

Conference call in number for Webinar

1-800-992-0185

code 3752212#

INTRODUCING H2O! HELPING TO OWN

BENEFIT OF THIS PRODUCT

First-time homebuyers now have the opportunity to receive combined benefits of a below-market interest rate **AND** down payment assistance through the H2O program

- First-time homebuyers only, *unless purchasing in a Targeted area*
- FHA 30-year fixed loans only
- Rates set daily
- 100% financing
- Down Payment Assistance (DPA) **grant** of 3.5%, **does not have to be re-paid**
- Program Income limits apply
- Minimum credit score of 660

- 60-day lock
- Participating Lenders can only charge 1% origination fee plus \$1,000 in normal and customary fees, regardless of who pays these fees
- Rider must be attached to the first mortgage
- Recapture Tax applicable
- \$100, non-refundable, reservation fee
- US Bank, Master Servicer
- Cannot be combined with the MCC program

The 2016 Mortgage Origination and Sales Agreement (MOSA) (<http://www.in.gov/ihcda/homeownership/2352.htm>) as well as the Program Guide (<http://www.in.gov/ihcda/homeownership/2354.htm>) for H2O can be found on IHCDA's website

NEW DOCUMENT!!

NEW - IHCD A BORROWER APPLICATION

On all loans **reserved on or after June 6, 2016**, the Universal All document will be switched to the “*Indiana Housing and Community Development Authority’s Homeownership Mortgagor(s) Informational Certificate*”, which will also be known as the “Info Certificate”. This informational certificate is for the mortgagor/co-mortgagor, only, and obtains only pertinent information to the loan.

This document will not require the participating lender to complete any information unless the mortgagor/co-mortgagor has not filed taxes within the last three (3) years and/or the loan is closing between January 1st and April 15th of the current year. The Info Certificate will also only require the borrower to sign verifying they have received the info certificate. IHCD A will not require an original signature on this document

The info certificate will be used on all IHCDA Homeownership programs that are reserved on and after the June 6th date. Any loans with a reservation date prior to the effective date above will continue to follow the previous guidelines and will use the Universal All document.

If the mortgagor/co-mortgagor receives down payment assistance (DPA or Grant) through the H2O or Next Home programs, they will still be required to complete and sign the IHCDA Gift Letter Information document.

NEW – Original Signatures

On all loans **reserved on or after June 6, 2016**, IHCDA will no longer require original signatures from any/all parties. All documents received by IHCDA will be allowed to be copied signatures.

Any loans with a reservation date prior to the effective date above will continue to follow the previous guidelines and IHCDA will still receive original (wet) signatures, from all parties, on the Universal All and IHCDA Gift Letter Information documents

NEW – Submission of Closing Packages

On all loans **reserved on or after June 6, 2016**, IHCDA will begin accepting electronic submissions of the closing package. Until the IHSF paperless system is released, lenders will be allowed to email full closing packages to Homeownershipdocs@ihcda.in.gov.

Any loans with a reservation date prior to the effective date above will continue to follow the previous guidelines and mail/FedEx/UPS full closing packages to IHCDA at;

IHCDA attn.: Homeownership
30 South Meridian Street, Suite 1000
Indianapolis, IN 46204

REMINDER

BRICK

What is Brick?

Due to the overwhelming response from Lenders to be able to email us your application and closing documents, IHEDA wants to assure you that your borrowers information is not being jeopardized and is secure. Brick is an encrypted site that we will use in order to continue providing the best service available.

Beginning July 5th, 2016 you will be able to upload your docs directly through BRICK!

Each user within your office will need to email Marquet Smith at msmith@iheda.in.gov

Marquet will issue a username and password. It will be up to the lender to manage the user name and password and share with your staff.

More information will be forthcoming prior to the launch date.

