower is required for both the first and second loan. The Participating Lender is responsible for complying with all applicable state and federal laws, rules, and regulations. The Participating Lender is responsible for complying with requirements of insurer/guarantor regarding allowable fees to ensure receipt of loan guaranty certificate.

## **MANUFACTURED HOMES**

All manufactured homes are subject to the following requirements:

- Must be legally classified as real property with the County Assessor's Office and certificate of title must be retired and documentary evidence submitted for retention in the loan file. Closing instructions to closing agents must advise the agents to ensure that this process is complete as part of the closing process and that documentary evidence is submitted to the lender for retention in the loan file. The Deed of Trust must clearly reference the manufactured units by make, model, size, and their serial number(s) within the property description along with any other information that may be required by applicable law to definitively identify the home.
- Fannie Mae Affidavit of Affixture and the Manufactured Home Rider must be completed and recorded along with the legal documents as an attachment to the Deed of Trust. Additionally, lenders must obtain an insured closing protection letter for each loan that is secured by a manufactured home.
- An ALTA Endorsement 7 is required as part of the final title policy.

## **MERS**

The Fund is an active MERS member and utilizes the service to handle both beneficiary rights and servicing transfers for all loan programs and insurance types and is applicable only to 1<sup>st</sup> Deeds of Trust. Utilization of the MERS process varies based on the lender's MERS status:

- Active MERS Participating Lenders
  - WVHDF MERS ID: 1014804
  - As the Participating Lender, you are responsible for Mortgage Identification Number (MIN) generation and registration.
  - MERS closing documents should be utilized.
  - Lenders should utilize the transfer combination of beneficiary rights *and* servicing

- The Fund will accept your MERS transfer request upon verifying we have received the documents required for loan purchase. You will receive notifications via the Lender Portal should we identify items missing prior to purchase and the transfer acceptance.
- Non-Active MERS Participating Lenders
  - A \$24.95 MERS Fee should be added to your LE and subsequent CD disclosures.
    - On WVHDF proprietary products, this charge is in addition to the total allowable costs you may pass to your customer.
    - On FNMA Secondary Market products, this charge is in addition to the total fees allowable per FNMA and state or federal laws/regulations.
  - WVHDF will net fund this fee upon purchase of the 1<sup>st</sup> DoT.
  - The Fund has revised its Assignment to coincide with our MERS activation. Our new Assignment is available on the Lending Partners page of our website.
    - The Assignment executed at closing and remitted to the Fund must include the loan's associated MIN.
      - A MIN is generated upon loan input in the Fund's registration system, PowerLender. Once in a file in PowerLender, the MIN is located at the bottom of the following page:
        - Application & Disclosure -> DATE\_APPLICATION

### **MORTGAGE INSURANCE CERTIFICATION**

The required mortgage insurance may consist of FHA insurance, a VA guaranty, an RD guarantee, or private mortgage insurance company insurance obtained from any insurer duly authorized to do business with Fannie Mae. Mortgage insurance must be confirmed by a private mortgage insurance company certificate or an FHA Insurance Commitment, RD Loan Note Guarantee or VA Loan Commitment, as appropriate. RD Loan Note Guarantee must be submitted within 15 days from the date of closing. FHA servicer/holder transfer must be completed within 15 days of closing. The insured for private mortgage must be listed as West Virginia Housing Development Fund or the participating lender, their successors and/or assignees as their interests may appear and must be included in the closing package.

### **NOTE (First Deed of Trust)**

- MERS-compliant Notes should be used, as applicable.
- The most current West Virginia Fixed Rate Single Family Fannie Mae/Freddie Mac Uniform Instrument is used for all program loans. The maximum late charge cannot exceed the lesser of 5% of the unpaid amount of the installment or \$30 under West Virginia State law.
- The original Note will reflect the originating lender's name, be endorsed to the Fund, and must be included in the closing package. The endorsement is to read "Without recourse, payable to the West Virginia Housing Development Fund," and signed by an authorized individual of the Participating Lender. Authorized individual's name, lender name and title also are to be included in the endorsement.

