



# IHDA Mortgage Products Origination Procedural Guide

*Revised 2022*



**ILLINOIS HOUSING  
DEVELOPMENT AUTHORITY**

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Chicago, IL 60601

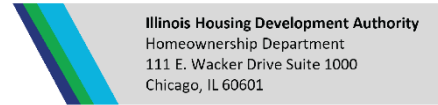
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Welcome to the Illinois Housing Development Authority’s (IHDA) IHDA Mortgage Products Procedural Guide. This Guide will assist in originating IHDA mortgage loan products. We address our on-line loan origination system (IHDA LOS) in its own Commitment/Reservation guide, which can be located at <https://www.ihdamortgage.org/docs>.

A resource page and glossary are located at the end of this guide for convenience. The procedures contained herein are subject to change without notice. *If there is no stated IHDA overlay, lenders should follow Agency (FNMA, FHLMC, FHA, VA, USDA/RD) guidelines.* Please consult the IHDA Mortgage [Partner Center](#) on a regular basis for updates. This center is filled with resources including an FAQ, marketing center, a full document library, access to rates, and other helpful tools.

Should the need for any clarification or questions arise regarding information in this guide, email our general email address at [mortgage@ihda.org](mailto:mortgage@ihda.org) or email your file’s assigned IHDA Mortgage Compliance Specialist if the question is regarding a file currently in review.

You can reach a qualified homeownership staff member by dialing 877-456-2656. Our account managers are also available to set up trainings.

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U.S. Bank HFA Division acts as the Master Servicer for IHDA Mortgage. To reach them please visit,  
 Phone: 800.562.5165, Option 2  
 Email: [HFA.Programs@usbank.com](mailto:HFA.Programs@usbank.com)

Thank you for offering IHDA Mortgage programs! We are here to support you and your team, please reach out!

Tara Pavlik  
 Managing Director, Homeownership Programs

## ILLINOIS HOUSING DEVELOPMENT AUTHORITY

The Illinois Housing Development Authority is a self-supporting state agency that finances the creation and preservation of affordable housing throughout Illinois. The Authority utilizes Mortgage Revenue Bonds and many federal and state funding sources for its single-family loan program(s). IHDA is also a bonding authority and independently sells bonds, based on its own good credit, to finance affordable housing in Illinois.

### IHDA MORTGAGE PROGRAMS

IHDA Mortgage, a division of IHDA, offer programs with safe and reliable mortgage products with affordable interest rates, which can include Down Payment Assistance (DPA) to first-time homebuyers, qualified veterans, and non first-time homebuyers. **All** IHDA Mortgage products are subject to income and purchase price limits (see limits at <https://www.ihdamortgage.org/limits>). The borrower's credit profile, Borrower(s) Income, and the Purchase Price of the property determine eligibility for each product. The majority of IHDA Mortgage programs are available statewide.

Currently, the following IHDA Mortgage programs are available (*PROGRAM AVAILABILITY IS SUBJECT TO CHANGE WITHOUT NOTICE*):

- 1) **Access** – includes three programs for FHA, VA, USDA, and Conventional (Fannie Mae (FNMA) HFA Preferred and Freddie Mac (FHLMC) HFA Advantage), 1<sup>st</sup> mortgage loans for **first-time or non first-time** homebuyers **statewide**. With no LLPA. New construction or existing construction permitted on single-family Qualified Dwellings only ([as defined here](#)). **If the Lender provides the borrower an amount over the allowed assistance amount, IHDA will only reimburse the correct amount.**
  - a) **Access 4% Forgivable** – 4% of the purchase price, up to \$6,000, for down payment and closing cost assistance forgiven monthly over 10 years.
  - b) **Access 5% Deferred** – 5% of the purchase price, up to \$7,500, for down payment and closing cost assistance offered as an interest-free loan, deferred for the life of the 1<sup>st</sup> mortgage.
  - c) **Access 10% Repayable** – 10% of the purchase price, up to \$10,000, for down payment and closing cost assistance offered as an interest-free loan – repaid monthly over a 10-year period.
- 2) **Opening Doors** – includes FHA, VA, USDA, and Conventional (FNMA HFA Preferred and FHLMC HFA Advantage) 1<sup>st</sup> mortgage loans for **first-time and non first-time** homebuyers (or Exempt) **statewide** with a forgivable DPA loan of \$6,000. With no LLPA, single-family Qualified Dwellings only ([as defined here](#)).
- 3) **SmartBuy** – **PROGRAM CLOSED FOR NEW LOCKS AS OF 05/21/2021** - includes **ONLY** FNMA HFA Preferred Conventional 1<sup>st</sup> mortgage loans for **first-time and non first-time** homebuyers with student loan debt relief of 15% of purchase price up to \$40,000 and a deferred DPA loan of \$5,000. With no LLPA, single-family Qualified Dwellings only ([as defined here](#)).

-----FIND DETAILED INFORMATION REGARDING INDIVIDUAL LOAN PROGRAMS IN THE ADDENDUMS-----

## PROCESS OVERVIEW

### BASICS

1. Lender pre-screens borrower/co-borrower (and/or spouse in the case of first-time homebuyer programs).
2. Lender commits/reserves loan(s) in the IHDA loan origination system (LOS)
3. Lender obtains signatures on all IHDA required documentation, performs and completes tax code compliance review, and performs and completes credit underwrite in accordance with Agency regulations/guidelines. **(FOR SMARTBUY, APPROVAL BY IHDA PRIOR TO CLOSE IS REQUIRED – PROGRAM CLOSED FOR NEW LOCKS AS OF 05/21/2021.)**
4. Lender closes loan and provides Federal Recapture Notice to borrower. Lender is responsible for table funding both the first and second mortgage. IHDA does not provide funds at the table. Master Servicer (U.S. Bank) reimburses Lender when loans are purchased by the Master Servicer.
5. Prior to sending loan to IHDA, Lender validates loan data/information in the IHDA LOS.
6. Lender uploads:
  - a. Two packages to the IHDA LOS: 1) copy of the file delivered to U.S. Bank HFA Division - the Investor Delivery File, and 2) Submission Cover with the IHDA Delivery File.
  - b. Required file to U.S. Bank HFA Division via Doc Velocity and forwards original note(s) to U.S. Bank HFA Division.
7. IHDA reviews all documents uploaded, verifies tax code compliance, and approves loan for purchase.
8. Upon satisfactory completion and review of steps 5 - 7, U.S. Bank HFA Division will purchase loan(s) from Lender. Lender is responsible for servicing both the first and second mortgages until purchased by U.S. Bank.

## PRE-SCREENING FOR IHDA COMPLIANCE – ALL BUYERS/BORROWERS

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IHDA Mortgage definition of Household Income is as follows, the total income of any person who is expected to a) live in the Qualified Dwelling; and b) be liable, or secondarily liable, on the Note.

The borrower and co-borrower(s) (and non-borrowing spouses in the case of first-time homebuyer programs) should be pre-screened to determine whether borrower and any co-borrower(s) are eligible for an IHDA Mortgage program. For bond compliant loans and loans subject to IHDA Act, eligibility for the basic IHDA Mortgage program includes:

1. Borrower/co-borrower (and non-borrowing spouse) must be a first-time homebuyer or Exempt\* at time of application for any first-time homebuyer programs.
2. Total Household Income must be below program county limit. This income includes borrower(s) that will reside in subject property and be obligated on the note.
3. Property must be a Qualified Dwelling situated on less than or equal to five (5) acres of land.
4. Purchase Price of property must be below the program county limit.
5. For **Access** and **Opening Doors** Programs, borrower and co-borrower (including non-purchasing spouse) can be first-time or non first-time homebuyers, purchasing a 1-2 unit (as allowed by Agency) new or existing single-family Qualified Dwelling as a primary residence throughout the State of Illinois.
6. **SmartBuy (PROGRAM CLOSED FOR NEW LOCKS AS OF 05/21/2021)** participants must have a minimum of \$1,000 in student loan debt and must meet other program requirements as noted later in this guide.

If the loan officer determines that the applicant is eligible for an IHDA Mortgage program, the loan application is completed. Before committing the loan, loan officer/originator must make a determination as to borrower's income threshold in order to select the appropriate IHDA Mortgage program (above 80% of the Area Median Income (AMI) or below 80% of the AMI). For information on income thresholds, please see page [14](#).

**\*Exempt** = qualified veteran (borrower or coborrower must be a veteran), or property is in targeted area. Note that if only the spouse is a veteran, the spouse must also be a borrower/mortgagor and obligated on the note. Provide a COE or DD214 showing honorable discharge in closing package uploaded to IHDA.

All borrower loan files must be reviewed by Lender for IHDA compliance as well as creditworthiness in accordance with Agency (FHA, VA, FNMA, FHLMC, USDA) regulations and guidelines; and also, must comply with U.S. Bank HFA Division guidelines and federal regulatory guidelines including CFPB, Dodd-Frank, OFAC check, TRID, etc.

## RESERVING AND COMMITTING THE LOAN

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In order to commit/reserve funds for any of the IHDA Mortgage programs, the Lender must lock the loan using IHDA's online loan origination portal, TPO Connect. The potential buyer(s) must have a valid real estate contract in place **prior** to registration/commitment and/or have a valid signed loan application (1003).

Additionally, the Homebuyer Education Certificate must be uploaded before you can confirm the lock in TPO Connect for Pricing. The loan can still be imported, created, and registered, but it cannot be locked until the Certificate has been uploaded.

Please note that the TPO Connect input is not included in this Guide. The document that addresses online reservation system input (the IHDA Reservation Manual) is located at <https://www.ihdamortgage.org/docs>.

All loans must close at the interest rate reserved in TPO Connect, which is confirmed by the lock confirmation. Any loan that is re-priced will have a lock confirmation in TPO Connect showing the updated values, if applicable.

See Addendum G for IHDA full Lock Policy on any IHDA Mortgage Program.

Note(s):

- The IHDA Lock Policy applies to any loan locked in any IHDA LOS.
- IHDA is under no obligation to purchase a loan that is not salable in secondary; including reimbursement of any IHDA Down Payment Assistance (DPA) used.

**Please Note: For the Access Programs the Lender will be responsible for any amount that they reserve in error over the allowed assistance amount.**

## TAX CODE COMPLIANCE REVIEW

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Tax Code Compliance Underwriting Review is unique to IHDA Mortgage loan programs and the Lender must perform this review for all IHDA Mortgage programs with or without an MCC. A Lender-signed certification attesting to review of and compliance with tax code is part of the Income Calculator required to be in each file.

Tax Code Compliance Underwriting Review consists of documenting three basic determinations:

1. Is the borrower/co-borrower (and spouse) **a first-time homebuyer or Exempt** from this requirement? *OR* is the borrower/co-borrower a non first-time homebuyer meeting income, purchase price, and all other IHDA Mortgage program restrictions?
2. Is the borrower/co-borrower's **total Household Income** within the allowable limits for the area in which they intend to reside? Note that IHDA has developed the [income calculator](#) for use in determining whether income is compliant or non-compliant. A presentation on how to use the income calculator is located at <https://www.ihdamortgage.org/training>. (Note: Download the calculator for each use, instead of saving it to the computer, to ensure utilization of the most current version.)
3. Is the residence a **Qualified Dwelling** whose **purchase price** is within the allowable limits

for the area in which it is located?

The following are parameters for determining tax code compliance (which is the Lender's responsibility):

## 1. FIRST-TIME HOMEBUYERS/EXEMPT

### HOW TO DOCUMENT A FIRST-TIME HOMEBUYER(S)

Each borrower (first-time or non-first time) **and** spouse (whether borrowing or non-borrowing) must provide copies of his or her **signed federal income tax returns** (or transcripts directly from IRS) from the most recent three (3) years, including all attached schedules. A copy (or copies) of the most recent year's W-2(s) or 1099(s) must be included in the loan file. Remember that if a loan closes Tax Day, or after, in any given year, the Lender must obtain and provide the signed federal tax return for the most recent year to IHDA with the delivered file. We cannot purchase a loan until we have the most recent three (3) years of signed tax returns (or transcripts from IRS, if available). Even if a borrower filed an extension for the most recent tax filing year, we cannot purchase without the most recent tax return(s). Please do not ask borrowers to provide state income tax returns and do not submit them, as they cannot be used as an alternative to federal returns.

**DETERMINATION:** Review the tax returns for both the borrower and the spouse to determine if they took mortgage interest or real estate tax deductions. If deductions were taken, the borrower or spouse may not be a first-time homebuyer. It must be determined whether the interest deduction in question applied to a principal place of residence or some other property. (Note: All IHDA Mortgage programs are for primary residences only. If the deduction listed is for a rental property not occupied by borrower within the last three years, it can be considered eligible.) Review the credit report for possible mortgage history and the most recent three (3) year residence history. For legally married borrower(s), both borrower(s) and non-borrowing spouse(s), if EITHER is a non first-time homebuyer, NEITHER is defined as a first-time homebuyer. This is why three (3) years tax returns are required for the non-borrowing spouse.

