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ORIGINATING AGENTS GUIDE
REVISION 57

June 10, 2010

Remove and discard:	**Replace with enclosed:**
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Page iv (Revised 10/09/09)……..	Page iv (Revised 06/10/10)
Page 30 (Revised 01/27/10)…….…….	Page 30 (Revised 06/10/10)
Page 43 (Revised 09/15/09)……..	Page 43 (Revised 06/10/10)
Page 56 (Revised 04/01/09v3)……..	Page 56 (Revised 06/10/10)
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HO-0449 (Revised 05/10) …….	HO-0449 (Revised 06/10)
Closed Loan Submission Checklist	
HO-0441 (Revised 01/10)……..	HO-0441 (Revised 06/10)

EFFECT OF CHANGE

The **ORIGINAL** Certificate of Title with any lien noted thereon having been marked released or **ORIGINAL** Manufactured Certificate of Origin ("MCO") in the name of the seller of the subject property or having been endorsed to the seller MUST be included in the Underwriting Submission package. The file may be submitted electronically, however, a commitment will not be issued until THDA receives the **ORIGINAL** Certificate of Title or **ORIGINAL** "MCO".

The only exception to this requirement is, if the seller of the subject property has a mortgage on the property and the lien holder is in possession of the title or MCO and will not release it until their loan is paid off. Under this scenario, a copy of the Certificate of Title or MCO must be included in the underwriting Submission package and the commitment will be conditioned to receive the **ORIGINAL** Certificate of Title or MCO with the Closed Loan package. However, THDA will not purchase the loan until we receive the **ORIGINAL** Certificate of Title or **ORIGINAL** MCO.

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2. VA (or VA Automatic) approval signed and dated by VA or the Originating Agent's Automatic underwriter; or

3. Executed USDA/RD 1980-18.

4. PMI certification with proper coverage on all loans in excess of 78% Loan-to-Value.

M. Loan Application (1003)

Include the scratch 1003, signed and dated by the Applicant(s) and the loan officer and final typed 1003. Three years of residency should be stated on the 1003.

N. Positive Identification

For all loan types, positive identification of each Applicant must be obtained in accordance with insurer or guarantor guidelines. It is the Originating Agents responsibility to insure that those guidelines are met.

O. Credit Report

The original credit report must be included in the application file unless it is required to be submitted to the insurer or guarantor. The Applicant's credit report must comply with the program insurer's minimum acceptable credit verification guidelines. Merged credit reports that comply with program guidelines are acceptable.

P. Final Divorce Decree/Marital Dissolution; Court Ordered Child Support; SSI or Other Assistance

Include copies of any or all of these documents, as applicable.

Q. Verification of Employment; Most Recent Pay Stub; Form Evidencing Telephone Verification of Prior Employment; Self-Employment

See Sections 5.3 and 5.4.

R. Documentation for Veteran Exemption

VA Form DD-214 if applicant is a discharged or released veteran. VA Form DD-4 if applicant has re-enlisted, but was eligible for a discharge or release at the time of re-enlistment.

S. Original Certificate of Title or Original Manufactured Certificate of Origin (Manufactured Home)

The **ORIGINAL** Certificate of Title with any lien noted thereon having been marked released, or **ORIGINAL** Manufactured Certificate of Origin ("MCO") in the name of the seller of the subject property or having been endorsed to the seller MUST be included in the Underwriting Submission package. The file may be submitted electronically, however, a commitment will not be issued until THDA receives the **ORIGINAL** Certificate of Title or **ORIGINAL** "MCO".

The only exception to this requirement is, if the seller of the subject property has a mortgage on the property and the lien holder is in possession of the title or MCO and will not release it until their loan is paid off. Under this scenario, a copy of the Certificate of Title or MCO must be included in the Underwriting Submission package and the commitment will be conditioned to receive the **ORIGINAL** Certificate of Title or MCO with the Closed Loan package. However, THDA will not purchase the loan until we receive the **ORIGINAL** Certificate of Title or **ORIGINAL** MCO.

