

SECTION 6 - Loan Delivery/ Purchase

6.1 Delivery of Service-Released Loans

General

A Participating Lender who does not service CHFA mortgages must submit all loan documentation to the assigned Servicer listed on the Loan Commitment Letter as outlined in the applicable “Delivery Checklist” form.

A. AMERINAT - Release of Servicing

(Conventional and Government Loans)

1. CHFA has engaged AmeriNational Community Services, LLC (“AmeriNat”) to service CHFA loans acquired from service-release lenders. Participating Lenders releasing servicing to AmeriNat, will deliver Loan files to AmeriNat **within ten (10) days of the loan closing** by submission of all loan documentation pursuant to the **“Delivery Checklist Form”** (*CHFA Form IHFA Chkl or AmeriNatChkl*) as published on the CHFA website, chfa.org and located under “Lender / Lender Forms.
 - a. The Participating Lender will find complete servicer information for AmeriNat, published on the CHFA website, chfa.org and located under “Lender / Mortgage Program Resources / **CHFA Servicer Guides**”.
 - b. If the First Mortgage Loan sent to AmeriNat includes CHFA Downpayment Assistance Program (“DAP”) Loan funding or a Time To Own-Forgivable (“TTO”) Loan, Participating Lenders must utilize the Section 3.2 of the Operating Manual, “Downpayment Assistance Program/s” (CHFA Form C4C DAP TTO) published on the CHFA website, chfa.org and located under “Lender / Mortgage Program Resources / CHFA Servicer Guides”. This guide contains complete Servicer and CHFA DAP/TTO documentation remittance requirements.
2. **Remitting Escrow Funds to AmeriNat** - CHFA will net Escrow Funds collected and held by the Participating Lender from the Loan Purchase Amount and wire the Escrow Funds netted out to AmeriNat.
3. **Final Loan Documentation Submission** - All original and copies of recorded loan documentation shall be submitted within 90 days of Loan Closing to:

- a. **AmeriNat**
Attn: Loan Setup Dept.
217 South Newton Avenue - Albert Lea, MN 56007
- b. Participating Lenders will also within 90 days of Loan Closing submit copies of the Loan documents in a SINGLE PACKAGE per the CHFA Finance Department's "**Closed Loan Documentation Checklist**" (*CHFA Form 009-0810*) published on the CHFA website, chfa.org and located under "Lender / Lenders Forms" within 90 days of Loan Closing to:

Connecticut Housing Finance Authority

Attn: Finance Dept., 999 West Street – Rocky Hill, CT 06067

~ or ~ Email: PCDocs@chfa.org

4. **Mortgage Electronic Registration System (MERS)** - CHFA is not a member of the Mortgage Electronic Registration System. Assignment of CHFA mortgage loans in MERS will not be purchased.
 - a. CHFA Mortgage Loans that are serviced by **AmeriNat (or Service Retained)** must be assigned in the name of the Connecticut Housing Finance Authority.
 - b. This policy may be amended by CHFA at will to accommodate the sale of mortgage loan pools to FNMA, FHLMC, GNMA or any other CHFA designated authorized entity.

B. MORTGAGE-BACKED SECURITY ("MBS") SERVICERS- Release of Servicing (*Conventional and Government Loans*)

This section relates to servicing transfers for loans delivered to one of three MBS Servicers: Idaho Housing and Finance Association ("IHFA"); U.S. Bank National Association ("US Bank"); and Lakeview Loan Servicing, LLC ("Lakeview") such as:

- Conventional Loans:
 - CHFA Uninsured
 - HFA Preferred™ Program, PMI - (FNMA)
 - HFA Advantage® Program, PMI - (FHLMC)
 - Government Loans: FHA, VA, USDA (GNMA)
(*Service Release Lenders only*)
1. The CHFA Commitment Letters provided to the Participating Lenders will specify the Mortgage Loans to be assigned and sold to one of MBS Servicers.