### ISSUES THAT MAY AFFECT FIRST-TIME HOMEBUYER(S) STATUS

**PRIOR OWNERSHIP OF A MOBILE HOME:** A prior ownership interest in a mobile home does not disqualify a borrower as a first-time homebuyer as long as the Lender provides adequate documentation\* to confirm the following facts:

1. Components, which operate only during transportation (hitch and axles), have not been removed.
2. The mobile home can be legally transported on state highways without first disassembling into sections. The legal dimensional limits in Illinois are 14 feet 6 inches wide by 95 feet long, (14'6" W X 95' L) (including the truck pulling the mobile home).
3. The mobile home does not have any permanent structures added. Such items include affixed decks, room additions, etc. If a deck has been built and the mobile home is merely sitting next to the deck, that would not constitute "permanently affixed."



Prior ownership (within three years) of a “double-wide” mobile home will disqualify a possible borrower since disassembly is required for transport.

**\*DOCUMENTATION:** The best documentation is a photograph of the axles and hitch of the mobile home. Include these photograph(s) in the loan file when submitting to IHDA.

**TIMESHARES:** Unless three (3) years of tax returns show the borrower residing in the timeshare as their primary residence, the borrower is defined as a first-time homebuyer.

**INHERITED PROPERTY:** An expectancy to inherit property does not constitute an ownership interest. However, if the person occupies the inherited property after acquiring a vested title interest, the person is no longer a first-time homebuyer.

**NEW MORTGAGE REQUIREMENT:** The borrower cannot have had a prior mortgage or other financing on the subject residence, except in the following cases:

*Bridge or Construction Loans:* A prior mortgage obtained for temporary financing, such as a bridge or construction loan, is acceptable if the mortgage has a stated term of 24 months or less. Evidence that the bridge loan has been recorded must be provided.

*Contract for Deed:* A contract for deed, or an installment sales contract, is considered seller financed. Therefore, a contract purchaser is an eligible borrower as long as the contract has a stated term of 24 months or less. The contract for deed or installment sales contract must be recorded prior to the application for mortgage.

*Lease with Option to Purchase:* Seller financing is established when a rent credit is provided under a lease with option to purchase. The renter is an eligible first-time borrower as long as A) the lease provides a right of first refusal to purchase and no portion of the rent paid has been, or will be, credited to the purchase price; or B) the term of the lease does not extend beyond 24 months of the new IHDA loan closing date.

In order to substantiate any of the above exceptions, the financing document (mortgage, contract, or lease) must have been recorded at the time of execution. Obtain a certified copy of the document from the recorder’s office and provide it to the Authority.

**DIVORCE WITHIN THE LAST THREE YEARS:** A borrower who has divorced within the last three (3) years and had an ownership interest in another residence can still qualify as a first-time homebuyer IF the borrower resided in another property for the three (3) years prior to the closing of the IHDA loan. Please consult the Divorce Decree/Property Settlement for ownership interest status (must be stated to be a non-marital property) and provide supporting documentation, such as a lease, with a signed statement from the borrower attesting to primary residence status if the borrower’s principal residence for the most recent three (3) years was another property.

**MARRIED OR SEPARATED BORROWERS:** For IHDA tax code compliance, a person is either married or single; there is no gray area. Both borrower AND spouse need to be qualified in cases where spouse is not borrowing. It must be verified that borrower AND spouse are first-time homebuyers or Exempt, even if the non-borrowing spouse will not be residing in the property.

**RECENTLY MARRIED BORROWERS:** Remember that if the borrower marries during the mortgage loan process, documentation will need to include the new spouse to provide confirmation that they are both first-time homebuyers. Obtain a copy of the marriage certificate and obtain three (3) years signed federal tax returns (or transcripts).

Please note: this requirement only applies to tax code compliance underwriting within the program. This is not an issue when performing the credit underwriting.

**IHDA EMPLOYEES:** Employees of IHDA are eligible for IHDA Mortgage programs. To prevent any appearance of impropriety, IHDA must be notified of any loan that is coming through for an IHDA employee prior to reservation. Please try to notify IHDA once the reservation is locked in the IHDA LOS, so we are aware of the loan prior to receiving the post-close package.

**HOME CONSTRUCTED ON LAND OWNED BY BORROWER:** If borrower purchased land more than two (2) years prior to start of construction, the cost of the land is not included in the acquisition cost. Obtain a certified copy of the recorded deed in order to document and determine whether cost of land should or should not be included in acquisition cost.

If the land was acquired within the two (2) year limitation, the value of the land must be included in the acquisition cost and can be documented with a copy of the sales contract or closing statement, if financed. If the borrower acquired the land through seller financing or inheritance, the acquisition date is the date of the seller finance agreement or date of death. In all cases, remember to follow Agency regulations for credit underwriting, appraisal requirements, etc.

**FORECLOSURE:** Remember to follow Agency regulations with regard to borrowers with prior foreclosure.

**NON-OCCUPANT CO-BORROWERS:** All borrowers must occupy subject property within 60 days of close. IHDA does not permit non-occupant co-borrowers.

## 2. HOUSEHOLD INCOME

The borrower(s) must have a total Household Income that does not exceed the applicable limit in effect at the time of loan closing.

IHDA Mortgage definition of Household Income is as follows, the total income of any person who is expected to a) live in the Qualified Dwelling; and b) be liable, or secondarily liable, on the Note. The term “borrower” includes the borrower(s) and the co-borrower(s). IHDA’s income calculator is a required tool to complete income calculation and is located under Income Calculators here: <https://www.ihdamortgage.org/docs>.

A presentation on how to use the income calculator is located here: <https://www.ihdamortgage.org/training>.

Download the most recent IHDA income calculator from the website **each time** income is calculated for borrower(s). Once all sections are complete income must show as compliant. If the

income is over the income limit for the county and household size, the borrower is not eligible for an IHDA Mortgage program. This applies to first-time AND non first-time homebuyers.

**CALCULATION:** Total Household Income is the annualized gross income of **all** income earned by the borrowers/coborrowers. Annualized gross income is **gross monthly income** from current job(s) (see Glossary on [page 43](#)), at the time of loan closing, multiplied by 12. (*Tax code requires that IHDA project income forward for one year*). All income coming into the household for both the borrower and the coborrower, no matter length of employment, must be included. This should include any income from self-employment, W-2s, or SSI/SSDI.

**NOTE:** If there is a change in income/job between the time of making the reservation and closing the loan, the Lender must recalculate income to ensure the household is still within the income limits for an IHDA loan.

## HOW TO DOCUMENT TOTAL HOUSEHOLD INCOME

Anyone liable on the note, or secondarily liable on the note, that does not earn or receive income from any source, must provide a signed certification attesting to that fact.

**PAY STUBS:** Total Household Income is best documented by providing pay stubs, within 60 days of close, covering **the most current** consecutive 30-day period (two (2) or three (3) pay stubs) from each employer, documentation for any other source of income for each borrower. If the pay stubs show that any **borrower** receives a bonus, overtime, or other sporadic income, obtain a full Verification of Employment (VOE) when total income calculation puts income near the income limit. Age of all credit documents must be compliant with Agency regulations for salability.

**COMMISSION, BONUS, OR OVERTIME:** To determine commission, bonus, and overtime income: average the income over the last year and the income from the current year to date (YTD). This can be completed by using current YTD pay stubs and by obtaining a full VOE, which provides a breakdown or itemization of income. Use the average monthly income to predict the income forward (multiply monthly average by 12). Lender will need to verify and document any situation such as one-time bonus or the like; a statement from borrower is not sufficient documentation.

**SELF-EMPLOYED BORROWERS:** To determine the income of a self-employed borrower, average their income using most recent 2 years federal income tax returns and a signed year-to-date Profit and Loss (P&L) Statement. The P&L must state the gross income, the expenses, and the year-to-date net income. Note that the P&L Statement may need to come from a third party if required for credit underwriting purposes. Lender will use year-to-date plus prior **2 years** net income; the income calculator allows for this calculation. Calculate the historical monthly income and use that number to project the income forward (multiply monthly average by 12). For self-employed borrowers, the income calculation allows for the exclusion of legitimate operating expenses.

**CHILD SUPPORT/ALIMONY:** Child support and alimony payments must be included as Household Income. The documentation needed to verify the amount of child support/alimony is a copy of the appropriate (and most current) court order/divorce decree, which sets forth the amount of

the support.

**NOTE:** Child support and/or alimony must be included in Household Income calculations even if it is not being used for credit underwriting purposes.

- If a formal court order exists, child support/alimony income must be calculated even if the borrower is not receiving it. If not receiving the court ordered child support, and this income puts household over IHDA income limits, please contact IHDA at [mortgage@ihda.org](mailto:mortgage@ihda.org) to see if documentation can be provided to exclude it (such as a printout from the state showing the borrower is not receiving it). This must be reviewed and approved by IHDA before loan closing.
- If custody of child/children is held jointly, then the child/children can be included as household occupants.
- If no formal court order exists, a signed LOX must be provided stating that no court order exists and the amount received, if any, on a monthly basis. This amount must be included in Household Income.
- If the file or documentation in the file indicates that borrower/coborrower could be receiving child support, then the court order or LOX, as listed above, must be provided.

**NON-TAXABLE INCOME:** Social Security Income, Social Security Disability Income, and other non-taxable income are to be included in the income calculation for tax code compliance purposes. Do not gross up income when calculating this type of income for tax code compliance.

**JOB CHANGES/PREVIOUS EMPLOYMENT:** If a borrower has changed jobs during the current, or most recent, tax year (i.e., a contract in 2018 with a 2017 W-2 for an employer in which the borrower is no longer employed), a prior VOE for any employment that has ended or been terminated during the tax year and/or current year, must be obtained. Remember to obtain a WVOE to verify start date of new employment and use that to calculate income more accurately.

**RENTAL INCOME:** IHDA does not count future rental income for tax code purposes, but it can be used to credit qualify.

**BANK STATEMENTS:** Follow Agency requirements, including transfers and deposits.

## **NON-BORROWING PERSONS**

**IHDA does not permit non-occupant co-borrowers regardless of loan type or program.**

### **NON-BORROWING SPOUSES**

IHDA relies upon our participating lenders to use their internal guidelines and follow all applicable requirements regarding non-borrowing spouse, homestead, and manner of title.

**IHDA requires all legally married non-borrowing spouses to execute:**

- Borrower Affidavit (HO-012)

**Non-borrowing spouses cannot sign:**

- The 1<sup>st</sup> or 2<sup>nd</sup> Note

## OCCUPANCY

If the non-borrowing spouse will not be occupying the subject property, a LOX (letter of explanation) signed by the Borrower with explanation and confirmation that the spouse will not occupy the property if the Borrower and Spouse are separated and not officially divorced yet. Parties to civil unions have the same requirements.

## FEDERAL TAX DOCUMENTATION REQUIREMENTS FOR NON-BORROWING SPOUSES

IHDA requires the following supporting federal income tax documentation for legally married non-borrowing spouses for the purposes of verifying first-time homebuyer status.

- **If they were required to file and filed jointly:** Provide tax returns signed and dated by the non-borrowing spouse unless there are tax transcripts.
- **If they were required to file and filed separately:** Provide most recent three (3) years of tax returns signed and dated. (This is to ensure bond code compliance.)
- **If they were NOT required to file per IRS requirements:** Provide the IHDA Tax Affidavit for the years they were not required to file (found in the standalone docs section of the document library). If it is not electronically signed it must be notarized.
- **If they were required by the IRS to file but did not (for whatever reason):** IHDA does not accept IRS tax extensions or borrowers with outstanding tax years not filed. To be eligible for purchase, they will need to file the outstanding year(s) with documentation uploaded as described above.

In cases where the borrower has separated or divorced, please refer to page 9 for detailed requirements.

## DETERMINING IF TOTAL HOUSEHOLD INCOME IS BELOW COUNTY LIMIT

IHDA's income calculator provides the means to determine whether a Household Income is below or above the county limit (compliant or non-compliant), as the county limits are embedded in the calculator. ALL IHDA Mortgage programs require use of the income calculator. **Lender must fully complete, sign, and date the income calculator. The calculator must be included in every file submitted to IHDA.** A PDF copy of the signed income calculator must be uploaded to the IHDA LOS. Do not save the calculator to the desktop; download it from IHDA's website each time when calculating income to ensure you are using the correct version.