### **NOTE (2<sup>nd</sup> Deed of Trust – Low Down Home Loan)**

The Fund prepares and supplies all closing documents required for the LDHL. These documents are prepared in the name of WVHDF.

- The most current West Virginia Fixed Rate Single Family Fannie Mae /Freddie Mac Uniform Instrument is used for Homeownership and both Movin' Up Program programs. The maximum late charge cannot exceed the lesser of 5% of the unpaid amount of the installment or \$30 under West Virginia State law.
- Loan is closed with West Virginia Housing Development Fund as the lender and the original executed note must be in the closing package. The 2<sup>nd</sup> Note is provided in the closing package provided by the Fund at no cost to the lender upon request through the portal.

### **PAYMENT AND ESCROW INFORMATION**

Must show borrowers NEW mailing address, phone number and complete breakdown of monthly payment including principal, interest, and all escrowed items. Payment information should show first payment to be made to the Fund with the Fund mailing address.

In the event there is a delay in new loan setup by the Fund (late receipt of Closed Loan Package, missing docs needed to purchase, etc.) lenders should ALWAYS advise their customers to make their first payments to the Fund. They can be mailed to:

WVHDF  
Attention: SFL – New Loan Setup  
5710 MacCorkle Ave., SE  
Charleston, WV 25304

### **PEST INSPECTION/SOIL TREATMENT**

- Newly constructed property will always require a soil treatment on the appropriate form as required by the insurer/guarantor valid for at least one (1) year from the date of treatment. Evidence of a termite shield is acceptable when a soil treatment cannot be provided.
- A pest inspection is required on existing structures only if any one of the following criteria are met: a.) required per the mortgage insurer/guarantor, b.) required per the Appraiser, or c.) required per negotiated terms of the sales contract. The inspection should be signed by all parties and cannot be more than 90 days old at the time of closing.
- All structures on the property must be inspected. Any statements on the termite report about moisture or water in the crawl space or basement must be addressed and corrected if necessary, by a home inspection company or qualified contractor with all repairs completed prior to closing and evidence of completed repairs provided.

## **PRE-PAID INTEREST CREDITS**

Pre-paid interest credits at closing are allowed for closings occurring on the first day of the month and then only as an exception. Lenders should contact Justin Hylbert or a WVHDF Closer prior to closing to gather express consent to proceed with issuing a pre-paid interest credit.

## **QM COMPLIANCE**

Evidence of safe harbor QM compliance must be provided in the closed loan package.

## **SERVICING TRANSFER LETTER**

The lender must provide a fully executed Servicing Transfer Letter to the Fund within their Closed Loan Package.

## **SURVEY**

- Surveys are not required unless the title policy contains an exception for matters of survey, or a long-form title policy is used. ALTA 9 does not cover exceptions for general matters of current survey.
- All new construction loans require a plat or survey dated or re-dated within 90 days of the closing of the program loan, signed, **certified, and sealed** by a licensed surveyor or engineer, must be furnished on all loans, including townhouses.

The survey must show the following:

- The exact location and dimensions of the property including the improvement's location including well and septic if applicable.
- The exact location of all lot and street lines, all means of access to such property. All means of access to the property must be shown (ingress/egress).
- All recorded easements affecting the property. Building set back or restriction lines. Lot, block, section and subdivision names and reference to recordation. Scale. Driveways, well and septic field location. Utility installations. Identification of adjoining property by name or lot number.
- Lot dimensions
- Flood Map Information

## **TITLE INSURANCE POLICY**

Original formal title binder with countersignature and endorsements must be provided in closed loan package. Mortgagee Clause must contain language "its successors or assigns as their interest may appear." The binder must not be more than 90 days old at the time of closing. Original formal title policy with countersignature must be received within 90 days from closing. Short form and instant final title policies are acceptable.