2. Immediately following the Mortgage Loan closing, the MBS Servicer will be responsible for purchasing the first mortgage and Service Released Lenders should follow the instructions below (Loan Documentation Submission).
 - a. If the First Mortgage Loan includes CHFA Downpayment Assistance Program/s Loan or a Time To Own-Forgivable (“TTO”) Loan funding, the Participating Lender must, email the completed CHFA “**Loan Purchase Request Form**” (*CHFA Form 066-0408*) to the CHFA Finance Department at: fin-fax.purchase@chfa.org pursuant to Section 6.1 concurrent with the document delivery to the MBS Servicer.
 - b. Participating Lenders must utilize the “**CHFA Downpayment Assistance Program/s Servicing Guide**” (*CHFA Form C4C DAP TTO*) published on the CHFA website, chfa.org and located under “Lender / Mortgage Program Resources / CHFA Servicer Guides”. This guide contains complete Servicer and CHFA documentation remittance requirements.
3. Each MBS Servicer shall be entitled to rely upon the Participating Lender as assembler and preparer of all Mortgage Loan documents and is under no duty whatsoever to investigate or confirm any of the information set forth therein as to its honesty, accuracy, or completeness with respect to the origination, underwriting, and closing of the loan file. The MBS Servicer reviews the pertinent documents necessary to ensure the loan meets secondary marketing guidelines and is under no obligation to re-verify the information contained in such documents for accuracy.

C. Loan Documentation Submission

The Participating Lender will provide the MBS Servicer with the closed loan file immediately after closing by uploading the loan file via the MBS Servicers portal. Lenders should refer to the Participating Lender agreement with the respective MBS Servicer for specific instructions on document delivery. Each MBS Servicer also provides a document checklist and a Lender Guide for additional instructions and assistance. Below is a summary of each MBS Servicer’s requirements:

1. For IHFA, use their Lender Connection portal lenderct.com or Lenders may send files to IHFA by overnight mail:

Idaho Housing and Finance Association
565 West Myrtle Street
Boise, ID 83702

The Participating Lender must include the “Delivery Checklist” Form in stacking order, with the post-closing package. “Delivery Checklist Form/s” (*CHFA Form IHFA Chkl* or *CHFA Form AmeriNatChkl*), as applicable, can be found on the CHFA website, chfa.org under the Lender section as “CHFA Approved Servicer – Idaho Housing and Finance Association Reference Guides”.

2. For US Bank, all files must be delivered electronically via AIQ Web and may be uploaded in the Participating Lender’s preferred stacking order. All closed loan files must have a U.S. Bank loan number before they can successfully board onto AIQ Web. For training, questions, and access to AIQ Web, please email US Bank at hfadocvelocityassistance@usbank.com. All Original Notes should be delivered to:

U.S. Bank Home Mortgage
Attn: HFA Note Vault
9380 Excelsior Blvd., 6th Floor
Hopkins, MN 55343

3. For Lakeview, image files must be in PDF or TIFF formats only, PDF is preferred. Lakeview has a specific naming convention; please refer to the Lakeview lender guide. All electronic files can be uploaded to Lakeview’s Delegated Correspondent Portal. The Original Note as well as complete full files can also be mailed to:

Lakeview Loan Servicing, LLC
Attn: Lakeview Correspondent
507 Prudential Rd
Mail Stop S142
Horsham, PA 19044

Lakeview will require a Bailee Letter to be submitted with the delivery of the Original Note. Bailee letter must be issued in the name “Lakeview Loan Servicing, LLC or its Custodian, Wells Fargo”

Upon receipt of loan files through the MBS Servicer's portal or the receipt of the hardcopy loan files (*where permitted*), the MBS Servicer will initiate set up of the loan on its servicing system to begin servicing of the loan. The MBS Servicer will notify the Participating Lender of any purchase conditions to be cleared.