Underwriting 2016

A review of new processes and procedures

New Highlights

- **Using Qualifying Income based off of the 1003 FOR BORROWER/CO-BORROWER ONLY**
 - Sources of Income must match on 1003 & All document
 - Paystubs are no longer required
 - May be requested if there is a discrepancy
 - For program qualification, Lender will only use qualifying income on the 1003
- **3-Years Tax Transcripts are only required on MCC, Next Home/MCC Combo, Affordable Home and My Home/MCC Combo loans and H2O**
 - Tax Transcripts are no longer required on the stand-alone products of Next Home and My Home
- **Multi-unit dwellings of 1 unit or 2-4 unit dwellings are now acceptable**
 - Loans must be underwritten to all Fannie, Freddie and Ginnie specifications
 - One unit must be occupied by the mortgagor of the units
 - The units were first occupied at least five years before the mortgage (but not necessarily occupied on the date hereof) **MCC-linked mortgages ONLY**
 - If the dwelling is located in a Targeted-Area, the above guideline does not apply if the mortgagor income meets the applicable income requirements

New Highlights ... continued

- Lender will submit, via email, the “Homeownership Affidavit” and Frame Work Certificate (if applicable) once the loan is reserved for IHEDA approval
 - Homeownershipdocs@iheda.in.gov
- Lender will submit a full package after the loan has closed with all required documents completed and signed for final approval
 - IHEDA Closing Package Checklist will be used as a guide by the lender for submitting the proper documentation

What Underwriting Criteria will IHEDA use?

1. Qualifying Income on 1003
2. Sources of Income on All
3. Income Limits
4. Purchase Price Limits, when applicable
5. First-time homebuyer, when applicable
6. Purchase Price cannot exceed appraised value, except on MCC stand-alone program
7. Dwelling must be one (1) parcel on MCC attached programs & Affordable Home, H20 ONLY
 - Next Home & My Home stand-alone programs are exempt from this guideline

Qualifying Income - EXAMPLE

V. MONTHLY INCOME AND COMBINED HOUSING EXPENSE INFORMATION						
Gross Monthly Income	Borrower	Co-Borrower	Total	Combined Monthly Housing Expense	Present	Proposed
Base Empl. Income*	\$ 2,887.73		\$ 2,887.73	Rent	\$ 0.00	
Overtime				First Mortgage (P&I)		\$ 572.13
Bonuses				Other Financing (P&I)		
Commissions				Hazard Insurance		81.83
Dividends/Interest				Real Estate Taxes		64.92
Net Rental Income				Mortgage Insurance		78.03
Other (before completing, see the notice in "describe other income," below)				Homeowner Assn. Dues		10.41
Other:						
Total	\$ 2,887.73		\$ 2,887.73	Total	\$ 0.00	\$ 807.32

* Self Employed Borrower(s) may be required to provide additional documentation such as tax returns and financial statements.

B/C	Describe Other Income	Notice: Allimony, child support, or separate maintenance income need not be revealed if the Borrower (B) or Co-Borrower (C) does not choose to have it considered for repaying this loan.	Monthly Amount
			\$

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SOURCE(S) OF INCOME AFFIDAVIT

CHECK ALL SOURCES THAT APPLY

Income will be determined for Mortgagor and Co-Mortgagor(s) only based off Gross Annual Income provided on the Uniform Residential Loan Application (URLA Form 1003) Sources of income checked below must match Mortgagor/Co-Mortgagor's income as disclosed on the "Uniform Residential Loan Application (URLA Form 1003) Affidavit"

"Gross Annual Income" is defined in the Indiana Housing and Community Development Authority Next Home Program Guide.