T. Stimulus Loan Program Information Statement (THDA Form HO-0499)

This information statement must be executed by the borrower(s) and included in the initial Underwriting Submission package.

7.5 OTHER REQUIREMENTS

A. Close In The Name Of

All THDA approved loans must be closed in the name of the Originating Agent noted on the Commitment and are assigned to THDA, regardless of the funding source with the exception of the Stimulus Loan Program Second Mortgage which must be closed in the name of THDA.

B. Qualifying Spouse

Applications involving married applicants require that both spouses meet the first-time homebuyer eligibility, except in Targeted Areas.

A non-qualifying spouse must sign the Deed of Trust.

C. Rescission

THDA cannot fund or purchase a loan that is closed with a Three-day Right of Rescission.

D. Net Funds "To Borrower"

A borrower cannot receive any funds from the closing that exceed amounts that they paid in advance from their personal funds for earnest money, appraisal fees and credit report fees. If a grant from an entity other than THDA is included in the transaction, coordinate this subject with the grant provider. Borrowers using Great Start or Great Advantage assistance cannot receive any funds at closing from the assistance provided.

E. Original Certificate of Title or Original Manufactured Certificate of Origin (Manufactured Home)

If the seller of the subject property has a mortgage on the property and the lien holder is in possession of the ORIGINAL title or MCO and will not release it until their loan is paid off, the ORIGINAL Certificate of Title with any lien noted thereon having been marked released, or Manufactured Certificate of Origin ("MOC"), in the name of the seller of the subject property or having been endorsed to the seller MUST be provided to THDA with the closing documents. If the Manufactured Home consists of more than one (1) unit, you will need to provide the title or "MOC" for each unit. THDA will not purchase the loan until we receive the ORIGINAL certificate of Title or ORIGINAL MCO.

F. Affidavit of Affixation (Manufactured Home)

An Affidavit of Affixation is required on all manufactured home loans and must be recorded as a separate document. It cannot be recorded with or attached to the Deed of Trust. THDA's Affidavit of Affixation Form HO-0453 is to be used unless the Settlement Agent uses an Affidavit of Affixation that meets the statutory requirement of TCA Section 55-3-138.

G. Warranty Deed

A copy of the Warranty Deed (certified copy of recorded Warranty Deed if Manufactured Home) to the subject residence must be provided to THDA in the Closed Loan Submission package.

7.6 CLOSING COSTS

Closing Costs and Fees a THDA Borrower May Pay

1. The borrower may pay any and all reasonable and customary fees and costs normally charged in the market place. If THDA, in its sole discretion, determines that the borrower has been charged a fee that is exorbitant or not customarily charged in the market place, the Originating Agent will be required to refund these fees to the borrower.

Tennessee Housing Development Agency (THDA)
Underwriting Submission Checklist

OA Number: _____ _____ _____ _____
OA Name: _____
OA Address: _____
_____

Primary Applicant: _____
Property Address: _____
_____
_____

Submission Purpose:
- ❑ Initial Submission
- ❑ Supplemental documents
- ❑ Updated documents

Program Type:
- ❑ Great Start
- ❑ Great Advantage
- ❑ Great Rate
- ❑ Stimulus Loan (2nd Mortgage)
- ❑ Great Save (Refinance)

Loan Type:
- ❑ FHA
- ❑ VA
- ❑ USDA/RD
- ❑ Conventional

Property Type:
- ❑ Single Family Detached
- ❑ Condo
- ❑ Manufactured Home
- ❑ Other_____

This loan will: ❑ Close with OA funds (Purchase method)

