

**Bulletin # 153**  
March 28, 2019

To: CHFA Lenders  
From: CHFA Single Family Underwriting  
Subject: **Procedures for Duplicate Reservations in LOS** (*Applicants Switching Lenders*)

CHFA mortgage loan interest rates are set when new reservations are submitted in the CHFA Loan Origination System (LOS) and the CHFA loan number is issued. The interest rate for the loan product selected is automatically assigned and locked for a period of ninety (90) days. The interest rate is also linked to the applicant(s) social security number(s) and is not released until the reservation expiration date is reached at the end of the 90 day period.

Applicant(s) may request a Lender cancel a CHFA loan reservation at any time.

Applicants that elect to reapply for a CHFA mortgage with a different CHFA approved Lender, before the initial canceled reservation expiration date has been reached, will receive the interest rate that was originally locked for them in the canceled reservation.

Beginning on April 22, 2019, when a Lender submits a new reservation for an applicant with a prior canceled reservation in LOS that has not expired; the applicant(s) social security number(s) will trigger LOS to display an “**Alert Message**” regarding the transference of the interest rate as described below:

**Canceled Reservation:**

**Reservation Period with 61 or more days remaining**

***LOS Alert Message:***

“A duplicate canceled reservation with 61 or more days until the reservation rate expires exists for this applicant. Click OK to proceed with the data entry for a new reservation. The new reservation will automatically receive the initial interest rate from the canceled reservation dated [date of the initial reservation] and will expire on the same date as the canceled reservation [initial canceled reservation expiration date].”

**Canceled Reservation:**

**Reservation Period with 31 - 60 days remaining**

***LOS Alert Message:***

“A duplicate canceled reservation with 31 – 60 days until the reservation rate expires exists for this applicant. Click OK to proceed with the data entry for a new reservation. The new reservation will automatically receive the initial interest rate from the canceled reservation dated [date of the initial reservation]. The new reservation expiration date will be extended for 30 days beyond the canceled reservation expiration date and expire on [30 days beyond the initial expiration date].”

## **Canceled Reservation:**

### **Reservation Period with 30 days or less remaining**

#### ***LOS Alert Message:***

“A duplicate canceled reservation with 30 days or less until the reservation rate expires exists for this applicant. Due to fluctuating interest rates, a new reservation may not be submitted for this applicant until after the current reservation expires on [current reservation expiration date]. The new reservation, when submitted, will receive the prevailing CHFA interest rate in effect at the time of submission.”

### **Lender Canceling an Existing Reservation to Enter a New Reservation to Edit Data**

#### ***LOS Alert Message:***

“This borrower has an existing CHFA loan reservation with [Lenders Name] that has not expired. A new reservation may not be submitted by the same Lender prior to the expiration of the existing reservation. Contact CHFA to un-cancel the existing reservation under CHFA [Loan #] to keep the loan in process. Once the loan is un-canceled the Lender can unlock the reservation and edit the loan data for changes to the property address, loan amount, program type, etc. as needed.”

The CHFA LOS will no longer provide an alert message instructing Lenders to contact CHFA to confirm the applicable interest rate for applicants with duplicate reservations.

The applicable interest rate will automatically transfer from the canceled reservation to the new reservation when it is submitted, and the new CHFA loan number is assigned.

*CHFA will facilitate a webinar on Wednesday, April 17, 2019 for Lenders interested in previewing the LOS screens with the new Alert Messages, and to answer any questions regarding this procedural change.*

*To receive the webinar invitation email [SFAMtraining@chfa.org](mailto:SFAMtraining@chfa.org).*

*All questions regarding this Bulletin should be directed to Valencia Taft-Jackson at (860) 571-4224 or [valencia.taft-jackson@chfa.org](mailto:valencia.taft-jackson@chfa.org) or Hazim Taib at (860)571-4250 or [hazim.taib@chfa.org](mailto:hazim.taib@chfa.org)*