1. **Assignment of Mortgage must be in the format of "Pay to The Order of" MBS Servicer name "Without Recourse":**
 - i. For IHFA:
Idaho Housing and Finance Association
P.O. Box 7899 - Boise, ID 83707
~ **or** ~ MERS: **IHFA 1009670**
 - ii. For US Bank:
U.S. Bank National Association its successors and/or assigns
2800 Tamarack Road
Owensboro, KY 42301
~ or ~ MERS: **US Bank MERS ORG – ID #1000212**
 - iii. For Lakeview:

Lakeview Loan Servicing, LLC
Attn: Lakeview Correspondent
507 Prudential Rd, Mail Stop S142
Horsham, PA 19044
~ or ~ MERS: **LAKEVIEW LOAN SERVICING, LLC 1010298**
2. Conditions (*files with document deficiencies*) are communicated by the MBS Servicer through their portal and/or by an email sent to the Participating Lenders assigned contact person.
3. Participating Lenders must submit corrective and/or missing documentation to the MBS Servicer as soon as possible. Faxed documentation submitted to clear conditions must include a fax cover sheet for each loan, clearly indicating the MBS Servicer's loan number.
4. Funding: Complete compliant loan files are purchased daily. If the loan is not purchased within 15 days of the first payment due, the first payment will be netted out of purchase amount (P&I only) and the Lender must retain the first payment.

- a. Idaho Housing and Finance Association will generate a Purchased Loan Summary Statement for each loan purchased which can be reviewed and printed through the Lender Connection portal lenderct.com – this statement will account for the monthly escrow.
 - b. U.S. Bank National Association – *tba*
 - c. Lakeview Loan Servicing, LLC – *tba*
5. Final recorded documents must be sent to the MBS Servicer **within 90 days of loan purchase**.

6.2 Service-Retained Loans - Documentation Requirements

Loans released for servicing shall follow the Submission of Loan Documentation as described in Section 6.3. “Servicing Released Loans”.

A. Lenders who Retain Servicing:

1. Service-Retained Lenders remain responsible for the completeness and security of the Loan Closing file and all collateral documents contained therein. Each Loan Closing file shall contain all applicable documents properly completed, utilizing the applicable “**Delivery Checklist Form**” (*CHFA Form IHFA Chkl or CHFA Form AmeriNatChkl*) as applicable, and published on the CHFA website, chfa.org and located under “Lender / Lenders Forms”.
2. The Participating Lender will find complete Servicer information, published on the CHFA website, chfa.org located under “Lender / Mortgage Program Resources / **CHFA Servicer Guides**”.
3. Participating Lenders will submit the certain Loan documentation per CHFA Finance Department’s “**Closed Loan Documentation Checklist**” (*CHFA Form 009-0810*) published on the CHFA website, chfa.org and located under “Lender / Lenders Forms IN A SINGLE PACKAGE within 90 days of Loan Closing to:

Connecticut Housing Finance Authority

Attn: Finance Dept. 999 West Street – Rocky Hill, CT 06067

~ or ~ Email: PCDocs@chfa.org

4. If the First Mortgage Loan includes CHFA Downpayment Assistance Program/s Participating Lenders must utilize the “**CHFA Downpayment Assistance Program/s Servicing Guide**” (*CHFA Form C4C DAP TTO*) published on the CHFA website, chfa.org located under “Lender / Mortgage Program Resources / CHFA Servicer Guides”. This guide contains complete Servicer and CHFA documentation remittance requirements.
 - a. Downpayment Assistance Program Loan/s will be funded by CHFA only upon receipt and satisfactory review of the required documentation described in the “Downpayment Assistance Program/s Servicing Guides”, and upon CHFA’s receipt of an accurately completed “Loan Purchase Request Form”.
5. CHFA Documents may not be changed or altered in any manner without the prior approval of CHFA. The Participating Lender must use CHFA forms where applicable; facsimile computer-generated forms, in place of CHFA forms, are acceptable with prior written approval.
6. **Mortgage Electronic Registration System (MERS)** - CHFA is not a member of the Mortgage Electronic Registration System. Assignment of CHFA mortgage loans in MERS will not be purchased.
 - a. CHFA Mortgage Loans that are **Service-Retained or Service-Released by Lender to AmeriNat** *must* be assigned in the name of the Connecticut Housing Finance Authority.
 - b. This policy may be amended by CHFA at will to accommodate the sale of mortgage loan pools to FNMA, FHLMC, GNMA or any other CHFA designated authorized entity. Note: MBS Servicers loans do permit assignments to MERS.

