

Welcome

Single Family Program Training

Conference Dial-in Number: 1 (415) 655-0002

Participant Access Code: 806 656 355

[MFA Monthly Lender Webinar Training](#)



Access to the Presentation

Audio for the presentation must be accessed through the conference dial-in number

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Questions can be asked via:

- “ Chat Box” within the presentation

A copy of the presentation was sent to you prior to the webinar via e-mail

Overview of Programs

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“FirstHome” Program

- **First Time Homebuyer Program**
- \$500 borrower contribution (from their own funds)
- Minimum 620 credit score
- Lenders may charge up to .50% Origination Fee to the borrower in addition to the reasonable and customary fees charged. Discount Fee remains at 0.0%.
 - Lender will still be paid a 1.0% fee at the time the loan is purchased by the Contract Service Provider (Idaho Housing and Finance Association [“Idaho Housing”]).
- Homebuyer Counseling Required for all Borrowers
- Government (“FHA, VA, USDA, HUD Section 184”) and Conventional (FNMA “HFA Preferred” only)

FirstHome (continued)

- Income Limits and Acquisition Cost Limits detailed in FirstHome Program Policy and on MFA's website at www.housingnm.org
- **Can be used in conjunction with either "FirstDown" or "HomeNow"** (for minimum down payment and closing cost assistance) or as a stand alone first mortgage for those borrowers who have their own down payment and closing cost funds.
- Must provide documentation for MFA to calculate income, determine property eligibility, first time homebuyer status, etc.
- MFA calculates Household Income
- All income from married couples included in income calculation (even if taking title as "sole and separate" property)
- Must provide VOE, VOR, bank statements, etc.
- First time homebuyer ("bond") Affidavits/Disclosures/Riders must be signed at closing

FirstHome (continued)

- Must be used in conjunction with the *FirstDown* or *HomeNow* second or as a stand alone first mortgage
- Review appraisal or look up address via the geo-code look-up to find out what the census tract is to determine if the property is in a Targeted Area census tract.
- If the property is in a Targeted area, lender must notify MFA prior to submitting the Compliance Package to ensure that the borrower receives the correct interest rate.

“FirstDown” Program

- **Down Payment and Closing Cost Assistance Second Mortgage Loan**
- Up to \$8,000 (**based on borrower need**)
- 30 year, fixed rate (6.0%)
- \$100 origination fee may be charged by the lender
- May be used for **minimum** down payment (**i.e. 3.5% FHA; 3% FNMA HFA Preferred**) and customary closing costs only, no cash back to homebuyer at closing
 - Can't be used to pay off debt
- Combined with FirstHome Program only

“HomeNow” Program

- **Down Payment Assistance 2nd Mortgage Loan** designed to help lower-income homebuyers.
- **Designed for borrowers with income at or below 80% AMI.** Limits vary according to county and number of persons in household (if family size of 9 or more contact MFA for income limits)
 - Lenders must use the **Lesser** of the **HomeNow** published income limits.
 - Even if the property is in a Targeted Area census tract
- Acquisition cost limits will vary by county and type of construction (**new** vs. **existing**).
 - Lenders must use the **Lesser** of the **HomeNow or FirstHome** published acquisition limits.
 - Even if the property is in a Targeted Area census tract

“HomeNow” (continued)

- Maximum loan amount is based on the **Lesser** of 8.0% of sales price of the home or \$8,000
- May be used for **minimum** down payment (**i.e. 3.5% FHA; 3.0% FNMA HFA Preferred**) and customary closing costs only, no cash back to homebuyer at closing
 - Can't be used to pay off debt
- Non-amortizing (0.0%) – no monthly payments
- Forgiven after the 10th anniversary, **provided that the borrower occupies the property and does not refinance, sell, transfer title, rent or otherwise vacate the property during that time**
- Combined with FirstHome Program only

“NextHome” Program

- **No First Time Homebuyer Requirement**
- Must be combined with “NextDown DPA” loan which is calculated at 3.0% of the final loan amount
- One Income Limit and one Purchase Price limit for the entire state
- \$500 borrower contribution (from own funds)
- Minimum 620 credit score
- Lenders may charge up to .50% Origination Fee to the borrower in addition to the reasonable and customary fees charged. Discount Fee remains at 0.0%.
 - Lender will still be paid a 1.0% fee at the time the loan is purchased by the Contract Service Provider (Idaho Housing).
- Must be primary residence. Homebuyer can own another home.