ASSEMBLE PACKAGE IN ORDER LISTED BELOW AND ATTACH WITH AN ACCO FASTENER AT TOP MIDDLE

THDA PROGRAM ELIGIBILITY

- ❑ 1. Check Request Memorandum (if applicable)
- ❑ 2. Buyer Profile
- ❑ 3. Original Application Affidavit(s), Veteran Exemption Application Affidavit, Great Save Application Affidavit
- ❑ 4 Original Seller Affidavit (notarized)
- ❑ 5. Signed and Dated Tax Returns with all schedules and W-2s for the most recent tax year including non-qualifying spouse
- ❑ 6. IRS Non-Filing Confirmation for most recent tax year including non-qualifying spouse
- ❑ 7. Notice to Applicants Federal Recapture Requirements (signed copy)
- ❑ 8. Great Advantage or Great Start Application for Assistance (if applicable)
- ❑ 9. Homebuyer Education Certification (if applicable)
- ❑ 10. Stimulus Loan Second Mortgage Application Request
- ❑ 11. Stimulus Loan Program Information Statement

CREDIT PACKAGE

- ❑ 12. FHA/Mortgage Credit Analysis Worksheet with condition sheet, **AND** Form 92900A p3, signed by DE Underwriter and DU or LP findings
- ❑ 13. USDA/RHS #1980-18
- ❑ 14. Typed Transmittal Summary (1008) signed by underwriter with DU or LP findings
- ❑ 15. VA/Loan Analysis Worksheet Approval OR VA Certificate of Commitment/DD-214 or DD-4 (if applicable)
- ❑ 16. Initial Good Faith Estimate including a separate GFE for the Stimulus Second Mortgage (if applicable)
- ❑ 17. Final Loan Application (Typed URLA) 1003 (3 year residency should be stated)
- ❑ 18. Initial Interviewer's Signed Loan Application 1003 (3 year residency should be stated)
- ❑ 19. Credit Report and credit explanation letters (if applicable)
- ❑ 20. Final Divorce Decree/Marital Dissolution (if applicable)
- ❑ 21. Verification of Court Ordered Child Support
- ❑ 22. Verification of SSI or Other Assistance
- ❑ 23. Verifications of Employment (verbal is unacceptable)
- ❑ 24. Most Recent Pay Stub (within past 30 days)
- ❑ 25. Verifications of Prior Employment (telephone verification is acceptable)
- ❑ 26. Self-Employment Cash Flow Worksheet, P & L, 2 years Business Tax Returns (corp. or partnership or sole prop.)
- ❑ 27. Verification of Deposit OR Most Recent Bank Statements, as listed on 1003
- ❑ 28. Gift Letter
- ❑ 29. Sales Contract and Addendum (Copy)
- ❑ 30. Appraisal Report (URAR) and Condition Sheet with VC Sheet/USDA-RD Conditions, and executed conditional commitment (928005.b), VA CRV
- ❑ 31. Legible Photos of Subject Property (front, rear, street) and Photos or Photocopies of comparable sales
- ❑ 32. Flood Notification (if applicable, signed by Applicant or certified date mailed to Applicant) (Copy)
- ❑ 33. Grant/Down payment assistance approval letters
- ❑ 34. Documentation required if refinancing a Qualified Adjustable Rate Mortgage loan
- ❑ 35. Original Certificate of Title or Original Manufactured Certificate of Origin (Mobile/Manufactured Homes)
- ❑ 36. FHA 203(h) Proof of permanent residence (if applicable)
- ❑ 37. FHA 203(h) Proof of destruction of residence (if applicable)

THDA RESERVES THE RIGHT TO REQUEST ADDITIONAL DOCUMENTATION TO EVALUATE THIS LOAN APPLICATION.

The undersigned, an authorized representative of the OA referenced above, hereby certifies and warrants as follows: (i) the information accompanying this submission has been verified and corroborated as required by THDA; (ii) all disclosures required under applicable federal and/or state law have been made; (iii) the Applicant referenced above and the property proposed for purchase by the Applicant meet all applicable THDA mortgage loan eligibility and program guidelines; and (iv) to the extent this submission is electronic, all documents and affidavits required to be originals or with original signature were obtained.