Documentation that will assist in determining household size would be the Loan Application, the IHDA Borrower Affidavit, the federal tax returns, etc.

In the calculator, the following must be complete:

- income from all sources
- county in which the property is located
- names, ages, and total number of household members
- select whether income is above or below 80% AMI
- select whether the property is located in a targeted area
- select whether the borrower is taking an MCC
  - Loans with MCCs may have different income limit requirements
- Mandatory Field: Enter checking, savings, etc. to determine income received from assets

**If the calculator shows “non-compliant,” the loan is not eligible for IHDA Mortgage programs.**

(FYI – It is strongly encouraged that a second review of the documentation is completed if income is within 4% of limit.)

Borrowers are required to complete and sign the *Borrower Affidavit*. The Affidavit must include all individuals on the note or secondarily liable on the note and the list of said borrowers must match that shown on the calculator. Discrepancies between dependents listed on tax returns, application, Borrower Affidavit, etc. must be addressed, and documentation provided, where applicable.

## **INCOME LIMITS**

Income limit charts are available on our website for general income limits in targeted and non-targeted areas. The link to General Income Limits for targeted and for non-targeted areas is located here <https://www.ihdamortgage.org/limits>. These Program Income Limits typically change on an annual basis and are always on the IHDA website.

Some borrowers fall into an income category that is below 80% of the AMI. That information is also available on the income limits page under the “Below 80% AMI” charts.

**Before a loan is closed**, it is critical that the borrower be in the correct income category **and** that it is correctly reserved/committed in the IHDA LOS. The Lender must update the IHDA LOS for ANY changes to the loan PRIOR to uploading the file for review. Income must be below the county limit at the time the loan is closed.

For each income category, the Lender must be certain the income is below the county limit. For borrowers with income higher than the below 80% AMI limit, but below the general income limit, the Lender will register the loan for the above 80% AMI category.

### **3. PURCHASE PRICE LIMIT AND QUALIFIED DWELLING**

The residence being financed must be a Qualified Dwelling and the total purchase price must be within the applicable limit for the area (county) in which the property is located.

#### **DETERMINING IF THE TOTAL PURCHASE PRICE IS BELOW THE LIMIT**

Once the borrower’s total purchase price has been calculated, it must be compared against a purchase price limit contained in the correct chart.

Chart 1:

If the borrower is purchasing in a **non-targeted** area, the total purchase price must be compared against non-targeted areas of the General Purchase Price and Income Limit found [here](https://www.ihdamortgage.org/limits) under <https://www.ihdamortgage.org/limits>.

Chart 2:

If the borrower is purchasing in a **targeted area**, the total purchase price must be compared

against the purchase price limit found in the targeted areas chart on the same [page](#).

The total purchase price **must be within** the applicable purchase price limits contained in the appropriate chart. If the purchase price limits change prior to IHDA's approval to close the loan, then the new purchase price limits apply.

## QUALIFIED DWELLING

In order for a property to be considered a Qualified Dwelling, A) the borrower must acquire a fee simple interest in the real estate; B) the home must become (be) the principal place of residence of the borrower within 60 days after the closing of the IHDA loan; C) the residence must be located in Illinois; and D) designed for residential use.

Qualified Dwellings can be any of the following 1-2\* unit residences:

1. Single family detached home
2. Townhome
3. Condominium unit (FHA/HUD, VA, FNMA, or FHLMC approved) must be warrantable/approved. Must be reviewed by U.S. Bank if Lender is not delegated by U.S. Bank to review (see chart on page [20](#)).
4. Planned Unit Development (PUD) – single family
5. Duplex unit or zero lot line home, provided that a maintenance agreement is of public record
6. Two-unit (one building) – as allowed by Agency

*\* For two-unit properties, as required by Agency all borrowers on loan must provide certification of landlord counseling/education before close (see requirements in the [credit underwriting](#) section), minimum investment and reserves must be met per Agency guidelines, and AUS findings must be followed. Borrower must occupy one of the two units as their primary residence.*

*Note: Co-op apartment units, manufactured, mobile, log homes, dome homes, any property with unresolved "subject to" on appraisal and any property over 5 acres are not eligible. IHDA does not permit anything above two (2) unit properties at this time. Remember that a specific program may limit property type.*

## ADDITIONAL STANDARDS AND REQUIREMENTS OF A QUALIFIED DWELLING:

**NEW CONSTRUCTION:** This must be the first time the unit will be occupied as a residence for it to qualify as new construction. A model home qualifies, provided it was never rented nor occupied as a residence prior to sale. Likewise, conversion of an old factory into condominiums qualifies as new construction because it was not previously occupied as a residence.

**PROPERTIES WITH ACREAGE:** Federal regulations prohibit IHDA from financing a residence located on land in excess of that which is needed to "reasonably maintain basic livability." This has been interpreted to mean five (5) acres.

**PROPERTIES WITH MORE THAN ONE LIVABLE STRUCTURE:** Properties containing a main structure and a “coach house” are eligible as long as the other livable structure (the coach house) has never been occupied as a residence. This may be puzzling since a two-flat is eligible under the program even if both units have previously been occupied as residences.

*Why the difference in eligibility?* The IRS has made the determination that units sharing a wall (i.e., two-flat) are considered one dwelling. However, if the units do not share a common wall (i.e., main house & coach house) the IRS views them as two separate dwellings. If the coach house was once used as a residence, the buyer is purchasing two separate housing units in the eyes of the IRS. The units **MUST** be contiguous.

**APPRAISED VALUE EXCEEDS PURCHASE PRICE LIMIT/NON-ARMS-LENGTH TRANSACTION:** If the appraised value exceeds the purchase price limit, but the acquisition cost is below the limit AND the transaction is clearly “arms-length” (not a relative), the dwelling may qualify. A statement from the buyer(s) and seller(s) indicating that no relationship exists will be required.

For Non-Arms-Length transactions, both the appraised value and purchase price cannot exceed IHDA purchase price limits, and all Agency guidelines must be followed.

## **TOTAL PURCHASE PRICE - ACQUISITION COST**

In order to qualify, the residence must have a total purchase price no greater than the allowable limit at the time of application. The price includes *ALL* amounts paid, either in cash or in kind, to the seller as consideration for the residence.

Purchase price can include the following:

- The cost of completing an ***incomplete or unfinished residence***. Incomplete or unfinished means that occupancy is not permitted under the law, or that the residence lacks certain elements needed to provide adequate living space for the intended occupants.
- If the borrower intends to have a home built on ***land already owned***, the cost of the land must be included in the total purchase price if the land was acquired within two (2) years prior to the commencement of construction. The cost of the land is determined based on the following:
  - The sales contract or the closing statement can substantiate the value of the land.
  - If the borrower acquired the land through inheritance the value must be established by an appraisal, and the acquisition date is the date of death.
  - If the borrower acquired the land through some form of seller financing, the acquisition date is the date of the seller finance agreement.

**DOCUMENTATION:** If the land was purchased within the two (2) year window, include a certified copy of the deed from the Recorder’s Office and submit it to IHDA with the file.

***If the land was purchased more than two years ago, the cost of the land cannot be included in the total purchase price.***



Total purchase price does not include:

- usual and reasonable settlement and financing costs,
- the unpaid value of services (“sweat equity”) performed by the borrower or members of his or her family in completing the residence,
- items of personal property which are not fixtures and/or are not permanently affixed to the property, or
- the cost of minor repairs paid for by the borrower but performed after closing.

DPA cannot be used to make up the difference between sale price and value. If borrower proceeds with purchase of property valued less than sale price, they need to use their own funds.

## **CREDIT UNDERWRITING**

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The Lender is responsible for performing the credit underwriting. However, IHDA does have some specific program requirements. Remember that applicable Agency (FHA, VA, FNMA, FHLMC, USDA) credit underwriting requirements and regulations apply to the first mortgage loan. The IHDA Mortgage products matrix provides an overview of some of the credit “overlays.” This is located at <https://www.ihdamortgage.org/docs> under Guides, Manuals, and Program Matrix.

***Note: U.S. Bank HFA Division will not purchase any loan without IHDA’s approval.***

IHDA’s specific program requirements are as follows:

- Minimum credit score of 640 for all loan types. IHDA Mortgage will accept less than three scores as long as the lowest score, or only score, is 640 or higher and AUS is Approve/Eligible. Co-borrower with no credit scores is acceptable if AUS is Approved/Eligible.
- Proof of Mortgage Insurance required per Agency guidelines (FNMA HFA Preferred and FHLMC HFA Advantage may have reduced MI, follow DU or LPA findings). Borrower paid monthly, split premium, and single premium is allowed. LPMI is not available on any IHDA Mortgage loan.
- If borrower(s) will own more than one property at the time of closing, the subject property MUST be owner occupied/principal residence. All Agency and U.S. Bank guidelines and overlays must be followed. For IHDA Mortgage first-time homebuyer programs, borrowers or non-borrowing spouses cannot have ownership in a principal residence within the last three (3) years, unless they are Exempt.
- Maximum total debt-to-income (back end) ratio of 45.00% for all loan types.
- Borrower must contribute a minimum investment to the transaction, which is required to be the greater of 1% of the purchase price or \$1,000.00, which will be evidenced on the Loan Estimate and Closing Disclosure.
  - The borrower may not use the tax proration toward the borrower's minimum investment, those funds must be from the borrower's own funds or if allowable by the AUS (DU, LPA, etc.) from properly sourced gift funds.
  - Earnest money, appraisal paid by borrower, inspection paid by borrower, pre-paid insurance paid by borrower, and money brought to the table can count towards

their minimum investment. Please list any borrower pre-paid items on the CD as "POC."

- All borrowers are required to participate in pre-purchase homeownership education or counseling – PRIOR TO CLOSE. This includes non first-time homebuyers. The course must be meet standards defined by HUD or the National Industry Standards for Homeownership Education and Counseling. This can be in the form of a workshop, one-on-one counseling, or online but the borrower and co-borrower must receive a certificate. If there is a line for signatures, it must be signed. Lender must retain a copy of the certificate of course completion in the loan file.
  - Examples of acceptable courses and further details can be located at [www.ihdamortgage.org/edu](http://www.ihdamortgage.org/edu)
  - Whatever option is chosen the course must provide a certificate and be completed prior to close. You must also follow the appropriate agency (FHA, VA, USDA, FNMA, or FHLMC) guidelines as well.
  - For Conventional 2 Units Landlord Education is required in addition to homebuyer education. Please note that there are no requirements on who provides the education for the borrower. Fannie Mae has also created [this document](#), which can be used in conjunction with the landlord education or as an extra resource for the borrower.
- No manufactured homes permitted for any loan type.
- **Manual underwrites – effective on reservations 3/5/2020 and after IHDA will no longer accept manual underwrites**
- **High Cost**
  - **Not allowed by U.S. Bank and/or IHDA**
- **High Price**
  - U.S. Bank and IHDA allow when U.S. Bank runs a test via the Federal Financial Institutions Examination Council (FFIEC).

IHDA Mortgage loans require borrowers to escrow regardless of LTV.

IHDA requires both first and second mortgages to be in compliance with the State of Illinois Anti-Predatory Lending Database (APLD) program requirements. For information regarding APLD requirements, refer to the APLD website (<https://www.ilapl.com/Overview.aspx>).

For Homeowners and Flood Insurance deductibles Lender must follow U.S. Bank HFA Division requirements.

IHDA does not have a minimum loan amount. High-cost loans are not accepted.

IHDA does not have a maximum amount that a borrower can put down. However, all programs must be tied to an IHDA 1<sup>st</sup> mortgage.

Effective on all reservations as of October 1, 2017, IHDA follows TRID guidelines on all 1<sup>st</sup> and 2<sup>nd</sup> mortgages and requires an LE & CD for both mortgages, regardless of if there is a payment or not. On the second mortgage, only recording fees are allowed.