- A commitment must be delivered with the purchase package, with the original policy being submitted as a deferred document. The Fund cannot accept certificates of title or title opinion letters. Each program loan must be covered by an American Land Title Association form mortgagee's title insurance policy issued by a company duly authorized and licensed to engage in such business in the State and meeting the following requirements:
  - Deed of Trust description must include the trustees' names and recording book, page, and date of the Deed of Trust and assignment of the same to the Fund.
  - Affirmative insurance must be provided that restrictive covenants have not been violated and that a future violation will not cause forfeiture or reversion of property.
  - ALTA 8.1 Environmental Endorsement is required on every loan
  - ALTA 4 endorsement is required for all condominiums
  - ALTA 5 is required for all PUD's
  - ALTA 7 is required for all Manufactured homes

The lender is responsible to ensure that the title insurance policy is based on a title search performed in accordance with applicable laws and regulations.

### **CLOSED LOAN PACKAGE**

Original Note(s) should be sent to the Fund via the Lender Portal as a digital copy **and** originals mailed to:

WVHDF  
Attn: SFL – Funding  
5710 MacCorkle Ave., SE  
Charleston, WV 25304

It is the responsibility of the lender to provide to the Fund a Closed Loan Package within ten calendar days of the signing of the Note.

Documents required for submission are listed on the Closed Loan Package/Post-Closing Checklist and include the original signed, endorsed Note, original signed Second Note (if Low Down Home Loan utilized), payment page, tax information, hazard insurance declarations, Tax Transcripts/Records of Account, Taxpayer First Act disclosure, mortgage insurance commitment, flood certification and flood insurance (if required), life of loan transfer for flood insurance, the fully executed final 1003 application, Closing Disclosures, clocked copies of the deed(s) of Trust and Assignment, final Title Commitment and other documents, as listed.

Receipt of the above-mentioned documents in the prescribed time frame is vital to initiate accurate servicing of the loan.

See Exhibit B, Closed Loan Package/Post-Closing Checklist, p. 46.

## **LOAN DELIVERY LATE FEE**

Closed loan packages, including the credit package (if not previously delivered to underwriting), must be submitted to the Fund within ten (10) calendar days of the loan closing on all loans. Loan packages not received within this period may be subject to a late fee.

**Late Delivery Fees** – Refer to the “Non-Compliance and Remedies” section in Chapter 1 of this Guide for late delivery penalties. As a reminder, specifically as delivery relates to Service Release Premium payments, lenders are advised of the following:

- The Fund may impose penalties for failure by the Participating Lender to submit required loan documents within the required time period.
  - Closed loan packages, including the complete credit package, must be submitted to the Fund within 10 calendar days of the loan closing on all loans. Loan packages not received within this period may be subject to a late fee.
- Late deferred document fees for program loans are as follows and will be deducted from future payment of fees:

○ File completed within 0-90 calendar days	N/A
○ File completed within 91-120 calendar days	.250% of loan balance
○ File completed within 121-150 calendar days	.500% of loan balance
○ File completed within 151-180 calendar days	.625% of loan balance
○ File completed over 180 calendar days	.650% of loan balance

## **CLOSING ATTORNEY SELECTION & REQUIREMENTS**

WVHDF will supply funds for the second deed of trust loan direct to the Closing Attorney. The lender must select an attorney who has their business/account information on file with the Fund for ACH purposes. However, the Fund does not have an “approved” attorney list. Please contact Single Family Lending (Funding or Closing departments) to verify an attorney’s participation status. Should the lender wish to utilize an attorney not currently on file for ACH funding, the lender should initiate the following steps:

- Provide to the attorney a copy of the Closing Attorney Application located on our website at [www.wvhdf.com](http://www.wvhdf.com). The form requests general information on the attorney’s firm and provides specific closing instructions with which the attorney must review and acknowledge.
- Provide to the attorney a Direct Deposit Sign-Up form for completion by the attorney and his/her financial institution. Submission of this form is imperative as it provides the account information where funds will be deposited.
- Obtain from the attorney a copy of his/her Closing Protection Letter issued by the attorney’s title insurance company to the Fund.
- Obtain from the attorney a copy of the declarations page from his/her professional liability insurance.

The above forms and documents should be forwarded to the funder via email. Within 48 hours, the application will be reviewed for accuracy and the attorney will be added to the ACH list. Once added, the Closing Attorney may be used for any future closing by any Participating Lender.

It is the attorney's responsibility to notify the Fund of any changes to their funding account information and provide updated document(s) to allow for verification prior to any fundings.