_____ _____ _____
Originating Agent Authorized Signature Print Name and Title Date

Phone No. (_____)_____ Fax No. (_____)_____ Email address _____

`Tennessee Housing Development Agency (THDA)
Closed Loan Submission Checklist

❑ Initial Delivery
❑ Follow up Documents

❑ Loan Closed with OA's Funds
❑ Loan Closed with THDA Funds

OA Name: _____

OA Address: _____

_____

Contact Person: _____

Phone: (_____)_____

OA Number: _____ _____ _____ _____

THDA Loan #: ___ ___ ___ ___ ___ ___ ___ ___

THDA 2nd Mortgage Loan #: __ __ __ __ __ __ __ __

Primary Borrower: _____

Date Loan Closed: _____

Date Mailed to THDA: _____

In each space, enter a "✓" or "**X**" (item enclosed), or "**TF**" (to follow), or "**NA**" (not applicable). Assemble package in order listed. All items except those with an asterisk must be in package at initial delivery (which must be within 10 days of the date loan closed). All items must be complete, fully executed, dated and notarized, if required, all as indicated in each document and the Originating Agents' Guide.

____ Original Originating Agent (OA) Credit Memorandum (interest or overage if closed with THDA funds), original with check attached, and one copy on top of this form

____ Original Request for Loan Purchase with Acknowledgement and Certification (if mortgage closed with OA funds)

____ Original Note, endorsed to THDA (Note faxed to THDA on _____)

____ Original Second Mortgage Note (Closed in THDA's name and reference to MERS not acceptable)

____ *Original recorded Deed of Trust and Riders (if applicable)

____ *Original recorded Affidavit of Affixation (Manufactured Homes)

____ Original Recorded Second Mortgage Deed of Trust, if applicable (Must be closed in THDA's name; **MERS documents not acceptable**)

- ____ Certified copy of Deed of Trust and Second Mortgage Deed of Trust, if applicable, Riders and Affidavit of Affixation, if applicable, (fully executed but before recordation)

____ *Original recorded Assignment from OA to THDA (n/a if MERS documents submitted)

____ *Original Title Insurance Policy with THDA named as insured, **OR**

- ____ Title Insurance Commitment

____ Copy of executed Warranty Deed (Certified copy of recorded Warranty Deed if Manufactured Home)

____ Copy of signed HUD-1 and a separate HUD-1 on Second Mortgage

____ Copy of the Final Truth in Lending

____ Copy of revised Good Faith Estimate (if applicable)

____ Copy of the final executed 1003 on Stimulus Second Mortgage (if applicable)

____ Copy of Hazard Insurance policy declarations page or Certificate of Insurance with THDA as named insured

____ Copy of Life of Loan Flood Hazard Determination

____ Copy of Flood Insurance Application with THDA as named insured and copy of premium check (if applicable)

____ Address Certification (if applicable)

____ Name Affidavit (if applicable)

____ Copy of clear Termite Letter or soil treatment certificate (if applicable)

____ Original clear final inspection (construction completion or repairs)

____ Copy of Escrow Agreement for Repairs or Completion of Construction (if applicable)

____ THDA Commitment conditions satisfied

____ *Copy of MIC/LGC/PMI Certificate/Original RECD 1980-17, **OR** as applicable:

- ____ *Lender query from FHA connection reflecting THDA as the holder*
- ____ Copy of completed USDA/RD 1980-11 and 1980-18 (conditional commitment)

____ *Prior to purchase-Original Certificate of Title or Original Manufactured Certificate of Origin (Manufactured Home) if not included in Underwriting Submission Package

Servicing package mailed to: _____ on _____, ____.

FINAL MANDATORY DELIVERY DATE FOR ALL ITEMS: Closing date + 120 days = _____, ____.