6.3 **Downpayment Assistance Program/s**

A. **Loan Delivery and Funding**

If the First Mortgage Loan (both MBS and Non-MBS) includes CHFA Downpayment Assistance Program/s (“DAP”) Loan funding or Time To Own-Forgivable (“TTO”) Loan funding, the Participating Lender must complete the DAP required fields on the CHFA “**Loan Purchase Request Form**” (*CHFA Form 066-0408*) and submit the form to the CHFA Finance Department at: fin-fax.purchase@chfa.org concurrent with the document delivery to IHFA, or with the request for purchase of the First Mortgage to CHFA.

1. Funds will be disbursed via the wiring instructions CHFA has on file for the Participating Lender, provided all applicable mortgage data section/s accurately completed, and all **Downpayment** required documentation described above and in the “**Downpayment Assistance Program Servicing Guides**” (*CHFA Form C4C DAP TTO*), as applicable, published on the CHFA website, chfa.org and located under “Lender / Mortgage Program Resources / CHFA Servicer Guides is included.
2. For MBS related DAP/TTO Loans, CHFA will fund upon notification from the MBS Servicer to CHFA that the first mortgage loan has been funded. CHFA will purchase the Downpayment Assistance Program loan/s for the full Note amount/s, net of prepaid interest.
3. If the First Mortgage is not purchased for any reason by either the MBS Servicer or CHFA, CHFA will not purchase the related DAP Loan. If, for any reason, the Participating Lender is required to repurchase the First Mortgage (please refer to Section 6.6), the lender will also be required to repurchase the related DAP/TTO Loan.
4. Concurrent with the Loan Purchase Request, Participating Lenders will submit the required Loan file documentation by mail or email utilizing the Capital For Change, Inc. “CHFA Downpayment Assistance Program/s Servicing Guide” (*CHFA Form C4C DAP TTO*).

6.4 **Purchase of Committed, Non-MBS (“CHFA-Owned”) Loans**

A. **Loan Purchase**

1. CHFA will generally fund Loans on the date of the loan closing provided:
 - a. Participating Lenders send the CHFA “**Loan Purchase Request Form**” (*CHFA Form 066-0408*) with pdf copies of the executed and endorsed First Mortgage Note and Downpayment Assistance Program Note/s and Commitment Letter/s, (*if applicable*) for all closed Loans prior to the 12:00 noon funding deadline to CHFA via Email: Fin-fax-purchases@chfa.org
 - b. Loan Purchase Requests received after 12:00 noon will be funded the following business day.
 - c. CHFA will pay interest on purchases if the Loan Purchase Request is received within 2 business days without any issues.

- d. If the loan is funded and does not close, the Lender will be required to return purchase funds and will incur a penalty of \$250.
- e. Promissory Note amount must be what was issued on the commitment letter and must be endorsed to CHFA as follows:

"Pay to the order of Connecticut Housing Finance Authority without recourse".

(PARTICIPATING LENDER)

BY	_____
TITLE	_____
DATE	_____

- f. Mortgage Interest Rate must be what was issued on the commitment letter.

B. Mortgage Loan Interest

1. The amount of prepaid interest collected at closing should be calculated as per diem based on the actual number of days in the relevant year (365 or 366).
2. Calculate the interest payment from and up to and including the closing date but excluding the date of the first monthly payment.
3. For all loans where prepaid interest is collected from the borrower at closing, CHFA will collect prepaid interest from CHFA's purchase date, *(not the closing date)* provided that the loan is purchased by CHFA no later than two (2) business days after closing.
4. For all loans purchased by CHFA three (3) or more business days after closing, CHFA will continue to collect prepaid interest from the closing date of the loan.
5. After verifying that there is a valid CHFA Commitment, CHFA will confirm the total amount of the purchase, net of prepaid interest, and disburse this amount to the Participating Lender.
6. Inasmuch as the Loan purchase is made prior to the review of the closed loan documentation, the Loan is subject to repurchase by the Participating Lender as explained in Section 6.6.

6.5 Escrow Reserves

A. Mortgage Insurance Escrows

1. FHA Insured Loans

No monthly FHA premiums should be collected at closing for deposit into the escrow account (*in compliance with RESPA*); however, Participating Lender is responsible to collect and remit any upfront FHA premium due to HUD and provide proof of such remittance with closing package. In addition, the Lender must advise borrower that first payment will include monthly FHA premium.