## **CHAPTER 7**

### **LOAN PURCHASE (FUNDING) PROCESS**

The Participating Lender will utilize their own funds for closing of the loan for the first deed of trust with reimbursement from the Fund following closing and submission of the closed loan file through the Lender Portal with required original documents delivered directly to the Fund.

The Participating Lender may proceed with closing after the loan is approved and cleared for funding by the Fund's underwriter. Interest and escrow due at closing will be net funded from the loan proceeds and the balance will be delivered via the ACH process (at no charge) to the lender. Lenders requesting proceeds be wired will be charged a \$25.00 wire fee and only one wiring source may be utilized for wire service. Confirmation of funding will be returned as a download through the Lender Portal on the day of loan purchase (funding).

WVHDF will supply funds for the second deed of trust loan direct to the Closing Attorney.

#### **PROCEEDS DIRECT FROM THE FUND FOR LDHL ONLY**

The lender must request funds for the LDHL through the Lender Portal using the Funding Request Form found on our website. All lenders must use this procedure to order closing funds for any LDHL. The form provides the borrower's name, date of closing, amount requested, attorney being utilized and the lender to be contacted for confirmation. Funding requests must be submitted no later than 2:00 p.m., the business day prior to the scheduled closing. All late and/or same day Funding requests will be assessed a late fee of \$100.00 to be deducted from the Origination Fee paid at Funding (purchase) of the 1<sup>st</sup> DoT.

On the business day prior to the date of closing, a Funding Confirmation form will be sent via the Lender Portal within the applicable 1st DoT loan number.

## **LOAN PURCHASE**

Within ten calendar days of closing, the lender must submit to the Fund a Closed Loan Package (per the Closed Loan Package/Post-Closing Checklist). Upon receipt of the Closed Loan Package, and verification all mandatory, initial docs are received, WVHDF will issue a Purchase Advice via the Lender Portal within the applicable 1st DoT loan number. The Purchase Advice will include net funded amounts applied to each loan.

The Fund will reimburse the lender the amount of the first deed of trust, origination fees and daily interest accrued from the date of closing to the date of receipt at our office in Charleston, WV. The participating lender will be provided a breakdown of these amounts via a Purchase Advice. The confirmation details the total amount sent, including any adjustments for origination, late wire fees, underwriting fees, and the interest rate to be reflected on the first Deed of Trust Note, with the net funded amount for the interest due and escrow set up.

The following documents must be received to initiate the Loan Purchase process:

- Original signed, endorsed first Note,
- Original signed, endorsed second Note (if LDHL loan utilized),
- Safe Harbor/QM Report (showing “pass”)
- Final, signed 1<sup>st</sup> DoT Closing Disclosure (CD)

After receipt and review of the Closed Loan Package, if mandatory purchase documents are missing or incorrect, the Fund will issue a Loan Purchase Conditions notice noting any missing documents or corrections needed. Lenders may view loans with purchase needs by clicking the “Loan Purchase Conditions” link in PowerLender. Lenders are expected to remit these documents as “Funding Requests” through the Lender Portal. Failure to do so in a timely manner will delay loan purchase.

The Note(s) must be delivered to the Fund by mail or express mail. They should also be added to the digital file via the Lender Portal.

## CHAPTER 8

### DEFERRED DOCUMENT PROCEDURES

Upon submission of the complete closed loan package, the Fund will review select documents within the file for completeness and accuracy. A “Post-Closing Conditions” report for each loan will be issued. An e-mail notification will be sent and these reports can be viewed in PowerLender using the Post-Closing Conditions link. After conditions are reviewed, reports will be updated with the lender notified as detailed above.

The “Post-Closing Conditions” report will indicate the select documents that are outstanding by a date. Comments will indicate necessary corrections needed to bring the loan into compliance with our program guidelines. Lender review of this report, and execution of the required corrections prior to submission of the post-closing documents, will eliminate time delays in the payment of the lender’s Service Release Premiums.

**Post-Closing Documents** – Acceptable post-closing documents include a clocked copy of the original or the original recorded Deed(s) of Trust, a clocked copy or the original recorded Assignment, the Final Title Policy and any Endorsements required, and any other documents requested on the “Closed Document Tracking” report. Insurance certificates for FHA, VA and RD loans also will typically be deferred documents.