“NextHome” (continued)

- MFA will use the lender’s credit underwriting income from the final Automated Underwriting System (“AUS”) to qualify the borrower for the program
 - MFA will not calculate “program” income separately
 - All credit underwriting income will be used including co-signer income
- **Simplified Documentation** Lenders will not need to provide:
 - Paystubs
 - Tax returns
 - Bank statements
 - VOR’s
 - VOE’s
- No “bond loan” closing documentation, even if borrower is a first time homebuyer (i.e. Recapture Notice, Affidavit of Buyer/Seller, Riders)
- Homebuyer counseling is **only** required for first time homebuyers

“NextDown DPA” Program

- Calculated based on 3.0% of the **final** first mortgage loan amount including MIP
- MFA will allow rounding to the nearest dollar amount
 - **(\$.50 or below, round down; \$.51 or above, round up.)**

Example of Calculation

| | |
|-----------------------------|--------------|
| First mortgage base amount: | \$150,000 |
| Up front MIP (FHA): | <u>2,625</u> |
| Total or final loan amount: | \$152,625 |

Here’s how to calculate the NextDown second mortgage amount:

$$\text{Final loan amount: } \$152,625 \times 3.0\% = \$4,578.75$$

Rounded to the nearest whole dollar, the loan amount is **\$4,579.00** This is the amount you’ll reserve for the NextDown loan. **Must appear on the Note and Mortgage with the zeros after the dollar amount.**

“NextDown DPA” (continued)

- Non-amortizing (0.0%) – no monthly payments
- May be forgiven (**after**) the 15th anniversary **provided** that the borrower does not refinance, sell or transfer title during that time.
- The loan balance is forgiven 20% each year beginning with the 11th anniversary of the note date until fully forgiven at the 15th anniversary.

Program Options (Not intended for Consumers)

| FirstHome | | | NextHome |
|---|--|-----------|---|
| For first-time homebuyers who have not owned a home as their primary residence for at least three years | | OR | For first-time AND repeat homebuyers |
| Income limits based on household size and geographic area Acquisition cost based on geographic area | | | Has the highest income limit of any MFA program. One income limit and purchase price for the entire state of New Mexico |
| Repayment term is 30 years, the rate is fixed | | | Repayment term is 30 years, the rate is fixed |
| Specific benefits apply when used in a targeted area | | | |
| Optional DPA comes from a second mortgage. Choose one of the below or the FirstHome can be used as a stand alone first mortgage | | | Mandatory DPA comes from a second mortgage. |
| FirstDown | HomeNow | | NextDown |
| Same Income Limits as First Home | Income Limits are set at 80% or below AMI <ul style="list-style-type: none"> Will vary by county and specific number of household members | | Same Income Limits as NextHome |
| Loan amount up to \$8,000 (minimum loan amount of \$1,000) – determined based on need – Interest rate is 6% fully amortizing mortgage | Loan amount is the lesser of 8% of sales price or \$8,000 – Interest rate is 0.00% non-amortizing mortgage. May be forgiven if certain terms and conditions are met | | Loan amount equal to 3% of the first mortgage loan amount. May be rounded up or down. Interest rate is 0.00% non-amortizing mortgage. May be forgiven if certain terms and conditions are met |
| May be used for minimum down payment and closing costs | May be used for minimum down payment and closing costs | | May be used to help cover down payment and closing costs |

Process and Flow of Loan File/Documents

Process and Flow of Loan File

- Loan Reservation via MFA's Internet Loan Reservation System ("ILRS") - Lender must have user name and password for any activity within the ILRS (choose first mortgage loan product and the appropriate second mortgage loan product that may be combined with the first mortgage)
- Reservation/Lock Commitments are printed via the ILRS for each loan reserved
- MFA Compliance Addendum is printed via the ILRS (based on first mortgage program)
- Index Sheets and Compliance Review Checklists are printed via the ILRS
- Compliance File is uploaded electronically via the ILRS
- MFA staff will review the file for compliance with the guidelines of the program (**File review turn times are 1 – 3 days from the day the file is received**)

Process and Flow of Loan File (continued)

- If file is suspended Lender will print Suspense Conditions via the ILRS
- Conditions are submitted via ILRS
- MFA staff will review Compliance Conditions (**review turn times are 1 business day if there are 1 – 4 conditions; 2 business days if there are 5 or more conditions**)
- Compliance Approval/Loan Purchase Commitment/DPA Funding Commitment for second mortgage are printed via the ILRS (forms are available to print only after Compliance Approval)
- FTHB Bond (First Home) Loan Documents are printed via the ILRS (i.e. Affidavit of Seller, Affidavit of Buyer, Notice of Potential Recapture, Tax Exempt Financing Rider) (forms are available to print only after Compliance Approval)

Process and Flow of Loan File (Continued)

Forms will be populated with individual loan information

- Loan number (Second Mortgage number will have to be completed manually on the MFA Compliance Addendum)
- Loan Amount
- Borrower/Co-Borrower name
- Property address