Mortgagor/Co-Mortgagor's Gross Annual Income includes:

- Base Employment Income
- Overtime
- Bonuses
- Commissions
- Dividends/Interest
- Net Rental Income
- Other Pay

THE APPLICATION PACKAGE

1. Lender submits reservation fee via:
2. Lender makes reservation in IHSF
 1. ACH (ACH account number and routing number is given to Lender only after a signed MOSA is approved)
 2. Mails Certified check/Lender check/money order to IHCDA. If sending checks/money orders you must submit the IHCDA Invoice along with the fee. The IHCDA Invoice is located in the Loan Documents section of the IHSF system (personal checks are not accepted).
3. Lender emails the IHCDA Homeownership Affidavit and the Frame Work homeownership training certificate
4. If applicable, \$75 Frame Work fee is only refunded, via the DPA wire, under the NH or NH/MCC programs if the certificate is submitted with the Affidavit at application
5. Lender to check IHSF system for status of loan within **24 business hours**
6. Upon “Committed Approval” status
 1. Lender requests DPA funds to be wired (if applicable)
 2. Requests should be made no more than 3 business days before closing but must allow **48 business hours** for wire to be received
7. Lender closes the loan

Fees

Reservation Fees

made payable by ACH, lender check, cashiers check or money order

\$100.00

Next Home, Next Home with MCC combo, Affordable Home, MY Home and MY Home with MCC combo, H20

\$500.00

MCC stand-alone

Extension Fees

MCC stand-alone

Due if the commitment date expires prior to the loan receiving **final approval from IHCD

30-day extension only, .25% of the final loan amount **made payable to IHCD** (this fee cannot be paid by the borrower)

Next Home, Next Home with MCC combo, Affordable Home, MY Home & MY Home with MCC combo, H20

Extension must be requested if the commitment date expires prior to the loan being **purchased by US Bank

Extension options:

ExtensionRequests@ihcda.in.gov

Rate Lock Extension

7 days
15 days
22 days
30 days

Extension fee

.09375
.18750
.28125
.37500

Choices can be singular or a combination.



Indiana Housing & Community Development Authority

THE CLOSING PACKAGE

1. Lender closes the loan
2. Lender submits closing package via mail
 1. Final 1003, copy signed by Mortgagor and Loan Originator
 2. Info certificate
 3. 3 years tax transcripts (if applicable)
 4. Full Purchase Agreement/Counters/Amendments, copy fully signed
 5. Appraisal
 6. Final Closing Disclosure, copy Mortgagor(s) signed
 7. IHEDA Second Mortgage, copy signed (if applicable)
 8. IHEDA Promissory Note, copy signed (if applicable)
 9. First page of Mortgage, copy (MCC stand-alone ONLY)
 10. Mortgage Note, copy (MCC stand-alone ONLY)
 11. IHEDA Mortgage Rider, copy (Affordable Home ONLY & H2O)
3. Loan receives final approval

MAILING ADDRESS

IHEDA

Attn: Homeownership

30 South Meridian Street, Suite 1000

Indianapolis, Indiana 46204



Indiana Housing & Community Development Authority

THE CLOSING PACKAGE

Closing Package Documentation	Next Home	Next Home MCC	MCC	Affordable Home	My Home	My Home MCC	H2O
Final signed 1003 (copy)	X	X	X	X	X	X	X
Final signed ALL (copy)	X	X	X	X	X	X	X
3 years tax transcripts		X	X	X		X	X
Signed purchase agreement	X	X	X	X	X	X	X
Appraisal	X	X	X	X	X	X	X
Signed Closing Disclosure (copy)	X	X	X	X	X	X	X
Signed IHCDA Second Mortgage (copy)	X	X					
Signed IHCDA Promissory Note (copy)	X	X					
First page of Mortgage (copy)			X				
Mortgage Note (copy)			X				
Signed IHCDA Rider (copy)				X			X

Reminders

- Loan must have final approval from IHCDA **AND** purchased by US Bank before commitment expiration date.
- MCC stand-alone loans must be submitted within 30 days from closing and receive final approval from IHCDA by the date of commitment expiration.
- Check the mortgagor/co-mortgagor qualifying sources of income on the 1003 with what is checked on the All document. It is very important that these sources of qualifying income **MATCH**.
- Look at all aspects of the file on items that are listed on the “Homeownership Affidavit” to help verify the loan will be in compliance with IHCDA guidelines.

The Good, The Bad and The Ugly!