**Fees for the Late Submission of Post-Closing Documents** - For all program loans the Service Release premium will not be paid until all post-closing documents are received and verified to be correct. For all loans that are not complete (all documents received and verified to be correct) within 90 days of closing, late delivery fees apply.

**Monthly Post-Closing Document Reports** - Reports showing the outstanding post-closing documents for each loan will be downloaded through the Lender Portal after review. It is imperative that lenders evaluate these reports and monitor the submission of their post-closing documents to avoid late fees or repurchases.

#### **SUBMISSION OF DEFERRED DOCUMENTS**

ALL deferred documents are required to be received by the Fund in complete and correct form NO LATER than 90 days past the loan closing date. Lenders are requested to submit deferred documents as they are received and should be remitted via the Lender Portal as a “Post-Closing Conditions” upload.

## **CHAPTER 9**

### **QUALITY CONTROL**

The Fund will perform Quality Control reviews on a monthly basis through a random and discretionary selection process. The Participating Lender will be notified of any defects and will assist the Fund as needed to mitigate loan level defects. The Participating Lender will submit any loan level documentation requested by the Fund to clear necessary defects.

If at any time during the life of a mortgage loan a Quality Control review reveals the Participating Lender has failed to clear an outstanding issue or any material defect or inaccuracy cannot be resolved to the satisfaction of the Fund, the Participating Lender may be required to re-purchase the Mortgage Loan from the Fund as outlined in the Loan Purchase Agreement.

The Fund will also perform monthly pre-purchase reviews on select loans. Participating Lenders will be notified of any findings and must provide responses through the Lender Portal via the QC Conditions delivery option. All loans selected for pre-purchase review must be cleared by the Fund's Quality Control Department prior to purchase.

## EXHIBIT A – LENDER PORTAL QUICK REFERENCE

WVHDF LENDER PORTAL QUICK-REFERENCE GUIDE		Request/Action	Required Form	Portal Drop-Down Selection
<b>Origination/Processing</b>	Initial, 2nd DoT LE	Down Payment & Closing Cost Assistance Request Form	"1st DoT Requests"	
	2nd DoT LE Redisclosure	Down Payment & Closing Cost Assistance Request Form	"2nd DoT Requests"	
	First Submission for UW Review	N/A	"Initial UW Submission"	
	Subsequent LW Submission/UW Conditions	N/A	"Underwriting PFCs"	
<b>Underwriting</b>	Appraisal Submission	N/A	"Appraisals"	
	FHA Award Letter	FHA Award Letter Request	"Underwriting Compliance Sheet"	
<b>Closing/Funding</b>	2nd DoT CD and Closing Docs	Down Payment & Closing Cost Assistance Request Form	"2nd DoT Requests"	
	2nd DoT Funds for Closing	Funding Request	"Funding Requests"	
	Closed Loan Package Submission	Closed Loan Package Checklist	"Closed Loan Package"	
<b>Post-Closing</b>	Loan Purchase Missing Docs Submission	N/A	"Funding Requests"	
	Deferred/Trailing Docs Submission	N/A	"Post-Closing Conditions"	
<b>Quality Control</b>	Pre-Fund or Post-Closing QC Docs Submission	N/A	"QC Conditions"	

**Reminders**

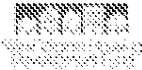
- Appraisals must be uploaded separately in original, color .pdf format. Always use the "Appraisals" drop-down selection to submit.
- All other files should be in black & white, .pdf format.
- Closed Loan Packages:
  - Delegated Lenders - Submit entire loan file, including full UW package, minus Appraisal and those items sent for compliance review.
  - Non-Delegated Lenders - Submit entire loan file, minus Appraisal and documents previously submitted for UW review.
- Incorrect upload submissions may impact response times.

Upload Panel File Icon Legend
Submitted/Correct
Not Submitted/Processing or Error

Issues or Questions? Contact Justin Hybert, jhybert@wvhdf.com or (304) 391-8577.