<b>DISCLOSURE REQUIREMENTS (TRID)</b>		
<b>PROGRAM</b>	<b>LE on 2<sup>nd</sup> Mortgage</b>	<b>CD on 2<sup>nd</sup> Mortgage</b>
<b>4% Forgivable</b>	Initial LE required (dated within 3 days of application), along with all Change of Circumstances (COC) and their corresponding LEs, if applicable	Need both an initial and final CD
<b>5% Deferred*</b>	Initial LE required (dated within 3 days of application), along with all Change of Circumstances (COC) and their corresponding LEs, if applicable.	Need both an initial and final CD
<b>10% Repayable</b>	Initial LE required (dated within 3 days of application), along with all Change of Circumstances (COC) and their corresponding LEs, if applicable	Need both an initial and final CD
<b>Opening Doors</b>	Initial LE required (dated within 3 days of application), along with all Change of Circumstances (COC) and their corresponding LEs, if applicable	Need both an initial and final CD
<b>SmartBuy DPA** PROGRAM CLOSED FOR NEW LOCKS AS OF 05/21/2021</b>	Initial LE required (dated within 3 days of application), along with all Change of Circumstances (COC) and their corresponding LEs, if applicable.	Need both an initial and final CD
<b>All 1<sup>st</sup> Mortgages must ALWAYS follow TRID guidelines</b>		
<i>* The 5% Deferred must be notated as a balloon because it is a true balloon loan that will all become due at the end of the term.</i>		
<i>**SmartBuy has a 2<sup>nd</sup> mortgage for DPA that must be notated as a balloon because it is a true balloon loan that will all become due at the end of the term. The student loan debt relief is secured by a promissory note. Students' loans would be shown as a debt being paid off and then the assistance amount would be a credit shown on the CD.</i>		

If the Lender has a qualified FHA Direct Endorsement underwriter, qualified VA LAPP underwriter, or delegated MI underwriter on staff, the Lender performs the credit underwriting.

Loans run through Loan Product Advisor (LPA) will be acceptable ONLY for FHLMC HFA Advantage, FHA, or VA loans. FHLMC loans cannot be run through DU.

**U.S. Bank HFA Division no longer performs credit underwriting on any FHA loans.** In addition, they will no longer provide any type of underwriting services for Conventional (exception noted above), RD/RHS, or VA loan products when the Lender employs underwriters with the required level of approval to underwrite the loan product. Contact U.S. Bank HFA division for more information at 1-800-562-5165.

The above requirements are IHDA's minimum requirements. Keep in mind that Agency (FHA, VA, FNMA, FHLMC, USDA) regulations must be followed in regard to all credit requirements. **All credit underwriting decisions are to be made by the underwriting entity. It is up to the Lender to be sure that all AUS findings and warnings have been addressed pertaining to the specific loan type being used.** Caution is advised when reviewing DU or LPA findings for conventional loans as some requirements may differ in some significant ways from what is permitted for IHDA loans.

# CONDO INFORMATION

Condo Approval		
	Lenders Delegated to Approve Condos (by U.S. Bank)	Lenders Not Delegated to Approve Condos (by U.S. Bank)
<p><b>Condos with LTV 97.00% and below</b></p>	<ul style="list-style-type: none"> <li>• Condos reflected as <b>APPROVED</b> on the <a href="#">U.S. Bank Reviewed Projects</a> list, nothing further is required.</li> <li>• Condos on the <b>DECLINED</b> or <b>INELIGIBLE</b> on the <a href="#">U.S. Bank Reviewed Projects</a> list are not eligible.*</li> <li>• The Lender can underwrite all other projects to determine eligibility of the condo.               <ul style="list-style-type: none"> <li>○ The Lender must follow all Agency and U.S. Bank guidelines indicated for condo approval.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Condos reflected as <b>APPROVED</b> on the <a href="#">U.S. Bank Reviewed Projects</a> list, nothing further is required.</li> <li>• Condos on the <b>DECLINED</b> or <b>INELIGIBLE</b> on the <a href="#">U.S. Bank Reviewed Projects</a> list are not eligible.*</li> <li>• All other projects must be submitted to U.S. Bank Project Approval Department (PAD), <a href="mailto:projectapprovaldept@usbank.com">projectapprovaldept@usbank.com</a> for review.</li> </ul>
<p><b>Important Note:</b> Delegated Condo Approval is a distinct and separate process from Delegated Loan Underwriting Approval. For questions on Delegated Condo Approval, please contact Lender Support at (800) 562-5165 Option 2 or by email <a href="mailto:HFA.Programs@usbank.com">HFA.Programs@usbank.com</a>.</p>		
<p>*If you, as the Lender, believe the original reasoning for the condo denial has been cured, please email the U.S. Bank PAD (<a href="mailto:ProjectApprovalDept@USBank.com">ProjectApprovalDept@USBank.com</a>) with the necessary information &amp; supporting documents so that they can review the status of the condo.</p>		
<p><b>In the event there is any conflict or inconsistency between the information listed here and guidelines provided in the U.S. Bank AllRegs, the information provided by U.S. Bank shall take precedence. Always check U.S. Bank guidelines for their updates or changes to these guidelines.</b></p>		

## FEDERAL RECAPTURE TAX

For detailed information, please refer to:

- 1) Final Recapture Notice (HO-035)
- 2) Federal Recapture Tax of this Procedural Guide

## IHDA COMPLIANCE REVIEW PROCESS

The Lender is responsible for ensuring that each loan meets IHDA’s compliance guidelines for all programs prior to closing, including loans with an MCC. IHDA has provided a Lender checklist to assist with the compliance review located under Checklists on <https://www.ihdamortgage.org/docs>. For an exhaustive list of documents required for a complete file, please refer to the checklist, as the Guide is not all-inclusive.

While the checklist is not required with the IHDA docs, but is strongly recommended, the Lender certification as part of the Income Calculator must be in each file, which can also be located in

the appropriate category on <https://www.ihdamortgage.org/docs>.

Once the loan has been determined to be tax code compliant and credit compliant (as previously described), the Lender will close the loan. ***Lender will be required to repurchase any loan files determined to be non-compliant or not saleable after purchase from U.S. Bank HFA Division.***

If there is uncertainty about any portion of the compliance review process, please contact [mortgage@ihda.org](mailto:mortgage@ihda.org) or a Compliance Specialist.

SmartBuy (**PROGRAM CLOSED FOR NEW LOCKS AS OF 05/21/2021**) loans must be reviewed and approved by IHDA prior to close. Documents required are on our website, including a separate checklist. However, additional documents required for closing will be provided by IHDA to Lender at the appropriate time in the timeline. Allow *at least* ten (10) business days for review. For details see SmartBuy Addendum.

## **CLOSING REQUIREMENTS**

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Remember that the first mortgage loan closes in the Lender's name, and the IHDA Rider is attached to, and recorded with, the **first** mortgage. If the borrower is to receive a DPA second mortgage, the DPA 2<sup>nd</sup> will close in IHDA's name; NO IHDA Rider should be attached to the second mortgage.

Given that our programs require occupancy by borrowers within 60 days of close, and that borrowers must always maintain occupancy, do **not** use an "Assignment of Rents" in connection with the mortgage.

### **SIGNATURE REQUIREMENTS**

IHDA requires a wet (not electronic) signature on the mortgage, note, and rider(s) to the mortgage. All other IHDA documents may be electronically signed in accordance with federal and state law.

### **TITLE POLICY REQUIREMENTS**

- No IHDA transaction may close in a trust
- IHDA relies upon our participating lenders to use their internal guidelines and follow all applicable requirements regarding manner of title.
- A separate title policy for IHDA second mortgages is not permitted, therefore you will not need to provide a CPL. Only recording fees may be charged to the second mortgage. *Any fees charged to the second mortgage, with the exception of the recording fee, will deem the file non-compliant and ineligible for delivery to IHDA.*

### **AT CLOSING REMINDERS**

1. For **Purchase Programs**,
  - a. Borrowers must contribute a minimum investment for the greater of \$1,000 or 1% of the purchase price.
  - b. Borrowers can leave the table with \$250 plus anything above and beyond the

borrower’s minimum investment of 1% or \$1,000, whichever is greater (all other funds should be used for principal reduction).

**Borrower Contributions** (appraisal fees paid by borrower, EM deposit, POC, etc.)

**– Minimum Required Investment** (greater of 1% or \$1000)

**= Allowable Cash Back to Borrower**

**+ \$250**

**= Maximum Cash Back to Borrower**

Any amount greater than the Maximum Cash Back to Borrower or any non-borrower contributed credits (tax proration, seller credit, lender credits, etc.) that may be due to the borrower must be applied to principal reduction.

<b>Borrower Investment</b>	<b>Maximum Cash Back to Borrower</b>
Exactly 1% or \$1,000* (as required by IHDA guidelines)	\$250
1% or \$1,000* + additional borrower contributions (appraisal fees paid by borrower, EM deposit, POC, etc. paid by the borrower)	\$250 + any amount over the required 1% or \$1,000
Any amounts greater than the Maximum Cash Back to Borrower or contributed by outside parties beyond the amounts listed above must be applied to principal reductions.	
<i>* Tax proration does not count towards the borrower's required minimum investment</i>	

After the loan has closed, Lender will:

1. Validate final loan data in the IHDA LOS,
2. Submit (via upload) loan package to U.S. Bank HFA Division as per their requirements,
3. Upload the entire Investor Loan Delivery File to the IHDA LOS (same file sent to U.S. Bank HFA Division), and
4. Upload IHDA documentation to the IHDA LOS (include income documentation in this upload).

IHDA has a checklist for delivery, which is similar to U.S. Bank’s delivery checklist, but which includes some key differences, such as the requirement for three (3) years federal tax returns, verbal VOs for employment terminated in most recent tax year, etc. Therefore, IHDA highly recommends use of our checklist located under located under Checklists on <https://www.ihdamortgage.org/docs>.

The IHDA Reservation manual provides information on uploading documents and is available on <https://www.ihdamortgage.org/docs> currently under “Program Matrix, Income Limits, Guides, & Program Matrix.”

For every file, the fully completed IHDA Submission Cover with IHDA documents must be included in the upload to the IHDA LOS in the IHDA Delivery File category. Completion of this form is extremely helpful to us. When completed correctly, the Submission Cover will auto populate many of the fields in the document set and auto calculate 2<sup>nd</sup> mortgage amounts, saving time and reducing errors.

Every loan reserved must include a Borrower Affidavit which addresses recapture information (HO-012) and a Final Recapture Notice (Notice to Mortgagor of Maximum Recapture Tax (HO-035)); the borrower(s) must sign both. The Final Recapture form is fillable and requires entering the total loan amount; once the total loan amount of the **first** mortgage is entered, the total maximum recapture tax will calculate automatically and is equal to 6.25% of the total first mortgage amount.

### **POWER OF ATTORNEY (POA) – BORROWER AND SELLER**

IHDA allows POAs for all documents signed at closing, provided that all POAs on IHDA files follow applicable Agency regulations, State laws, and any overlays set forth by IHDA's Master Servicer, U.S. Bank. The POA must be specific to the transaction. **Note:** VA loans require a special form - without it, the loan is not saleable.

IHDA does **NOT** allow POA on all pre-closing documents signed by borrower(s) or non-borrowing spouse unless there is an extenuating circumstance such as an active military member stationed overseas. Management must approve all these exceptions.

### **FEES**

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- Lender will receive 2.0% of the principal loan balance amount as a Service Release Premium (SRP) for all loans.
  
- As our programs are designed to be affordable for borrowers, Lender fees to buyer are limited. If an origination fee is charged, it must not exceed 1% + \$1,200 (plus all reasonable and customary fees). (Reg. Z compliance required)
  - Fees paid to third parties such as courier fees and title company fees are allowed and are not included in the \$1,200 in allowable fees
  - No fees can be charged on the second except the recording fee
  
- Note that U.S. Bank HFA Division will charge a tax service fee (\$84.00 as of reservations 7/17/2022) and a funding fee (\$400.00 as of 11/1/2015) which will be deducted at time of purchase.
  
- There are currently no fees paid directly to IHDA (unless the loan includes an MCC).
  
- A \$350.00 MCC fee is required for all loans with MCCs and must be made payable to Illinois Housing Development Authority (IHDA) and sent to IHDA as noted below with a completed fee transmittal form. Lender may include a copy of the MCC reservation/commitment if they so choose. Should Lender choose to do so, \$150.00 may be charged for MCC processing, for a total of \$500.00 for MCC. The appropriate disclosures (LE/CD) must reflect MCC fee(s) paid and to whom.

*Please note that lenders must review specific Agency guidelines and regulatory requirements on which fees may be charged to the borrower.*

## QUALITY CONTROL – PRE-PURCHASE/POST CLOSE AND POST FUND

QC reviews a minimum of 5% of overall production prior to funding and selects a minimum of 10% of loan files for QC review after funding. A discretionary review of a minimum 5% of loans determined to be of greater risk (i.e., Lender on watch list, high default rate, high LTV with low credit score, etc.) is performed as well. Since every loan file delivered to IHDA has the potential of being reviewed by our QC vendor, it is crucial that each file be compliant with all applicable mortgage lending regulations and that a complete saleable loan file be uploaded to the IHDA LOS. Each file must be compliant with all applicable federal, state, and local regulations with regard to mortgage lending including CFPB requirements of “Know Before You Owe.” IHDA may occasionally increase loan file reviews should it become necessary due to consistent issues.