Pros

Quick turnaround time on applications

Less mailing costs to lenders

Mortgagor/Co-Mortgagor who can reserve and close within days

IHCDA & Lender first-time approvals improve

Cons

New processes leads to a huge training curve – It is important that all staff members touching IHCDA loans are fully versed in the new processes

**Review of the
“IHCDA Homeownership Affidavit”
and
“Informational Cert” documents**

DPA Disbursement

DOWN PAYMENT ASSISTANCE – SET UP

- In “Reservation/Loan Status screen” loan must be in the stage “Committed – Approved”
- Click the “DPA Funding Request” box to set up the DPA disbursement
- Choose your Organization from the drop down arrow
- ON LEFT SIDE ENTER: “DPA FUNDS PAID TO”
 - Title Company name
 - Address
 - ABA Number (Routing number)
 - Account Number

DPA Funding Request - Current Workflow Step Name = Request Submitted

Wiring Instructions

DPA Funds Paid To

Organization

Title Company

Address

City

State Zip Code -

ABA Number

Account Number

DPA Funds Paid To

Complete the DPA Funds Paid To with the name, address, ABA number and Account number of the organization the second mortgage funds will be paid to. This will typically be the title company.

Bank

Send Purchase Confirmation To

Complete Name of person to contact.

Complete at least one of: Mailing Address, Fax, Telephone or Email for purchase confirmation

Send Purchase Confirmation To

Name

Mailing Address

Same as Bank Information

Name

Address

City

State Zip Code -

Fax

Number

Telephone

Number Ext.

Email

Address

Rescind Submit Request Save Close

SET UP (CONTINUED...)

- ON RIGHT SIDE ENTER: “SEND PURCHASE CONFIRMATION TO”
 - Name
- MAILING ADDRESS: ENTER (suggested DO NOT check box)
 - Bank Name
 - Address
- ** If you check the box it will prefill the same information that was entered on the left side aka the title company information
- FAX: N/A
- TELEPHONE: enter contact number of person who requested the DPA funds
- EMAIL: enter name of person to whom confirmation is to be sent
- ** Be sure to check your junk folder if no email is received
- Click “Submit Request”
- DPA is disbursed within 24 hrs. of receipt

DPA Funding Request - Current Workflow Step Name = Request Submitted

Wiring Instructions

DPA Funds Paid To

Organization [dropdown]
Title Company [text]
Address [text]
City [text]
State [dropdown: IN] Zip Code [text] - [text]
ABA Number [text]
Account Number [text]

DPA Funds Paid To
Complete the DPA Funds Paid To with the name, address, ABA number and Account number of the organization the second mortgage funds will be paid to. This will typically be the title company.

Bank [dropdown]

Send Purchase Confirmation To
Complete Name of person to contact.
Complete at least one of Mailing Address, Fax, Telephone or Email for purchase confirmation

Send Purchase Confirmation To

Name [text]
Mailing Address
 Same as Bank Information
Name [text]
Address [text]
City [text]
State [dropdown: IN] Zip Code [text] - [text]
Fax
Number [text]
Telephone
Number [text] Ext. [text]
Email
Address [text]

Rescind Submit Request Save Close

ADDITIONAL DPA WIRE INFORMATION

INTERMEDIARY DISBURSEMENTS:

The IHSF System is not set up to enter more than one (1) financial institution. If there is an intermediary bank involved, please contact IHCD's Homeownership Operations Team.

Dolores Scisney: dscisney@ihcda.in.gov

Marquet Smith: msmith@ihcda.in.gov

Liann Fisher: lfisher@ihcda.in.gov

QUESTIONS



Indiana Housing & Community Development Authority

THE HOMEOWNERSHIP TEAM

Homeownership Director-

Kim Harris @ kiharris@ihcda.in.gov

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Homeownership Manager-

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317-234-3706

Marquet Smith @ msmith@ihcda.in.gov

317-232-3566

US Bank Help Desk

800-562-5165



Indiana Housing & Community Development Authority