HOME MORTGAGE PROGRAMS

OPERATING MANUAL
Table of Contents

SECTION 1 – GENERAL INTRODUCTION

1.1 Preface
1.2 Organization

SECTION 2 – PROGRAM INFORMATION

2.1 Qualification of Participating Lenders
2.2 Distribution of Mortgage Funds
2.3 Funds Available for Targeted Areas
2.4 Commitment for Mortgage Purchase
2.5 Retention and Inspection of Records
2.6 The Federal Recapture Tax

SECTION 3 – ELIGIBILITY

3.1 Eligible Borrowers
3.2 Eligible Dwellings

SECTION 4 – REHABILITATION MORTGAGE LOANS
(203(k) Standard and 203(k) Limited)

4.1 Program Descriptions
4.2 Borrower Eligibility
4.3 Property Eligibility
4.4 Principal Residence Requirement
4.5 Rehabilitation Loan Amounts and Eligible Repairs
4.6 Builders and Contractors
4.7 Contracts and Rehabilitation Work Specifications
4.8 Completion of Work and Construction Period
4.9 Post-Closing Inspection
4.10 Rehabilitation Escrow Account
4.11 Additional Documentation
4.12 Origination Fee and Closing Costs

Revision 4-25-2018
SECTION 5 – UNDERWRITING  (See Section 8 for DAP Underwriting)

  5.1  Credit Review
  5.2  Applicant Processing
  5.3  Mortgage Insurance or Guaranty
  5.4  Closing Costs
  5.5  Loan Submission to CHFA for Commitment
  5.6  Limited Documentation and Delegated Underwriting

SECTION 6 – LOAN PREPARATION

  6.1  Terms and Conditions of Loans
  6.2  Title Insurance
  6.3  Hazard/Flood Insurance
  6.4  Property Description
  6.5  Appraisal Requirements

SECTION 7 – LOAN PURCHASE

  7.1  Closing Procedures
  7.2  Purchase of Committed Loans
  7.3  Release of Loan Servicing
  7.4  Preparation of Mortgage Releases
  7.5  Assumption of Loans

SECTION 8 – DOWNPAYMENT ASSISTANCE PROGRAM

  8.1  Qualification of Participating Lenders
  8.2  Funds Availability
  8.3  Eligibility
  8.4  Computation of DAP Loan Amounts
  8.5  Application Processing
  8.6  Loan Preparation
  8.7  Loan Purchase
  8.8  Servicing
  8.9  Credit Review
  8.10 Income
  8.11 Co-Signers
  8.12 Underwriting Ratios
  8.13 Credit Reports
  8.14 Credit Scores
  8.15 Delinquent Credit
  8.16 Property Repairs

Revision 4-25-2018
SECTION 9 – HFA PREFERRED PROGRAM

9.1 Eligible Loan Purpose
9.2 Principal Residence Requirement; Owner-Occupancy
9.3 Eligible Property Types
9.4 Sales Price Limits
9.5 Closing Costs
9.6 Interest Rate
9.7 Loan-to-Value
9.8 Subordinate Financing
9.9 Income Limits and Borrower(s) Income
9.10 Eligible Borrower(s)
9.11 Credit Scores
9.12 Underwriting Ratio
9.13 Borrower Contribution
9.14 Mortgage Insurance
9.15 Reserves
9.16 Interested Party Contributions
9.17 Homebuyer Education

SECTION 10 - APARTMENT CONVERSION FOR THE ELDERLY (ACE)

10.1 Introduction
10.2 Eligibility
10.3 Application Process
10.4 Terms and Conditions
10.5 Construction Requirements

SECTION 11 – INVESTOR REPORTING AND REMITTANCE

11.1 Billing Overview
11.2 Remittance of Funds
11.3 Reporting
SECTION 12 – DELINQUENCY & FORECLOSURE REPORTING

12.1 List of Approved Law Firms
12.2 Claims Submission and Expense Reimbursement
12.3 90 Days or More Delinquency Reporting
12.4 90 Day Delinquency Form
12.5 Code Translation Table Form
12.6 Foreclosure Initiation/Action Notification Reporting
12.7 CHFA Foreclosure Approval Initiation/Action Notification
12.8 Additional Changes to Current Requirements
12.9 Safekeeping of Authority Documents
12.10 CHFA Delinquency Intervention Counseling Program
12.11 Sample Reporting Stream

SECTION 13 – RESERVED FOR FUTURE USE

SECTION 14 – GLOSSARY OF TERMS