If the loan file provided to IHDA, is incomplete, a compliance specialist or QC staff person will request Lender to resubmit the entire file and/or specific documentation. Should any deficiency be discovered during a QC review, the Lender will be notified to remedy immediately. If a deficiency is beyond remediation or if fraudulent activity is discovered, the loan may not be saleable.

## POST CLOSE REQUIREMENTS

The Lender must upload the entire closed loan package pursuant to IHDA's Delivery checklist for review after the loan has closed. A package must also be uploaded to U.S. Bank for an independent review.

The Lender should use the checklist available at [www.ihdamortgage.org/docs](http://www.ihdamortgage.org/docs) under the correct program for the most recently updated document list. It is also included in the doc sets for each program.

Please remember that SmartBuy (**PROGRAM CLOSED FOR NEW LOCKS AS OF 05/21/2021**) has a different checklist. IHDA staff will review the file **prior** to close and determine if it is clear to close. After pre-close approval, IHDA will provide the documents for closing and the additional items on the SmartBuy checklist will be required.

**Reminder:** The originating Lender is responsible for collecting all payments until U.S. Bank purchases the loan. This is true for the first and the second mortgage. Please review the servicing or payment letter provided for each program for specific instructions.

*Please note that U.S. Bank HFA Division requires that the entire loan file be delivered via Doc Velocity for review in order to purchase the loan. The Investor Delivery File uploaded to the IHDA LOS must be exactly the same file delivered to U.S. Bank HFA Division. Contact the U.S. Bank Client Support Center at 1-800-562-5165 for information on their specific requirements and/or review their requirements as per their manual at <https://www.allregs.com/tpl/Main.aspx>.*



**ADDENDUM A**  
**MORTGAGE CREDIT CERTIFICATE**



# MORTGAGE CREDIT CERTIFICATE (MCC)

*Suspended effective 6/17/2020*

## WHAT IS AN MCC?

An MCC is a certificate issued by IHDA as authorized by the IRS, which permits a borrower to receive a tax credit.

## HOW DOES THE MORTGAGE CREDIT WORK?

Homebuyers who qualify for the program receive an MCC from IHDA, which can be used to reduce their household's tax burden every year for the life of their mortgage loan. With an MCC, a percentage of what the homeowner pays in mortgage interest (25%, maximum \$2000 per year), becomes a tax credit that can be deducted dollar-for-dollar from his/her income tax liability. The remaining 75% of the mortgage interest continues to qualify as an itemized tax deduction, as long as the homeowner has sufficient tax liability.

[Click here to view our video fully describing the MCC.](#)

## WHAT ARE THE BASIC ASSUMPTIONS?

- Borrower is first-time homebuyer (or Exempt\*),
- Income is below county limit,
- Purchase price is below county limit, and
- Property is a Qualified Dwelling situated on less than or equal to 5 acres of land.

\***Exempt** = qualified veteran (borrower must be a veteran), or property is in targeted area. Note that if only the spouse is a veteran, the spouse must also be a borrower/mortgagor and obligated on the note. Provide a COE or DD214 showing honorable discharge in closing package uploaded to IHDA.

## HOW IS THE MCC RESERVED?

An MCC can only be reserved in conjunction with an IHDA Mortgage first mortgage product (currently only with the Access Programs). The IHDA Mortgage reservation guide, found on the [website](#), provides information as to how to commit/reserve the MCC.

**Note:** As of 9/1/2018, the MCC reservation must be separately locked after the first and second mortgage are reserved through the IHDA LOS. Once the first mortgage is locked, click on the reserve a second button located in the upper boxes of the Loan Detail screen of the first mortgage. After selecting the corresponding MCC Program, enter the first mortgage amount and then submit the MCC loan to get the confirmation.

## WHAT UNDERWRITING IS INVOLVED?

As noted above, the Lender is responsible for determining tax code compliance. The same basic assumptions apply to an MCC as to IHDA first mortgage tax code compliance review. As with all

IHDA programs, borrowers (and spouse), must provide three (3) years signed federal tax returns or transcripts from IRS. Both borrower and spouse must be first-time homebuyers or Exempt.

## **WHAT DOCUMENTATION IS REQUIRED FOR AN MCC?**

The MCC documentation required to be signed prior to close is as follows:

- MCC 25 – Informational Acknowledgment
- MCC 26 – Borrower Application Affidavit (non-borrowing spouse also signs)
- MCC 27 – Income Tax Affidavit (as required) – Any borrower not required to file federal income tax returns for a specific year would need to sign this.
- MCC 29 – Lender Initial Certification
- MCC 34 – Notice of potential RECAPTURE TAX ON SALE OF HOME (Initial MCC Recapture Notice) (Replaces HO-034)

The documentation required to be completed and signed on or after close is as follows:

- MCC 32 – Borrower Closing Certification (non-borrowing spouse also signs)
- MCC 33 – Lender Closing Certificate (any changes from original application must be noted in 6B)
- MCC 35 – Notice to Borrower of Maximum Recapture Tax and Method to Compute Recapture Tax on Sale of Home – must be signed on or after close and properly completed with total loan amount and total amount of potential recapture tax (Replaces HO-035)

The appropriate disclosures (LE/CD) must reflect MCC fee of \$350.00 payable to IHDA. Lender is permitted to charge an additional \$150.00, which must be reflected on the appropriate disclosures (LE/CD) as payable to Lender.

**Effective February 1, 2016, the MCC check for \$350**, payable to Illinois Housing Development Authority (IHDA), must be promptly forwarded to our lockbox with a copy of the Transmittal Fee form attached. Submit the check to one of the following addresses:

Via regular mail to:

Illinois Housing Development Authority  
PO Box 93397  
Chicago, IL 60673

**OR**

via UPS or FedEx to:

JP Morgan Chase Bank  
Attn: Lockbox 93397  
Illinois Housing Development Authority  
131 S. Dearborn, 6<sup>th</sup> Floor  
Chicago, IL 60603

The MCC is issued directly to borrower. At year-end, the Lender will receive a report, which provides the information necessary to file the 8329 form with the IRS.

## **HOW DOES REISSUANCE WORK?**

If a borrower currently has an MCC on their primary residence, and the borrower refinances their first mortgage loan, they may request reissuance of their MCC as long as the property remains their primary residence. Processing time varies.

To request a re-issued MCC, borrower provides the following documentation:

- Request for re-issued MCC on primary residence with contact information,
- Copy of signed Closing Disclosure from refinance,
- Copy of existing (and any other re-issued) MCC, and
- Check in the amount of \$150.00 payable to Illinois Housing Development Authority. **DO**  
**NOT SEND REQUESTS FOR REISSUANCE TO THE LOCKBOX.**

Forward the above listed re-issuance documentation ONLY to:

Illinois Housing Development Authority  
111 E. Wacker Drive, Suite 1000  
Chicago, IL 60601  
Attn: Homeownership Programs

**ADDENDUM B**  
**SMARTBUY PROGRAM**



## SMARTBUY PROGRAM (CLOSED FOR NEW LOCKS AS OF XX/XX/XXXX)

*It is expected that Lender will utilize the SmartBuy Checklist to assure that all documents required are in the file when delivered to IHDA for prior review and for post-close purchase review.*

**NOTE: A PRE-CLOSE REVIEW BY IHDA IS REQUIRED.** We expect the file has been fully underwritten and ready to close when submitted to IHDA for review. Once reserved and at least 5 business days prior to close, Lenders will be required to submit the following items for review via upload to the IHDA LOS including but not limited to:

1. Completed SmartBuy Pre-Close Submission Cover
2. Completed/signed Student Loan Attestation (auto filled by submission cover)
3. SmartBuy Checklist
4. IHDA Borrower Affidavit
5. IHDA Initial Recapture
6. IHDA Certification of Income
7. U.S. Bank Authorization
8. IHDA Tax Code Certification
9. IHDA Income Calculator
10. Pre-Purchase Homebuyer Education Cert (signed, as applicable, and dated by borrower and co-borrower)
11. All of the most recent income documentation (i.e., paystubs, child support, etc.)
12. Payoff statements for all student loans (within 30 days of closing)
13. Copies of most recent student loan monthly statements
14. Credit report
15. Sales Contract and any addendums
16. Copy of 1003 (with most current assets and liabilities listed)
17. Evidence of Underwriter Approval
18. AUS results
  - In DU,
    - The existing student loan(s) marked as “paid at closing”
    - The Student Debt that is being covered in the SmartBuy transaction would be input as “unsecured, no payment, forgivable personal loan with \$0 monthly payment for 36 months”
  - In LPA,
    - The existing student loan(s) marked as “paid at closing”
    - The Student Debt that is being covered in the SmartBuy transaction would be input as “gift or grant”, marked paid at closing, and included in the Asset calculation

***PLEASE NOTE: It will take up to 5 business days for IHDA to review the pre-close package. If any items are updated after IHDA's pre-close review, you must submit for pre-close approval. The 5-day clock will restart IHDA review if a second review is needed.***

After the documentation is received and approved, IHDA will generate the following documents in TPO Connect in the folder named "SmartBuy IHDA Docs." Lender will receive notification via email that the pre-close file was approved, with instructions on how to download.

- Guaranty Letter to be signed by Lender
- Completed Promissory Note for signature by Borrower(s) at close
- Completed Deed Restriction for signature by Borrower(s) at close

**If ANY loan level details change (i.e., purchase price), the lender must email compliance office to request an update to the Promissory Note, Deed Restriction, and/or Guaranty Letter for corrected data.**

Once closed, Lender will **upload signed IHDA documents** to IHDA via TPO Connect in IHDA Delivery File with full closing package to Investor Delivery.

IHDA Delivery file will include signed IHDA specific docs and all closing documentation, including, but not limited to:

1. Completed SmartBuy Post Close Submission Cover
2. SmartBuy Checklist
3. SmartBuy 2nd Mortgage
4. SmartBuy 2nd Note
5. IHDA Mortgage Rider
6. SmartBuy Signed Servicing Letter
7. IHDA Impact Assistance Letter
8. IHDA Final Recapture
9. Final Signed CD to show all student loans being paid off and IHDA SmartBuy Assistance
10. All agency required documents as listed on the IHDA Delivery Checklist, as applicable
11. Signed Guaranty Letter (released by IHDA staff in TPO Connect)
12. Signed Promissory Note (released by IHDA staff in TPO Connect)
13. Signed Deed Restriction (released by IHDA staff in TPO Connect)

***If any items are found to be missing during the post close review, the file will be suspended.***

### **Fannie Mae (FNMA)**

#### **Guidance on Entering in the URLA for FNMA**

- The Asset Section 2B is the only asset section that should be used.
- Section 2b –
  - Add an "Other" Asset type labeled liquid asset with amount of assistance being received.
- Section 2c –
  - All student loans should be listed and shown as being paid at closing.
  - SmartBuy Assistance amount added as a new liability. This is an unsecured personal installment loan with \$0 monthly payments for 36 months.

- Section 4B –
  - Add IHDA 2nd as subordinate lien with \$5,000 loan amount.

