



CONNECTICUT
HOUSING FINANCE
AUTHORITY

The Key To Affordable Housing

SINGLE - FAMILY UNDERWRITING

COVID-19 TEMPORARY COMPLIANCE TIMELINES



6-12-2020r

May 14, 2020 – CHFA Bulletin #181

COVID-19 Impact Update	
<p>In response to temporary policies implemented by the GSE’s i.e. FNMA, FHLMC and FHA; CHFAs Master Servicer, Idaho Housing and Finance Association (IHFA), and the Governor of the State of CT, CHFA initiated new requirements applicable to mortgage loan originations, processing, underwriting and closing.</p>	
Effective	Expiration
May 18, 2020	Remains in place for duration of COVID-19 crisis
<p>CHFA HFA Preferred™ and HFA Advantage® Program committed loans should be closed between the 1st and the 15th day of each month to maximize the number of days between the closing and the first payment due date. <i>(See exception effective beginning on May 14, 2020)</i></p>	
<p>The original Note and the complete loan package as noted on the applicable checklist must be delivered to IHFA within ten (10) days of closing.</p>	
<p>In the event a borrower enacts the CARES Act Forbearance provision prior to securitization of the loan, Lenders will be required to pay the GSE LLPA fee of 5% to securitize the loan or repurchase the loan from IHFA if it is not sellable.</p>	
<p><i>LLPA assessment is not applicable to CHFA CALP loans that are delivered to AmeriNat.</i></p>	
Effective	Expiration
May 14, 2020	Remains in place for duration of COVID-19 crisis
<p>If necessary, Lenders may close loans between the 16th day of the month thru month end which reduces the time frame available for securitization of the loan. <i>(See CARES Act Forbearance provision above regarding potential Lender LLPA assessment)</i></p>	
Governor Lamont - Executive Order 7K & 7Q Remote Notarizations & Witness Signatures	
Effective	Expiration
March 30, 2020	June 24, 2020
<p>Remote notarization policy certifications will be allowed for documents executed on March 30, 2020 through June 23, 2020.</p>	
<p>Separate certifications are required for each person witnessing a document.</p>	
Effective	Expiration
Prior to March 30, 2020	March 30, 2020
<p>Notarized policy certifications will not be accepted for any documents executed prior to March 30, 2020.</p>	

All other temporary policies / procedures announced in the following CHFA Bulletins #179 and #180 remain unchanged and are in full force and effect.

May 7, 2020 – CHFA Bulletin #180

COVID-19 Lender Loan Purchase Timeline	
<p>Pursuant to CHFA Bulletin #179, the CHFA Master Servicer, Idaho Housing and Finance Association (IHFA) provided additional guidelines effective May 18, 2020.</p>	
Effective	Expiration
May 18, 2020	Remains in place for duration of COVID-19 crisis
<p>Loans with IHFA purchase-pending conditions must be cleared within three (3) calendar days.</p>	
Effective	Due Date
May 18, 2020	Within three (3) calendar days
<p>Pre-purchase conditions not cleared within three (3) days may result in the file being rejected.</p>	
Effective	Due Date
May 18, 2020	Within five (5) calendar days
<p>Conditions will be post-purchase and are due within five (5) days of IHFA review.</p>	
Effective	Expiration
May 18, 2020	Remains in place for duration of COVID-19 crisis
<p>IHFA does not purchase conventional loans that fall under COVID-19 Forbearance, Lenders have the option of requesting IHFA purchase; however, purchase is subject to the LLPA additional fee assessment of up to five (5) percent of the loan balance as assessed by FNMA or FHLMC. These fees will be the responsibility of the Lender.</p>	
<p>Interest credits will not be allowed. An interest credit would create a situation that would not allow us to deliver the loan prior to the first payment due date.</p>	
<p>Lenders must include a signed “COVID-19 Non-Forbearance Statement” (<i>Form provided by CHFA</i>) in each file submitted to IHFA acknowledging the loan is not in forbearance at time of delivery.</p>	
<p>As per RESPA, IHFA will net out one payment within twenty (20) days of the next due date.</p>	
<p>Any late deliveries that would cause the loan to be in forbearance status or to become delinquent before it can be securitized may be assessed Lender LLPA additional fees or be subject to repurchase if the loan is unsellable to the secondary market.</p>	