Sample Forms are available on MFA's website

- www.housingnm.org

Review of Compliance Checklists and Addendums

Compliance Approval Process

Compliance Approval Process

- Lender receives Compliance Approval e-mail from MFA
- After Compliance Approval
 - Lender will print a “Compliance Approval/Loan Purchase Commitment” for each first mortgage and DPA second mortgage loan
 - Lender will also print a “DPA Funding Commitment” for DPA loan
- If the amount of the first or second changes after Compliance Approval, lender is required to update the ILRS and submit updated documents to receive a revised Compliance Approval from MFA.
 - Lender required to contact MFA for the file to be unlocked and then the Lender can make the changes and submit the appropriate documentation for re-approval. **Review turn time for re-submit is one business day.**

Compliance Approval Forms

“Compliance Approval/Loan Purchase Commitment”

- **MFA’s commitment to purchase the loan from the Lender**
- Details the terms and conditions by which the Contract Service Provider (Idaho Housing and Finance Association [“Idaho Housing”]) will purchase the loan
- Loan that is delivered to Contract Service Provider (Idaho Housing) must match the terms and conditions of the “Compliance Approval/Loan Purchase Commitment”
- It is the Lender’s responsibility to ensure that the **“Compliance Approval/Loan Purchase Commitment” and DPA Funding Commitment are accurate prior to loan closing.** MFA will only purchase/reimburse for the amount listed on these Commitments.

Compliance Approval Forms (continued)

“DPA Funding Commitment”

- Provided for DPA second mortgage loans
- MFA’s commitment to purchase the DPA loan from the Lender
- Includes information required by FHA/FNMA regarding DPA secondary financing, source of DPA funds, commitment of DPA funds from MFA

Closing First and Second Loans

- **Close First and Second Mortgages in Lender's Name**
 - Close **First Mortgages** on standard Mortgage forms depending on investor
 - Close **First Down** Mortgages on FNMA Standard Note and Mortgage
 - **Do not** use a Deed of Trust for either the first mortgage or the First Down mortgage
 - Close **HomeNow** and **NextDown** Mortgages on Notes and Mortgages available on the MFA website (not through the ILRS)
- **FirstHome** Program Loans will need the Bond Documents executed
- **NextHome** Program Loans do not have any Bond Documents executed
- **Second Mortgages** will need to have the HUD Rider executed and recorded with the mortgage if the First Mortgage is an FHA loan.

Loan Delivery and Purchase Process

Idaho Housing

Closed Loan delivered to Idaho Housing for Purchase

- Closed Loan delivery checklists for Idaho Housing
- Closed First and DPA Second Loan file(s) delivered to Idaho Housing
- Delivery of original First mortgage Note

Two separate uploads are requested

both first and second loan files are uploaded to the Idaho's first mortgage loan number

Closed Loan Review

- Purchase pending conditions for first mortgage (*FirstHome* and *NextHome*) and DPA second mortgages *FirstDown*, *HomeNow* and *NextDown* (Conditions for first and DPA second mortgages will be issued at the same time)

Purchase/DPA Conditions

- Conditions uploaded to Idaho's system (Lender Connection), reviewed and cleared

First Mortgage Loan Purchase/Second Mortgage Loan Reimbursement

- Reimbursement provided by Idaho Housing
- Separate purchase advice for each loan via Lender Connection
- One wire for both

Down Payment Assistance (“DPA”) Second Mortgage Funding Process

DPA Second Mortgage Funding Process

- **ALL** DPA seconds are funded by the Lender at closing
 - **MUST** be closed with a loan amount in whole dollar amounts
 - **MUST** show the zeros after the loan amount (example: \$8,000.00)
- **ALL** DPA second loans are assigned/transferred through MERS to MFA at loan purchase (MFA MERS ORG. ID number 1013401)
- **ALL** First mortgage loans are assigned/transferred through MERS to Idaho Housing using their MERS ORG. ID number 1009670

Goodbye Letter – Idaho Housing

- The Lender will provide a “goodbye letter” to homebuyer on both the first mortgage loans when the loan is assigned/ transferred
- Payment and Correspondence address for first mortgages:
 - [HomeLoanServ](#), P.O. Box 7541, Boise, Idaho 83707
- Insurance Address for first mortgages:
 - [HomeLoanServ](#), P.O. Box 7899, Boise, Idaho 83707
- MFA Phone numbers for borrowers:
 - Toll Free 1.800.526.7145