### **Guidance on DU**

Lender would mark the existing student loan as being “paid at closing” – when that selection is made in DU, the following message would appear in the DU Findings:

- *Include evidence of payoff of the following debts (other than 30-day accounts) in the loan file:*
  - *Borrower|Creditor|Account Number|Balance*

The Student Debt that is being covered in the SmartBuy transaction would be input as “unsecured, no payment, forgivable personal loan with \$0 monthly payment for 36 months” – when that input is made in DU, the debt that has no payment would not be included in the CLTV, nor would it be counted against the DTI ratios. Lenders would see the following message in the DU Findings:

- *The risk assessment of the loan casefile may not be accurate because the following accounts on the loan application did not have a minimum monthly payment and DU was unable to calculate an accurate debt-to-income ratio. The lender must ensure the DTI used in the risk assessment is accurate. If a payment must be included in the DTI, the payment amount must be entered on the loan application and the loan casefile resubmitted to DU. If the minimum monthly payment is \$0, the lender must include documentation in the loan file confirming the \$0 payment amount. Deferred installment debts must be included as part of the borrower's recurring monthly debt obligations. For student loans, the lender may qualify the borrower with the \$0 payment if there is documentation to support that the \$0 payment is associated with an income-driven repayment plan; alternatively, the lender must either use 1% of the outstanding balance as the estimated payment or derive a fully amortizing payment using the student loan documentation.*
  - *Borrower|Creditor|Account Number|Balance*



**ADDENDUM C**  
**PROGRAM FACT SHEETS**



# IHDA Access Forgivable

**MORTGAGE**  
4% DPA / \$6,000



<b>PURPOSE</b>	To assist homebuyers with down payment and/or closing costs associated with purchasing a home in the State of Illinois. The Illinois Housing Development Authority (IHDA) IHDA Mortgage offers Access 4%. This Down Payment Assistance (DPA) is offered as a recorded forgivable 2 <sup>nd</sup> mortgage for qualified borrowers.
<b>DATE</b>	Reservations for IHDA Mortgage – Access 4%, opened in February 2018 and will run until IHDA has closed the program for reservations in the TPO Connect.
<b>USAGE</b>	The funds provided are in the form of a forgivable 2 <sup>nd</sup> mortgage for an owner occupied, primary residence purchase. The DPA 2 <sup>nd</sup> is required to be used in conjunction with an IHDA 30-year fixed rate 1 <sup>st</sup> mortgage. Please Note: with all IHDA Mortgage programs, cash back at closing for borrowers may not exceed \$250 + plus any amount over their required minimum investment (any additional should be principal reduction).
<b>DOWN PAYMENT ASSISTANCE</b>	The DPA or “assistance” amount shall be recorded as a 2 <sup>nd</sup> lien and may be used to cover down payment and/or closing costs. Assistance is limited to <b>4% of the purchase price up to \$6,000</b> . The 2 <sup>nd</sup> mortgage shall be forgiven pro rata on a monthly basis over a 10-year forgiveness period. The 2 <sup>nd</sup> mortgage may not be re-subordinated.
<b>2<sup>ND</sup> MORTGAGE PAYMENT</b>	No monthly payment due. Full repayment is required following certain qualifying repayment events. (Review Mortgage and Note for full terms.)
<b>INTEREST RATE (SET BY IHDA)</b>	<u>Daily IHDA rates apply</u> on the 1 <sup>st</sup> mortgage. The 2 <sup>nd</sup> mortgage carries 0% interest.
<b>MINIMUM BORROWER INVESTMENT</b>	The greater of 1% or \$1,000 of the purchase price. (The borrower may not use the tax proration toward the borrower's contribution of 1% or \$1,000.00 (whichever is greater) into the transaction, those funds must be from the borrower's own funds or from gift funds if allowable by the AUS.) Please defer to the <a href="#">Program Matrix and IHDA Procedural Guide</a> for details. The <b>2<sup>nd</sup> mortgage</b> funds will be forgiven pro rata on a monthly basis over a 10-year forgiveness period. The DPA 2 <sup>nd</sup> is required to be used in conjunction with an IHDA 30-year fixed rate 1 <sup>st</sup> mortgage.
<b>REPAYMENT AND RECAPTURE</b>	The <b>1<sup>st</sup> mortgage</b> will carry a 30-year term and must be insured by FHA, guaranteed by VA or USDA, or carry Private Mortgage Insurance as may be required for FNMA HFA Preferred or FHLMC HFA Advantage. Both may be subject to repayment or recapture depending on terms of Recapture Notice.
<b>ELIGIBILITY</b>	<ul style="list-style-type: none"><li>• Borrowers can be a first-time homebuyer or non first-time homebuyer in Illinois.</li><li>• Minimum credit score - 640 for all loan types</li><li>• FHA, VA, USDA, FNMA HFA Preferred, FHLMC HFA Advantage only<ul style="list-style-type: none"><li>○ AUS Approve/Eligible or Accept/Eligible findings required</li><li>○ Manual Underwrites – See Procedural Guide details</li></ul></li><li>• Maximum total debt-to-income (back end) ratio of 45.00% for all loan types</li><li>• IHDA income and property purchase price limits apply</li><li>• Property must be a qualified single family dwelling (this includes condos, townhomes, and 2-units as allowed by Agency)</li><li>• Pre-purchase homeownership counseling is required for each borrower - PRIOR TO CLOSE (PTC) or the loan is unsaleable</li><li>• No manufactured homes</li></ul> Borrowers must meet all eligibility requirements established for the IHDA Mortgage programs, U.S. Bank overlays, and Agency guidelines.
<b>INCOME REQUIREMENT</b>	<b>Borrower's income must be at or below the limits</b> of the county in which the property is located. The lenders must calculate income using the calculator posted on <a href="#">The Document Library</a> to qualify for IHDA Mortgage DPA.
<b>DISCLOSURE OF FUNDS</b>	All 1 <sup>st</sup> and 2 <sup>nd</sup> mortgages require <b>TRID</b> (TILA-RESPA-INTEGRATED DISCLOSURE). On the 2 <sup>nd</sup> mortgage, only recording fees are allowed.

## DISCLAIMER

The terms and conditions are subject to change until the lender locks the loan in TPO Connect. A potential borrower should contact an approved lender for further loan information. In connection with the IHDA Down Payment Assistance programs, IHDA makes no promises, representations, or warranties to any party, including any borrower, about the actual benefit an IHDA loan might provide in specific situations. Each borrower's situation is different, and potential borrowers should seek the advice of a financial advisor, attorney, or housing counselor before entering into any loan.



FINANCING THE CREATION AND PRESERVATION OF AFFORDABLE HOUSING IN ILLINOIS.

<b>PURPOSE</b>	To assist homebuyers with down payment and/or closing costs associated with purchasing a home in the State of Illinois. The Illinois Housing Development Authority (IHDA) IHDA Mortgage offers Access 5%. This Down Payment Assistance (DPA) is offered as a recorded 2 <sup>nd</sup> mortgage for qualified borrowers.
<b>DATE</b>	Reservations for IHDA Mortgage – Access 5% opened in February 2018 and will run until IHDA has closed the program for reservations in TPO Connect.
<b>USAGE</b>	The funds provided are in the form of a deferred 2 <sup>nd</sup> mortgage for an owner occupied, primary residence purchase. The DPA 2 <sup>nd</sup> is required to be used in conjunction with an IHDA 30-year fixed rate 1 <sup>st</sup> mortgage. Please note: with all IHDA Mortgage programs, cash back at closing for borrowers may not exceed \$250 + plus any amount over their required minimum investment (any additional should be principal reduction).
<b>DOWN PAYMENT ASSISTANCE</b>	The DPA or “assistance” amount shall be recorded as a 2 <sup>nd</sup> mortgage and can be used to cover down payment and/or closing costs. Assistance is limited to <b>5% of the purchase price up to \$7,500</b> . The 2 <sup>nd</sup> mortgage term shall be 30 years. The full principal balance of \$7,500, less any optional payments, is due upon the sooner of the maturity date or repayment of the 1 <sup>st</sup> mortgage. The 2 <sup>nd</sup> mortgage may be pre-paid at any time without penalty. The 2 <sup>nd</sup> mortgage may not be re-subordinated.
<b>2<sup>ND</sup> MORTGAGE PAYMENT</b>	No monthly payment due. Full repayment of the 2 <sup>nd</sup> will be due upon the sooner of the maturity date or repayment of the 1 <sup>st</sup> mortgage (including refinance or sale of the property), or other qualifying repayment events. (Review Mortgage and Note for full terms.)
<b>INTEREST RATE (SET BY IHDA)</b>	Daily IHDA rates apply on the 1 <sup>st</sup> mortgage. The 2 <sup>nd</sup> mortgage carries 0% interest.
<b>MINIMUM BORROWER INVESTMENT</b>	The greater of 1% or \$1,000 of the purchase price. (The borrower may not use the tax proration toward the borrower’s contribution of 1% or \$1,000.00 (whichever is greater) into the transaction, those funds must be from the borrower’s own funds or from gift funds if allowable by the AUS.) Please defer to the <a href="#">Program Matrix and IHDA Procedural Guide</a> for details.
<b>REPAYMENT AND RECAPTURE</b>	<p>The <b>2<sup>nd</sup> mortgage</b> funds will be repaid at 30 years, unless repaid sooner, or in the event of a refinance or sale. IHDA will release lien when the amount is paid in full. The DPA 2<sup>nd</sup> is required to be used in conjunction with an IHDA 30-year fixed rate 1<sup>st</sup> mortgage.</p> <p>The <b>1<sup>st</sup> mortgage</b> will carry a 30-year term and must be insured by FHA, guaranteed by VA or USDA, or carry Private Mortgage Insurance as may be required for FNMA HFA Preferred or FHLMC HFA Advantage.</p> <p>Both may be subject to repayment or recapture depending on terms of Recapture Notice.</p>
<b>ELIGIBILITY</b>	<ul style="list-style-type: none"> <li>• Borrowers can be a first-time homebuyer or non first-time homebuyer in Illinois.</li> <li>• Minimum credit score - 640 for all loan types</li> <li>• FHA, VA, USDA, FNMA HFA Preferred, FHLMC HFA Advantage only             <ul style="list-style-type: none"> <li>◦ AUS Approve/Eligible or Accept/Eligible findings required</li> <li>◦ Manual Underwrites – See Procedural Guide details</li> </ul> </li> <li>• Maximum total debt-to-income (back end) ratio of 45.00% for all loan types</li> <li>• IHDA income and property purchase price limits apply</li> <li>• Property must be a qualified single family dwelling (this includes condos, townhomes, and 2-units as allowed by Agency)</li> <li>• Pre-purchase homeownership counseling is required for each borrower - PRIOR TO CLOSE (PTC) or the loan is unsaleable</li> <li>• No manufactured homes</li> </ul> <p>Borrowers must meet all eligibility requirements established for the IHDA Mortgage programs, U.S. Bank overlays, and Agency guidelines.</p>
<b>INCOME REQUIREMENT</b>	<b>Borrower’s income must be at or below the limits</b> of the county in which the property is located. The lenders must calculate income using the calculator posted on <a href="#">The Document Library</a> to qualify for IHDA Mortgage DPA.
<b>DISCLOSURE OF FUNDS</b>	All 1 <sup>st</sup> and 2 <sup>nd</sup> mortgages require <b>TRID</b> (TILA-RESPA-INTEGRATED DISCLOSURE). On the 2 <sup>nd</sup> mortgage, only recording fees are allowed.

**DISCLAIMER**

The terms and conditions are subject to change until the lender locks the loan in TPO Connect. A potential borrower should contact an approved lender for further loan information. In connection with the IHDA Down Payment Assistance programs, IHDA makes no promises, representations, or warranties to any party, including any borrower, about the actual benefit an IHDA loan might provide in specific situations. Each borrower’s situation is different, and potential borrowers should seek the advice of a financial advisor, attorney, or housing counselor before entering into any loan.



# IHDA Access Repayable

**MORTGAGE**

10% DPA / \$10,000



<b>PURPOSE</b>	To assist homebuyers with down payment and/or closing costs associated with purchasing a home in the State of Illinois. The Illinois Housing Development Authority (the Authority) IHDA Mortgage offers Access 10%. This Down Payment Assistance (DPA) is offered as a recorded 2 <sup>nd</sup> mortgage for qualified borrowers.
<b>DATE</b>	Reservations for IHDA Mortgage – Access 10% open in February 2018 and will run until IHDA has closed the program for reservations in TPO Connect.
<b>USAGE</b>	The funds provided are in the form of a repayable 2 <sup>nd</sup> mortgage for an owner occupied, primary residence purchase. The DPA 2 <sup>nd</sup> is required to be used in conjunction with an IHDA 30-year fixed rate 1 <sup>st</sup> mortgage. Please note: with all IHDA Mortgage programs, cash back at closing for borrowers may not exceed \$250 + plus any amount over their required minimum investment (any additional should be principal reduction). The DPA or “assistance” amount shall be recorded as a 2 <sup>nd</sup> mortgage and can be used to cover down payment and/or closing costs. Assistance is limited to <b>10% of the purchase price up to \$10,000</b> . The 2 <sup>nd</sup> mortgage term shall be 10 years. The full principal balance shall be repaid monthly over the 10-year term at 0% interest. The 2 <sup>nd</sup> mortgage may be paid off at any time prior to maturity and carries no pre-payment penalty. The 2 <sup>nd</sup> mortgage may not be re-subordinated.
<b>DOWN PAYMENT ASSISTANCE</b>	
<b>2<sup>ND</sup> MORTGAGE PAYMENT</b>	$2^{\text{nd}} \text{ Mortgage Amount} \div 120 \text{ months} = \text{Monthly Payment Amount}$ (Review Mortgage and Note for full terms.)
<b>INTEREST RATE (SET BY IHDA)</b>	<u>Daily IHDA rates apply</u> on the 1 <sup>st</sup> mortgage. The 2 <sup>nd</sup> mortgage carries 0% interest.
<b>MINIMUM</b>	The greater of 1% or \$1,000 of the purchase price. (The borrower may not use the tax proration toward the borrower’s contribution of 1% or \$1,000.00 (whichever is greater) into the transaction, those funds must be from the borrower’s own funds or from gift funds if allowable by the AUS.) Please defer to the <u>Program Matrix and IHDA Procedural Guide</u> for details. The <b>2<sup>nd</sup> mortgage</b> funds will be repaid monthly amortizing over 10-years at 0% interest rate. For example, at the full \$10,000 the payment would be \$83.33/month. The DPA 2 <sup>nd</sup> is required to be used in conjunction with an IHDA 30-year fixed rate 1st mortgage. The <b>1<sup>st</sup> mortgage</b> will carry a 30-year term and must be insured by FHA, guaranteed by VA or USDA, or carry Private Mortgage Insurance as may be required for FNMA HFA Preferred or FHLMC HFA Advantage. Both may be subject to repayment or recapture depending on terms of Recapture Notice.
<b>REPAYMENT AND RECAPTURE</b>	
<b>ELIGIBILITY</b>	<ul style="list-style-type: none"><li>• Borrowers can be a first-time homebuyer or non first-time homebuyer in Illinois.</li><li>• Minimum credit score 640 for all loan types</li><li>• FHA, VA, USDA, FNMA HFA Preferred, FHLMC HFA Advantage only<ul style="list-style-type: none"><li>◦ AUS Approve/Eligible or Accept/Eligible findings required</li><li>◦ Manual Underwrites – See Procedural Guide details</li></ul></li><li>• Maximum total debt-to-income (back end) ratio of 45.00% for all loan types</li><li>• IHDA income and property purchase price limits apply</li><li>• Property must be a qualified single family dwelling (this includes condos, townhomes, and 2-units as allowed by Agency)</li><li>• Pre-purchase homeownership counseling is required for each borrower - PRIOR TO CLOSE (PTC) or the loan is unsaleable</li><li>• No manufactured homes</li></ul> Borrowers must meet all eligibility requirements established for the IHDA Mortgage programs, U.S. Bank overlays, and Agency guidelines.
<b>INCOME REQUIREMENTS</b>	<b>Borrower’s income must be at or below the limits</b> of the county in which the property is located. The lenders must calculate income using the calculator posted on <u>The Document Library</u> to qualify for IHDA Mortgage DPA.
<b>DISCLOSURE OF FUNDS</b>	All 1 <sup>st</sup> and 2 <sup>nd</sup> mortgages require <b>TRID</b> (TILA-RESPA-INTEGRATED DISCLOSURE). On the 2 <sup>nd</sup> mortgage, only recording fees are allowed.