2. PMI (monthly) insured loans

Two months' mortgage insurance is to be collected and remitted by the Participating Lender to the PMI Company, at time of closing, in order to initialize the mortgage insurance. In addition, the Participating Lender must file the applicable notice of the transfer form required by the PMI Company and notify the customer that the first payment will include the monthly PMI premium.

- a. AmeriNat and MBS Servicers will begin paying PMI premiums in the month of the customer's first due date after the loan has been purchased. Lenders are responsible for submission of any premiums due prior to purchase.

3. PMI (annual) insured loans

Two months' mortgage insurance is to be collected for deposit into the escrow reserves by the Participating Lender at time of closing. In addition, the first year's premium should be delivered to the PMI Company by the Participating Lender along with the notice of transfer form.

B. Tax Escrows

Two months Tax Reserves should be collected for all Tax escrow items. All taxes due within 30 days of closing must be paid at the closing and a paid receipt provided with the original faxed package. Tax escrows should only be established for real estate and fire district taxes. Escrows for other taxing authorities should not be made part of the escrow account unless it is part of the real estate tax bill (sewer and water use fees, etc).

C. Hazard/Flood Insurance Escrows

Two months' hazard insurance reserves should be collected by the Participating Lender at closing for the escrow reserves. Participating Lenders will notify the borrower at closing that one month's premium will be part of the first monthly payment.

1. Hazard Insurance Mortgagee Clause:

a. Idaho Housing and Finance Association:

HomeLoanServ, its successors and / or assigns as their interest may appear, P.O. Box 818007, Cleveland, OH 44181.

Down Payment Assistance Program/s:

Connecticut Housing Finance Authority, C/O Capital for Change, Inc., its successors and/or assigns as their interest may appear, 10 Alexander Drive Wallingford, CT 06492.

b. US Bank:

U.S Bank National Association, Its Successors and Assigns as Their Interest May Appear, c/o U.S. Bank Home Mortgage, P.O. Box 961045, Fort Worth, TX 76161-0045

Down Payment Assistance Program/s:

Connecticut Housing Finance Authority, C/O Capital for Change, Inc., its successors and/or assigns as their interest may appear, 10 Alexander Drive Wallingford, CT 06492.

c. Lakeview:

Lakeview Loan Servicing, LLC, c/o LoanCare, LLC, ISAOA/ATIMA, PO box 202049, Florence, SC 29502-2049.

Down Payment Assistance Program/s:

Connecticut Housing Finance Authority, C/O Capital for Change, Inc., its successors and/or assigns as their interest may appear, 10 Alexander Drive Wallingford, CT 06492.

d. AmeriNat:

Connecticut Housing Finance Authority, C/O AmeriNat, its successors and / or assigns as their interests may appear, P.O. Box 123, Downey, CA 90241.

Down Payment Assistance Program/s:

Connecticut Housing Finance Authority, C/O Capital for

Change, Inc., its successors and/or assigns as their interest may appear, 10 Alexander Drive Wallingford, CT 06492.

e. Service Retained Lender:

Connecticut Housing Finance Authority, C/O Lender Name, its successors and / or assigns as their interests may appear, *Lender Address*.

Down Payment Assistance Program/s:

Connecticut Housing Finance Authority, C/O Capital for Change, Inc., its successors and/or assigns as their interest may appear, 10 Alexander Drive Wallingford, CT 06492.

D. Borrower Notification of Servicing Transfer

1. The Participating Lender will notify the borrower of the applicable CHFA Servicer that will be servicing the loan per "RESPA" requirements and in compliance with Federal Consumer Financing Laws applicable to servicing transfers as outlined by CFPB (12 CFR 1024.33, 1024.38, 1024.41).
2. The Participating Lender must reference the CHFA Servicer Guides published on the CHFA website at chfa.org for CHFA Loan Servicing Transfer Guidelines and other servicing related information. The Guides are located under the title "Lenders / Mortgage Program Resources / CHFA Servicer Guides".
3. The Participating Lender will notify the borrower how to access monthly billing statements from the assigned Servicer.
4. The Participating Lender will advise borrowers where payments are to be mailed, and provide information of any online resources made available by the Servicer for that purpose, including available contact information for any related servicing inquiries.
5. The Participating Lender will provide the borrowers with the initial Escrow Account Disclosure Statement.

