




MEMORANDUM

TO: All Participating Lenders

FROM: Kay Bowe   
Underwriting & Post Closing Manager

DATE: August 2, 2024

RE: Reminders

We continue to have unbelievable volume and certainly appreciate our partners. We would like to take this opportunity to provide a few reminders that will hopefully make the process from reservation to post-closing a bit easier. Below are a few issues that we are seeing repeatedly in files as they come into the Fund. Please don't hesitate to reach out if you have any questions.

- ALL Homeownership and Movin' Up program loans are required to be run in the DU system as HFA Preferred.
- Financing Concessions and Sales Concessions are two (2) different items. We follow FNMA guidelines and expect the full benefit of the negotiated seller credit to be provided to the borrower. (The seller can always pay 100% of the borrower's closing costs, however the amount over and above the maximum financing allowed is considered a sales concession. We want the borrower to receive the full benefit of the negotiated terms per the sales contract.)
- The Seller Credit on the Lender Addendum of the URLA/1003 should reflect the amount of seller paid closing costs. These cannot be lumped in with "other credits".

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- “Other Credits” should be identified and documented.
- Inspections required by the appraiser or lender should be completed by persons with documented, acceptable credentials such as a copy of license when applicable. The lender/underwriter is responsible for review and acceptability.
- The new ROV (Reconsideration of Value) policy is effective for all Conventional loans with an application date on or after August 29, 2024; and on FHA loans with case numbers assigned on or after September 2, 2024. Disclosures used to meet this new policy will be required in the closing files for loans applications taken on and after that date.
- Recent QC reports have an increased number of defects, both in missing documents and credit file issues. Please take steps to ensure file concerns are addressed and supporting documentation is provided in the closed loan files.
- Disclosure of all debts, including child support and payments reflected on bank statements need addressed and documented.
- Underwriting review time continues to be within 72 hours, review conditions carefully to prevent any additional delays.
- FHA 92900A requires the underwriter’s approval date (pg 3) to match the final DU Findings. Also, Part V (pg 4) of the 92900A prohibits the staff that originated the loan and underwrote the loan for insurance to sign as the mortgagee’s representative. Reference 203.255 of FHA’s regulation.
- Conditional Commitment 92800.5B should reflect 180 days from issued to expiration date. Reference mortgagee letter 2022-11.
- Loans with outstanding items for Loan Purchase, Post-Closing, and QC can be viewed in PowerLender from the Conditions Section of the landing page.
- The final 1003/URLA requires both borrower and loan officer signatures.
- A recorded copy of the Deed is required to clear the loan in Post Closing.
- A UCD (Uniform Closing Dataset) report is required on all Conventional program loans and should be provided in the closing package. The DU Case File ID# must match the DU Findings from the Underwriter’s Approval; loans submitted to WVHDF for underwriting (non-delegated lenders) must use the DU Findings with our approval. (Recent change)
- The Recapture Notice is required to be signed and provided at the time of underwriting. (Recent change)