## DISCLAIMER

The terms and conditions are subject to change until the lender locks the loan in TPO Connect. A potential borrower should contact an approved lender for further loan information. In connection with the IHDA Down Payment Assistance programs, IHDA makes no promises, representations, or warranties to any party, including any borrower, about the actual benefit an IHDA loan might provide in specific situations. Each borrower’s situation is different, and potential borrowers should seek the advice of a financial advisor, attorney, or housing counselor before entering into any loan.



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## **ADDENDUM D**

### **RESOURCES**



## **RESOURCES**

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BECOME AN IHDA LENDER: <https://www.ihdamortgage.org/join>

CURRENT IHDA INTEREST RATES: <https://www.ihdamortgage.org/rates>. This is only available to lenders that are approved to do business with IHDA. It requires a log in with approval from IHDA to access.

FHA COMMITMENT LETTER AND AWARD LETTER FOR DPA: <https://www.ihdamortgage.org/docs>. Located in each program document set in the FHA section.

FHA/HUD WEBSITE: [www.hud.gov](http://www.hud.gov)

GUIDE ON HOW TO SELL LOANS TO U.S. BANK HFA DIVISION: Please contact U.S. Bank at 1-800-562-5165. The link to the guide [https://hfa.usbank.com/HFA\\_Division.html](https://hfa.usbank.com/HFA_Division.html)

IHDA DOCUMENT SETS/FILLABLE PDFs: <https://www.ihdamortgage.org/docs>

IHDA EIN#: [36-2708817](https://www.irs.gov/efile/epin)

IHDA HUD ID: [12508-09996](https://www.hud.gov)

INCOME & PURCHASE PRICE LIMITS: <https://www.ihdamortgage.org/limits>

IRS: [www.irs.gov](http://www.irs.gov)

RECERTIFY YEARLY BY MARCH 31: <https://www.ihdamortgage.org/recertification>

RESERVATION MANUAL (THE IHDA LOS GUIDE): <https://www.ihdamortgage.org/tpotraining>

TARGETED AREAS: Located at the bottom of the Income Limits page  
<https://www.ihdamortgage.org/limits>

TPO CONNECT WEBSITE: <https://www.ihdamortgagetpoconnect.org/>

U.S. BANK HFA DIVISION MORTGAGE AGREEMENT FOR UNDERWRITING: Please contact U.S. Bank HFA Division at 1-800-562-5165.

# **ADDENDUM E**

## **GLOSSARY**



## GLOSSARY OF TERMS

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**AGENCY GUIDELINES/REGULATIONS:** The guidelines/regulations published by Fannie Mae (FNMA), Freddie Mac (FHLMC), Ginnie Mae (GNMA), FHA/HUD, VA, and/or USDA.

**AREA MEDIAN INCOME (AMI):** The median divides the income distribution into two equal parts: one-half of the cases falling below the median income and one-half above the median. HUD uses the median income for families in metropolitan (MSA) and non-metropolitan (non-MSA) statistical areas to calculate income limits for eligibility in a variety of housing programs. HUD estimates the median family income for an area in the current year and adjusts that amount for different family sizes so that family incomes may be expressed as a percentage of the Area Median Income. For example, a family's income may equal 80 percent of the Area Median Income, a common maximum income level for participation in HUD programs, or for affordable housing programs.

**BORROWER AFFIDAVIT:** A legally binding document, to be completed by the borrower(s) and non-borrowing spouse(s) of a residential housing unit that affirms the terms of the transaction and that is sworn to before an officer who is authorized to administer an oath or affirmation.

**CONDOMINIUM/CONDO:** A multi-unit housing development in which the ownership of the units includes the fee simple ownership of a specified residential unit together with an undivided pro-rata interest in ancillary real estate and any improvements thereon.

**ELECTRONIC SIGNATURE:** Use must be in accordance with Electronic Signature Performance Standards and must comply with all Federal, Agency, and state guidelines including requirements of the E-Sign Act (Global & National Commerce Act/UETA) and State law. When recertifying annually lenders will certify to this and then be authorized to use electronic signature. When doing so, notary is not required. Note and Mortgage must be "live" signature.

**ELIGIBLE BORROWER:**

- a. If required by the program Borrower(s) AND non-borrowing spouse(s) must be a *first-time buyer* or Exempt (see exemption under first-time homebuyer).
- b. *Household Income* must be below the maximum county limit for the program.
- c. Purchase must be a *Qualified Dwelling*.
- d. *Purchase Price* of the qualified dwelling must be below the maximum county limit for the program.

**EXEMPT/EXEMPTION:** If the residence to be purchased is within a *targeted* area or the borrower is a qualified *Veteran*, neither borrower(s) nor spouse need be first-time homebuyers. A copy of DD214 and/or COE is required to document honorable discharge and veteran status.

**FEDERAL INCOME TAX RETURNS:** IRS Form 1040, 1040A or 1040EZ, **and** all applicable schedules.

**FEDERAL RECAPTURE TAX:** The Federal Recapture Tax is designed to help the IRS and the U.S. Federal Government recapture profits gained when a homeowner who gets their mortgage from the



Federal Mortgage Revenue Bond program and sells or transfers ownership of their property. These loans are typically below market interest rate loans gotten through participating lenders in conjunction with their respective state's housing agency. Recapture applies to the first mortgage or if the loan includes an MCC.

**FIRST-TIME HOMEBUYER:** A first-time homebuyer is a person who has not had an ownership interest in a principal residence at any time during the three-year period prior to the date of purchase. Borrower(s) **and** non-borrowing spouse(s) must be first-time homebuyers. EXEMPTION: If the residence to be purchased is within a targeted area or the borrower is a Veteran, this requirement is waived.

**GROSS MONTHLY INCOME:** The sum of monthly gross pay plus overtime, part-time employment, bonuses, dividends, interest, royalties, pensions, Veterans Administration compensation, net rental income, alimony, child support, public assistance, sick pay, Social Security benefits, unemployment compensation, income received from trusts, and income received from business activities (such as eBay or PayPal, investments, etc.). Essentially, it includes **all income from all sources**. Gross income means that no reduction to income is made for expenses such as unreimbursed business expenses.

**HOUSEHOLD MEMBERS:** All persons expected to reside in subject property. Discrepancies between persons listed on tax returns vs. application, new additions to household, etc. may require a signed letter of explanation.

**HOUSEHOLD INCOME:** The total annualized gross income of any person who is expected to a) live in the Qualified Dwelling; and b) be liable, or secondarily liable, on the Note. Annualized gross income is gross monthly income, at the time of closing, multiplied by 12. (*Tax code requires that income be projected forward for one year*). On the calculator, input year-to-date gross income from each job for borrowers and co-borrowers, and date paid (not the pay period ending date). This should include any income from self-employment, W-2s, or SSI/SSDI.

**INTEREST RATE:** The percentage of a sum of money charged for its use. IHDA sets the interest rate for all IHDA loan programs.

**LENDER:** The mortgage bankers, commercial banks, credit unions and thrift institutions (savings banks and savings & loan associations) signatory to the master agreement.

**LOAN APPLICATION:** The Uniform Residential Loan Application (Fannie Mae Form 1003 and any addendum (i.e. 92900A, 1802), as applicable for program).

**LOAN CLOSING:** The act of transferring ownership of a property from seller to buyer in accordance with a sales contract. At the loan closing, several documents will be executed, including the Mortgage (and riders), Note, and Affidavits.

**LOAN OFFICER/LOAN ORIGINATOR:** The individual employed by a participating Lender who is

responsible for the origination of the mortgage loan.

**LOAN-TO-VALUE RATIO (LTV):** The portion of the amount borrowed compared to the cost or value of the property purchased; that is, mortgage obligation divided by the value of the property (the appraised value or purchase price, whichever is less).

Example: \$90,000 loan amount; \$100,000 value of residence = 90% LTV

**MASTER SERVICER:** The entity that collects mortgage loan payments, manages escrow accounts, makes escrow disbursements, and deals with the mortgagor on a regular basis. This is currently U.S. Bank HFA Division.

**MORTGAGE:** A written instrument that creates a lien upon real estate as security for the payment of a specified debt. The mortgage is the collateral that the buyer pledges to the Lender.

**MORTGAGE CREDIT CERTIFICATE:** A certificate which provides a qualified first-time (or Exempt) homebuyer with a federal income tax credit of 25%, (maximum of \$2,000 per year), of the mortgage interest paid. (For Conventional (FNMA HFA Preferred or FHLMC HFA Advantage) loans and VA loans, this credit can be used as effective income; for FHA, this can offset mortgage payment or used as effective income. The amount used must be documented.)

**MORTGAGEE:** The party who holds a lien on the property as security for a debt (i.e., Master Servicer).

**MORTGAGOR:** The owner of real estate financed with a mortgage, which pledges the property as security for the loan (i.e., borrower).

**NEW CONSTRUCTION:** A residential housing unit, which has not previously been occupied

**NOTE:** A written instrument that acknowledges a debt and promises to pay.

**PREPAYMENT:** To retire all or a portion of the principal balance before it is due under the mortgage contract.

**PROPERTY VALUE:** The lesser of the acquisition cost or the appraised value of the Qualified Dwelling at the time of origination of the mortgage loan secured by a mortgage on such Qualified Dwelling.

**PURCHASE PRICE:** In order to qualify, the residence must have a total purchase price no greater than the allowable limit in effect at the time of application. The price includes *ALL* amounts paid, either in cash or in kind, to the seller as consideration for the residence.

**QUALIFIED DWELLING:** To be a qualified dwelling, the borrower must acquire a fee simple interest in the real estate. The property must become the principal place of residence of the borrower within 60 days after the closing of the IHDA loan. The residence must be located in Illinois and designed for residential use.

**QUALIFIED VETERAN:** The person(s) must have received an honorable discharge from active duty from any branch of the United States Armed Forces, or must have been discharged due to disability incurred while on active duty. A copy of DD214 and/or COE is required to document honorable discharge and veteran status.

**RELEVANT PARTIES:** The term “relevant parties” includes a spouse *even if* they are not going on title or are waiving homestead rights. Any adult (18+) who intends to live in the property is also considered a relevant party.

**RESERVATION/COMMITMENT:** The process of registering a loan on-line with IHDA to ensure that funds are available for the purchase of the loan from the Lender. This is the Lender’s commitment to deliver and is equivalent to a rate lock, which is valid for 60 days. Loan must be purchased by the 60<sup>th</sup> day.