May 1, 2020 – CHFA Bulletin #179

CHFA - Temporary Loan Closing Schedule	
<p>FNMA & FHLMC implement new criteria permitting delivery of loans in Forbearance due to COVID-19 hardships subject to certain LLPA adjustments. <i>(FNMA LL 2020-06 & FHLMC Bulletin 2020-4)</i></p>	
Effective	Expiration
May 1, 2020	Remains in place for duration of COVID-19 crisis
<p>HFA Preferred™ & HFA Advantage® Program committed loans are required to close between 1st & 15th of month. <i>(see Bulletin 181 update)</i></p>	
Effective	Due Date
May 1, 2020	Files to IHFA no later than May 16th
<p>Loans pending delivery to Idaho Housing and Finance Association (IHFA) that closed prior to May 1, 2020.</p>	
Effective	Due Date
May 1, 2020	May 15th
<p>Remaining loans in pipeline pending closing must be closed by May 15, 2020. <i>(see Bulletin 181 update)</i></p>	
<p>Loans unable to close by the 15th must be rescheduled for the following month between 1st and the 15th. <i>(see Bulletin 181 update)</i></p>	
Effective	Due Date
May 1, 2020	May 15th
<p>Closed loan document must be dated between the 1st and the 15th to be eligible for delivery. <i>(see Bulletin 181 update)</i></p>	
<p>Original Note and complete loan package must be included in the loan file submission.</p>	
<p>Loan files must be delivered to servicer within ten (10) days of loan closing</p>	
<p>Loans with purchase pending conditions must be cleared within five (5) calendar days. <i>IHFA will work to keep pre-purchase conditions to a minimum – other conditions will be post-purchase. (see Bulletin 180 update)</i></p>	
Effective	Expiration
May 1, 2020	Remains in place for duration of COVID-19 crisis
<p>This schedule also applies to CHFA GNMA, (FHA, VA, USDA) loans closed during this blackout period.</p>	

April 8, 2020 – CHFA Bulletin #176A

Temporary Appraisal and Employment Verifications - Update	
<p>March 27, 2020, FHA published (<i>Mortgage Letter 2020-05</i>); <i>Providing temporary COVID-19 guidance.</i></p>	
<p>CHFA does not have overlays on our programs relative to the temporary COVID-19 guidelines presented by FHA, FNMA or FHLMC</p>	
Effective	Expiration
On or before May 17, 2020	Remains in place for duration of COVID-19 crisis
FEDERAL HOUSING ADMINISTRATION (FHA)	
RE-VERIFICATION OF EMPLOYMENT	
<p>Re-verification of employment required within ten (10) days of the Note date. <i>(If verbal is not available)</i></p>	
<p>Documentation evidencing the Borrower has a minimum of 2 months PITI in reserves;</p>	
<p>Current Employment Documentation and</p>	
<p>A year-to-date paystub or direct electronic verification of income for the pay period that immediately precedes the Note date, or</p>	
<p>A bank statement showing direct deposit from the Borrower’s employment for the pay period that immediately precedes the Note date.</p>	
APPRAISALS	
<p>In instances where the Lender cannot obtain a full appraisal, alternative acceptable documentation include:</p>	
<p>A Desktop – Only Appraisal or</p>	
<p>An Exterior - Only</p>	
<p>Either Appraisal Report submitted must include a signed certification with a clear scope of work from the Appraiser.</p>	
<p><i>Appraisals must be completed on an FHA existing Acceptable Appraisal Reporting Form; FNMA Forms 2055 & 1075 are not FHA approved forms and are not acceptable.</i></p>	

April 8, 2020 – CHFA Bulletin #176A Continued

Temporary Appraisal and Employment Verifications - Update	
<p>March 31, 2020, FNMA published an update (<i>Lender Letter 2020-03</i>), and FHLMC published (<i>Bulletin 2020-8</i>) providing temporary COVID-19 guidance.</p>	
<p>CHFA does not have overlays on our programs relative to the temporary COVID-19 guidelines presented by FHA, FNMA or FHLMC</p>	
Effective	Expiration
April 14 – May 17, 2020	Remains in place for duration of COVID-19 crisis
<p>FANNIE MAE (FNMA) & FREDDIE MAC (FHLMC)</p>	
<p>CREDIT UNDERWRITING</p>	
<p>Age of Documentation</p>	
<p><i>Summary only – Refer to FNMA LL-2020-03 & FHLMC 2020-08</i></p>	
<p>Income and Asset documentation reduced from four (4) months (120 days) to two (2) months (60 days)</p>	
<p>Asset accounts reported on a quarterly basis must include the most recently published statement.</p>	
<p>Employment and Income verifications from a third party vendor must be no more than sixty (60) days old as of the Note Date.</p>	
<p>VERIFICATION OF SELF-EMPLOYMENT</p>	
<p>Lenders must confirm Borrower’s business is open and operating within ten (10) Business Days prior to the Note Date; Documentation may include:</p>	
<p>Evidence of current work (examples: executed contracts, signed invoices).</p>	
<p>Current business receipts within ten (10) Business Days of the Note Date.</p>	
<p>Lender certification that the business is open and operating.</p>	
<p>Business website demonstrating activity supporting current business operations.</p>	
<p>To ensure complete compliance with the temporary FNMA & FHLMC guidelines see: https://singlefamily.fanniemae.com/media/22316/display https://guide.freddie.mac.com/app/guide/bulletin/2020-05</p>	