10/2023

## EXHIBIT B – CLOSED LOAN PACKAGE/POST-CLOSING CHECKLIST



### WVHDF CLOSED LOAN PACKAGE CHECKLIST

Packages must be remitted via the Lender Portal using the WVHDF loan number and sent using "CLOSED LOAN PACKAGE" upload option

Reminder: WVHDF is the end Holder/Service. We must have a complete loan file.

Borrower(s) \_\_\_\_\_  
 WVHDF Loan # \_\_\_\_\_  
 Closing Date: \_\_\_\_\_  
 Loan Amount: \$ \_\_\_\_\_

Lender: \_\_\_\_\_  
 Contact Person: \_\_\_\_\_  
 Contact E-mail: \_\_\_\_\_

#### COMPLETE Initial Application & Disclosures

Fully completed/executed initial 1003  
 w/all addendums  
 1<sup>st</sup> & 2<sup>nd</sup> Loan Estimate  
 w/all redisclosures & change of circumstance  
 All Initial Disclosures  
 Including all Government disclosures/notices  
 Customer Identification  
 LSP/GSA list  
 Application/Seller Affidavits (Homeownership Only)  
 Sales Contract w/all addendums (PURCHASE)

#### COMPLETE Underwriting & Credit File

Final AUS Findings (DU or GUS)  
 Underwriter Approval  
 (Government loans-Docs w/DE UW signature)  
 All Employment/Income Docs  
 All Asset documents for funds to close  
 Credit/Liability documentation  
 Homeowners Education Certificate  
 Tax Return (1 yr Homeownership – if applicable)  
 Mortgage Insurance (as applicable)  
 All Government documents  
 Appraisal  
 UCOP (conventional loans only)  
 Final Compliance &/or other inspections  
 Condo/PUD approvals/documents (as applicable)  
 Other Docs as applicable

#### Closing & Legal Documents

Fully completed/executed final 1003  
 w/all addendums  
 Hazard/Homeownership Insurance  
 Flood Insurance (if applicable)  
 Flood Cert Life of Loan Transfer to WVHDF  
 Pest Inspection (if applicable)  
 All Closing Disclosures (incl. misc. government docs)  
 First Payment & Escrow info Form  
 Closing Disclosures (1<sup>st</sup> & 2<sup>nd</sup> DoT)  
 w/all addendums/certificates  
 Right of Recision (if applicable)  
 1<sup>st</sup> & 2<sup>nd</sup> Deeds of Trust (signed copy in closed pkg)  
 Recorded/Clocked 1<sup>st</sup> & 2<sup>nd</sup> Deeds of Trust (legible stamp)  
 Recorded Assignment if non-MOM (website)  
 Title Commitment  
 Final Title Policy (& endorsements as applicable)  
 Tax Transcripts (prior 2 years)  
 Initial Fees worksheet  
 Evidence Upfront MIP has been pd w/in 10 days  
 FHA Case # Assignment  
 CA/VRs (if applicable)  
 Final Insurance/Guarantee Certificates (PMI, FHA, USDA, VA)  
 (FHA-MIC, USDA-Final Note Guarantee, VA-Loan Guaranty)  
 Current tax ticket for subject property  
 Evidence of Service Transfer  
 Evidence of upfront MIP payment  
 1<sup>st</sup> & 2<sup>nd</sup> Notes (Original, endorsed)  
 Valid Safe Harbor/DRI Findings  
 NEXUS Services/Holder transfer  
 FNMA UCD (must include final DU 1003, Member Lsp/Secondary)

Documents in RED are required prior to the final issuing loan package.

Government-insured and Delegated Underwriting lenders: Please ensure you provide a complete file, to include full Initial Application & Disclosures, Underwriting & Credit File and Closing & Legal Documents.

ALL insurance docs (Homeowners, Title, Flood, Government, PMI, etc.) should reflect WVHDF or ATIMA language as mortgagee.

**\*\*\*ONLY THE ORIGINAL NOTE(S) ARE TO BE MAILED IN. ALL OTHER DOCUMENTS ARE TO BE UPLOADED VIA THE LENDER PORTAL. \*\*\*** (Deeds of Trust/clocked docs must have legible recording stamp)