Goodbye Letter - MFA

- The Lender will provide a “goodbye letter” to homebuyer on DPA second mortgage loans when the loan is assigned/transferred
- Payment Address for second Mortgages (Lock Box):
 - MFA, P.O. Box 912727, Denver, Colorado 80291-2727
- Correspondence Address for second Mortgages:
 - MFA, 344 4th Street SW, Albuquerque, NM 87102
- MFA Phone numbers for borrowers:
 - 505.843.6880 or Toll Free (within the state of NM) 1.800.444.6880

Welcome Letter

- Idaho Housing (HomeLoanServ) will provide a “welcome letter” to the homebuyer on the first mortgage loans and will service the loans
- MFA will provide a “welcome letter” to the homebuyer on the DPA second mortgage loans and will service the loans

Loss Payee Clause

- Clause for New Mexico Mortgage Finance Authority (MFA)

New Mexico Mortgage Finance Authority, it's successors and/or assigns
344 4th Street SW
Albuquerque, New Mexico 87102

- Clause for Idaho Housing and Finance Association (HomeLoanServ)

HomeLoanServ, a division of IHFA, it's successors and/or assigns
P.O. Box 7899
Boise, Idaho 83707

Note and Trailing Document Delivery

Original 1st Mortgage Note, Original recorded mortgage (including riders), Original recorded Assignment (if applicable), Final Title Policy and Insurance Certificate (if applicable) sent to Idaho Housing and Finance Association.

Final documents are due NO LATER than 90 days from the purchase date

The Final Title Policy and Insurance Certificate may be uploaded to Lender Connection.

Idaho Housing and Finance Association
Attn: Document Center
565 W. Myrtle St.
Boise, ID 83702

Original 2nd Mortgage Note and Original recorded mortgage sent to New Mexico MFA

New Mexico Mortgage Finance Authority
Attn: Homeownership Department
344 4th Street SW
Albuquerque, NM 87102

****Please write 1st Mortgage loan number (Idaho's) on the top of the 1st Mortgage documents*****

*****Please write 2nd Mortgage loan number (MFA's) on the top of the 2nd Mortgage documents*****

1st Mortgage Note Endorsement to IHFA

Pay to the order of
Idaho Housing and Finance Association
(no Ampersand signs, must spell out "And")

Without Recourse

Lender Name

(signature)

Signatory's typed name, Title

2nd Mortgage Note Endorsement to New Mexico MFA

Pay to the order of
New Mexico Mortgage Finance Authority

Without Recourse

Lender Name

(signature)

Signatory's typed name, Title

If Using an Allonge

Borrower's Name (exact match to Note)

Property Address (exact match to Note)

Note/Loan Amount

Note Date (note closing date if different)

Pay to the Order of Idaho Housing and Finance Association

(No Ampersand sign) **(First Mortgage)**

OR

Pay to the Order of New Mexico Mortgage Finance Authority

(DPA Second Mortgage)

Without Recourse

Company Name as it appears on the Note

Signature Line

Signatory's Typed Name

Signatory's Title

Loans Purchased within 15 days of First Payment Due Date

First payment (and subsequent payments) will be netted out of purchase amount of the First Mortgage purchase

- Purchase Statement will account for escrow amount
- Lender retains entire PITI

First payment (and subsequent payments) will be netted out of purchase amount of the Second Mortgage purchase

****** Lender is responsible for ensuring all applicable program policies, guidelines, rules, regulations, processes and procedures are followed ******

Contact Information

Idaho Housing and Finance Association

- Rita Aafedt, Loan Acquisition Supervisor
RitaA@IHFA.org
208-424-7048
- Mark Suderman, Director of Loan Acquisition and Shipping
MarkS@IHFA.org
208-331-4870

Contact Information

New Mexico Mortgage Finance Authority

- Rene Acuna, Director of Homeownership
racuna@housingnm.org, 505-767-2222
- Anita Rehm, Assistant Director of Homeownership
arehm@housingnm.org, 505-767-2230
- Cynthia Marquez, Compliance Specialist
cmarquez@housingnm.org, 505-767-2238
- Lisa Romero, Compliance Specialist
lromero@housingnm.org, 505-767-2208

Contact Information

New Mexico Mortgage Finance Authority (Cont.)

- Melissa Cabrera, Lending Specialist
mcabrera@housingnm.org, 505-767-2223
- Shawn Rasmussen, Lending Specialist
srasmussen@housingnm.org, 505-767-2259
- Barbara Tashkandy, Lending Coordinator
btashkandy@housingnm.org, 505-767-2261
- Martha Armijo, Lending Assistant
marmijo@housingnm.org, 505-767-2219
- Eunice Duran, Homeownership Representative
eduran@housingnm.org, 505-239-1301 (cell)
- Teri Baca, Homeownership Representative
tbaca@housingnm.org, 505-238-7375 (cell)

Questions?