6.6 **Repurchase Requirements**

General

Upon a Participating Lender's failure to comply with requests from CHFA to correct or complete documentation for any Loan purchase package or upon other breach of the terms of the Master Commitment Agreement for Mortgage Purchases, or any failure to comply with the requirements for eligibility set forth in this Manual (*which failure is to be determined in the sole discretion of CHFA*) without regard to whether the Participating Lender may be at fault, the mortgage will be reassigned to the Lender. Lender shall repurchase the Mortgage Loan as provided in the Master Commitment Agreement for Mortgage Purchases and the Lender will incur a penalty of \$250.

Note: CHFA will require the Participating Lender to repurchase any loan that has been closed in a loan amount and/or interest rate different than the loan amount and interest rate stated in the commitment letter and the lender will incur a penalty of \$250.

A. Repurchase –MBS Loans

CHFA will enforce its repurchase policies in the event of any loan document deficiencies or loans that have been determined by the MBS Servicer, FNMA, FHLMC or GNMA to be a Non-Qualifying Mortgage Loan. “Non-Qualifying Mortgage Loan” shall mean any Mortgage loan received or serviced by the MBS Servicer with respect to which:

1. The Participating Lender fails to deliver to the MBS Servicer all documents of the first mortgage loan file (described in the CHFA “Processing Checklists and Loan File Submission”, “Closed Loan Documentation”, “Purchase Request Form” and/or CHFA “Servicer Guides”) on a timely basis or the MBS Servicer determines that such documentation for Mortgage Loans does not conform to the requirements of the Program, FNMA, FHLMC or GNMA Guide/s, or the CHFA Operating Manual.
2. FNMA, FHLMC, GNMA or the MBS Servicer determine that the Mortgage Loan is not of acceptable quality or is not eligible for sale under the Program, FNMA, FHLMC or GNMA Guides, or the CHFA Operating Manual.
3. **“Repurchase Price,”** with respect to a Mortgage Loan to be repurchased from the MBS Servicer by CHFA, is defined as the payment of:
 - a. 100% of the unpaid principal balance of Mortgage Loan plus.

- b. any accrued and unpaid interest at the annual rate borne by the Mortgage Notes due and payable to FNMA, FHLMC or GNMA upon purchasing out of the pool or to the date of repurchase if not purchasing out of a pool plus;
- c. the aggregate amount of any advances made by or on account of the MBS Servicer for the Mortgage Loan.
- d. any attorney's fees, legal expenses, court costs or other expenses which may have been incurred or expended by the MBS Servicer in connection with said Mortgage Loan; and
- e. any fees charged by the MBS Servicer by FNMA, FHLMC or GNMA for repurchase or withdrawal of the Mortgage Loan out of the applicable pool.

B. Repurchase – CHFA-Owned Loans

“Non-Qualifying Mortgage Loan” shall also mean any Mortgage Loan purchased by CHFA with respect to which the borrower(s) failed to meet the income and all other eligibility requirements for the applicable Program, as set forth in the Program Documents.

1. The Participating Lender fails to deliver to CHFA all documents of the first mortgage loan file (described in the CHFA “Processing Checklists and Loan File Submission”, “Closed Loan Documentation”, “Purchase Request Form” and/or CHFA “Servicer Guides”) on a timely basis or CHFA determines that such documentation for Mortgage Loans does not conform to the requirements of the Program or the CHFA Operating Manual.
2. “Repurchase Price,” with respect to a Mortgage Loan to be repurchased from CHFA, is defined as the payment of:
 - a. 100% of the unpaid principal balance of Mortgage Loan plus;
 - b. any accrued and unpaid interest at the annual rate borne by the Mortgage Notes due and payable to CHFA to the date of repurchase;
 - c. the aggregate amount of any advances made by or on account of CHFA for the Mortgage Loan; and
 - d. any attorney's fees, legal expenses, court costs or other expenses which may have been incurred or expended by CHFA in connection with said Mortgage Loan.