**TARGETED AREA:** A targeted area is an area of the state containing Qualified Census Tracts (QCT), or Areas of Chronic Economic Distress, as defined by the Internal Revenue Code. A QCT is a census tract in which seventy percent (70%) or more of the families have an income, which is eighty percent (80%) or less of the median family income, as established by HUD. If the residence to be purchased is within a *targeted area*, neither borrower nor co-borrower need be first-time homebuyers. To obtain a list of targeted areas by county, please visit [the bottom of the Income Limits page](https://www.ihdamortgage.org/limits) <https://www.ihdamortgage.org/limits>. Additionally, for borrowers choosing a property in a targeted area, different (higher) income limits and purchase price limits apply.

**TPO CONNECT:** IHDA’s current Homeownership on-line loan origination/reservation commitment (lock) system. <https://www.ihdamortgagetpoconnect.org/>

**VETERAN:** A person whose military service to the United States Government has terminated under honorable conditions. A copy of DD214 and/or COE is required to document honorable discharge and veteran status.

**ADDENDUM F**  
**FEDERAL RECAPTURE TAX**



## FEDERAL RECAPTURE TAX

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When tax exempt Mortgage Revenue Bonds finance a first mortgage, the borrower may be subject to a Federal Recapture Tax. The tax helps the IRS recapture any profits gained when a homeowner who received a benefit through non-taxable bond proceeds for their first mortgage, sells or transfers ownership of the property. The tax applies when a borrower sells or transfers ownership of their home within the first nine (9) years of ownership.

Recapture tax could apply to borrowers who are first-time homebuyers, and does apply to all borrowers obtaining an MCC. If the loan includes an MCC, the recapture applies to the MCC and not to the first mortgage, so be sure to use and have the borrowers sign the correct Borrower Affidavit which addresses recapture information (HO-012) and the correct Final Recapture Notice (HO-035). The Lender is responsible for providing the final signed Recapture Notice to the borrower; copy of signed notice must be in all files submitted with the exception of refinance.

The payment of recapture tax occurs at the time the property is sold, only if all three of the following conditions apply at the same time:

1. The home is sold or disposed of within nine (9) years of being purchased, for reasons other than death, AND
2. There is a capital gain on the sale of the home, AND
3. The Household Income for the year in which the home is sold exceeds federal recapture income limit at time of sale.

**All three must happen at the same time.**

In the event that recapture tax is due, the maximum recapture tax is either 50% of the gain on sale or 6.25% of the original loan amount - whichever is less. Specific details are located on the Final Recapture document that is signed at closing.

### WHAT IS IHDA'S RECAPTURE REIMBURSEMENT POLICY?

Borrowers that fall subject to recapture tax shall be reimbursed in full by IHDA upon verification. Please note, *this reimbursement does not extend to borrowers utilizing a Mortgage Credit Certificate issued by IHDA*. The borrower will need to provide documentation showing that the recapture tax was paid. A copy of the IRS tax transcripts for the year in which the borrower paid the recapture tax will suffice.

*Please note: The IHDA Recapture Reimbursement Policy does not apply to borrowers utilizing an MCC; reimbursement policy applies to first mortgage only, not to MCC.*

### WHAT ARE THE LENDER REQUIREMENTS?

The Notice of Recapture on Sale of Home (also called the Initial Recapture) (available in the doc sets at <https://www.ihdamortgage.org/docs>) must be provided to and signed by the potential borrowers at the time of application for all MRB loans and loans taking an MCC. Lenders are also required to provide a **final** completed recapture notice to borrower at time of closing, which indicates the maximum amount of the potential recapture tax. A signed copy of the notice must

be in the file delivered to IHDA after close. Remember that recapture is not the same as repayment; recapture applies to the first mortgage bond loan, repayment applies to the DPA 2<sup>nd</sup> mortgage.

## **WHAT ARE THE FEDERAL ADJUSTED QUALIFYING INCOME LIMITS FOR CALCULATING RECAPTURE TAX?**

The limits are set by statute each year and annually adjusted 5% after loan closing. The Adjusted Qualifying Income Limits for targeted and non-targeted areas is an attachment to the Final MRB Recapture that is signed at close and lists the Income Limits for each year.

For a full understanding of the recapture tax, please refer to the final two pages of the Final MRB (or MCC) Recapture, included in each document set. Additional assistance is located in the Recapture Guide as well, found on the website at <https://www.ihdamortgage.org/docs>. *If a tax is owed, IHDA will reimburse for the entire tax paid, if the borrower did not take the MCC option.*

## **HOW IS THE TAX ASSESSED?**

The tax assumes that the amount of subsidy realized by the borrower is equal to 1.25% per year. The rate of tax is multiplied by the original loan amount to determine the amount of tax to be paid. The maximum recapture amount increases during the first five years of ownership to its maximum (6.25%) in the fifth year. The amount then decreases 20% per year through the ninth year. If the sale occurs after the ninth year, there is no recapture tax. A chart included with the Recapture details this.

## **WHAT DETERMINES HOW MUCH THE ACTUAL RECAPTURE TAX WILL BE?**

1. The date of the sale or transfer,
2. The borrower's income in relation to the "Adjusted Qualifying Income" in the year of sale or transfer, and
3. The gain from sale or transfer.

## **WHAT IF THE LOAN IS REFINANCED?**

No recapture tax is due at the time of refinancing. If, after refinancing, the owner sells or transfers the property within the initial nine-year period, he/she may owe a recapture tax. In these situations, it is best for the client to seek the advice of a tax attorney.

## **CAN AN IHDA LOAN BE ASSUMED?**

No, IHDA loans are not assumable.

## **IS RECAPTURE DUE IF THE BORROWER DIES WITHIN THE NINE-YEAR PERIOD?**

No. A death transfer is not a sale or transfer for the purposes of recapture.

## **IN THE CASE OF DIVORCE, WHO IS RESPONSIBLE FOR THE RECAPTURE TAX?**

A divorce settlement is not a sale or transfer for the purposes of recapture. Whoever receives the home in the divorce settlement pays any recapture tax due as a result of a subsequent sale or transfer if within the nine-year period

## **ADDENDUM G**

# **LOCK POLICY FOR ALL IHDA MORTGAGE PROGRAMS**





## **LOCK POLICY FOR ALL IHDA MORTGAGE PROGRAMS**

Any loan locked with the Illinois Housing Development Authority (IHDA) and subsequently being purchased by IHDA, or any master servicer working on their behalf, shall be locked for 60 days with payment at the full Service Release Premium (SRP) as indicated in Addendum H.

Any loan that is set to be purchased after the initial 60-day lock period is still eligible for purchase at the same interest rate, but at a reduced SRP as indicated in Addendum H.

- IHDA asks that you, the lender, send notification to [Mortgage@ihda.org](mailto:Mortgage@ihda.org) when a loan is set to exceed the 90-day lock period, to ensure the loan remains active in our system. If a loan has not been purchased by the 90<sup>th</sup> day, IHDA is under no obligation to purchase the loan(s) if it is not salable on Secondary.

### **LOCK EXTENSIONS**

Loans can be extended three (3) times within TPO Connect. This will reflect an extension on the Lock Confirmation, if needed for any internal lock desks. Loans that need to be extended more than three (3) times must email into [Mortgage@ihda.org](mailto:Mortgage@ihda.org), and the process will happen on IHDA's end. There is an [Extending a Loan Guide](#) on the IHDAMortgage\* [website](#).

### **RE-PRICING BETWEEN PROGRAMS AND/OR LOAN TYPES**

IHDA allows loans to be re-priced at the rate of the initial lock date of the loan. Loans may be repriced from the Lender's side within TPO Connect. For any questions on re-pricing through TPO Connect, please email [Mortgage@ihda.org](mailto:Mortgage@ihda.org).

#### **Example:**

- Rate always follows the *day of lock*.
- There is a [Loan Program Changes Guide](#) on the IHDAMortgage\* [website](#).

*July 15, 2022*

- Access 4% FHA 4.000%
- Access 4% Conventional 4.250%
- Access 10% FHA 3.875%
- Access 10% Conventional 4.125%
- Loan locked on July 15, 2022, as Access 4% Conventional at 4.000%.
- On July 22, 2022, the loan is updated to Access 10% FHA and is re-priced in TPO Connect.
- After the re-price, the lock confirmation is updated, and the lock date remains unchanged. However, the rate will realign with the new program's rate from the day of initial lock.
- The *new lock* will indicate Access 10% FHA at 3.875%.

### **CANCELLATION AND RE-LOCKING**

After a loan is cancelled, IHDA will not allow a new reservation (lock) for the same subject property address within sixty (60) days of the cancellation date in IHDA's LOS; after which time

\*All guides located at <https://www.ihdamortgage.org/tpotraining>

the loan can be locked with IHDA at the new lock date's rate. With IHDA, the lock follows the property.

## **LOAN REINSTATEMENT**

If a lock was cancelled or withdrawn in error through TPO Connect, the Lender can email [Mortgage@ihda.org](mailto:Mortgage@ihda.org) to have the loan reinstated. All information on the lock, including the rate, lock date and program will remain unchanged.

**ADDENDUM H**

**SERVICE RELEASE PREMIUM (SRP) GRID  
FOR ALL PROGRAMS AND INITIATIVES**



## SERVICE RELEASE PREMIUM (SRP) GRID

Any 1<sup>st</sup> mortgage loan locked with the Illinois Housing Development Authority (IHDA) Mortgage and subsequently being purchased by IHDA, or any master servicer working on their behalf, shall be locked for 60 calendar days with payment at the full Service Release Premium (SRP).

Note: The SRP is paid based on the loan's current principal balance at time of purchase.

Any loan that is set to be purchased after the initial 60-day lock period is still eligible for purchase at the same interest rate, but at a reduced SRP as indicated below:

Purchased By	SRP Hit	SRP Paid
90 <sup>th</sup> Day	25 bps	1.75%
120 <sup>th</sup> Day	50 bps	1.50%
150 <sup>th</sup> Day	75 bps	1.25%
180 <sup>th</sup> Day	100 bps	1.00%
210 <sup>th</sup> Day	125 bps	0.75%
240 <sup>th</sup> Day	150 bps	0.50%
270 <sup>th</sup> Day	175 bps	0.25%
300 <sup>th</sup> Day	200 bps	0.00% (No SRP paid)
Purchased > 300 Days	Reviewed by IHDA on a case-by-case basis	



Effective for loans locked on or after 6-1-2022, or with an exception from IHDA Management.

Any 1<sup>st</sup> mortgage loan locked with IHDA Mortgage that has a total loan amount of less than or equal to \$50,000 and is subsequently being purchased by IHDA, or any master servicer working on their behalf, shall be locked for 60 calendar days with payment at an SRP in the flat amount of \$5,000.

Any loan that is set to be purchased after the initial 60-day lock period is still eligible for purchase at the same interest rate, but at a reduced SRP as indicated below.

**Note: The SRP day hits for Access+ is paid based on the loan’s current unpaid principal balance (UPB) at time of purchase.**

Purchased By	SRP Hit	SRP Paid
90 <sup>th</sup> Day	25 bps	\$5,000 (-) 0.25% of UPB
120 <sup>th</sup> Day	50 bps	\$5,000 (-) 0.50% of UPB
150 <sup>th</sup> Day	75 bps	\$5,000 (-) 0.75% of UPB
180 <sup>th</sup> Day	100 bps	\$5,000 (-) 1.00% of UPB
210 <sup>th</sup> Day	125 bps	\$5,000 (-) 1.25% of UPB
240 <sup>th</sup> Day	150 bps	\$5,000 (-) 1.50% of UPB
270 <sup>th</sup> Day	175 bps	\$5,000 (-) 1.75% of UPB
300 <sup>th</sup> Day	200 bps	\$5,000 (-) 2.00% of UPB
Purchased > 300 Days	Reviewed by IHDA on a case-by-case basis	

**Example:**

- Loan locked 1/1/2022 with a total loan amount of \$47,000, with a lock expiration date of 3/2/2022
  - o Interest Rate 5.875%
  - o Principal Payment \$47.92
  - o Interest Payment \$230.10
- Loan closes 1/20/2022, with a First Payment due 3/1/2022
- Loan is submitted for review on 2/22/2022
- Loan has conditions that are cleared and is purchased from the lender on 3/10/2022
  - o Lender responsible for collecting March Payment
  - o Days from lock to purchase 68
  - o Unpaid Principal \$46,952.08
  - o Flat SRP \$5,000
  - o Day count delay (25bps) (-) \$117.38
  - o Total SRP paid \$4,882.62
    - *SRP paid at %1.75 without Access+ (for comparison) \$821.66*