NOTICE TO APPLICANTS FEDERAL RECAPTURE REQUIREMENTS HO-0448 (09/99) THDA

This form is mandatory for all THDA loan applications. The Applicant and all Co-Applicants must sign and date the form at the time of application. Provide a copy to the Applicant. Enclose the original signed and dated form in the application file when submitted for THDA underwriting.

SELLER AFFIDAVIT HO-0451 (09/99) THDA

The seller of the Property must complete a Seller Affidavit for each application file submitted to THDA. The Seller Affidavit is to assist in determining whether the purchase of the Property involves more than the purchase price specified in the sales contract.

In the case of an Applicant who is serving as their own contractor and is building a new residence on a lot that is owned by the Applicant, the Seller Affidavit is not required. Seller Affidavit is also not required on a HUD/PD property.

The seller must sign and date the Seller Affadavit, and it must be notarized. Enclose the original Seller Affidavit in the application file when submitting for THDA underwriting. In the absence of the original Affidavit at the time of loan approval, a prior to closing contingency will be THDA receipt of the original.

BUYER PROFILE HO-0439 (Rev 12/06) THDA

This form is critical to facilitate accurate reports by THDA. Complete this form accurately and completely and enclose it the application file when submitted for THDA underwriting.

UNDERWRITING SUBMISSION CHECKLIST HO-0449 (06/10) THDA

Use this form as a cover sheet for all application files submitted to THDA.

Follow the checklist closely and complete all information. Items omitted may cause the application file to be returned for completion and resubmission. Do not change the size of this form.

The checklist has five main sections:

1. General Information.
2. THDA Program Eligibility. Must include original documents, notarized as indicated.
3. Grants/Downpayment/Closing Cost Assistance. Must be documented as indicated, if applicable.
4. Credit Package. Must include documentation, as indicated.

Originating Agent Information: Provide complete information, including the Originating Agent's four-digit O.A. Number as assigned by THDA. An omitted or incorrect Originating Agent number and omitted or incorrect branch address are the primary causes of misdirected commitments and misdirected funding checks.

Primary Applicant: Include primary Applicant's name as it will appear on all documents. It must be accurate and consistent.

Property Address: Must be accurate and consistent on all documents.

AFFIDAVIT OF AFFIXATION HO-0453 (12/06)

An original Affidavit of Affixation is required on all manufactured home loans and must be recorded as a separate document. It cannot be recorded with or attached to the Deed of Trust for recordation.

GREAT ADVANTAGE AND GREAT START ASSISTANCE APPLICATION HO-0473 (Rev 04/10) THDA

This form must be completed and the original included in each loan application package submitted under the Great Start assistance program. The application should indicate the total FHA loan amount including MIP, the exact (dollars and cents) amount of assistance based on 4% of the referenced loan amount for Great Start or 2% for Great Advantage, the anticipated closing date, and the complete name or the settlement agent. This form must be signed by the Borrower(s), and an authorized representative of the lender.

STIMULUS LOAN PROGRAM APPLICATION REQUEST (Second Mortgage) -- Loans Closed in Tax Year 2010 HO-0498.10 (11/09)

This form must be completed and the original included in each loan application package submitted for the Stimulus Loan Program second mortgage.

CLOSED LOAN SUBMISSION CHECKLIST HO-0441 (06/10) THDA

Use this form when submitting all closed loan files to THDA, regardless of the source of funding. This form can also be used as a checklist for submission of follow-up documentation. Complete all items on this form. Do not change the size of this form.

REQUEST FOR LOAN PURCHASE WITH ACKNOWLEDGEMENT AND CERTIFICATION HO-0444 (04/09) THDA

All loans closed by the Purchase Method must be accompanied by an executed Request For Loan Purchase with Acknowledgement and Certification when delivered to THDA. By submitting a loan file for purchase by THDA, each Originating Agent is deemed to affirm the Acknowledgement and Certification appearing on the master form of the Request For Loan Purchase with Acknowledgement and Certification with respect to each loan file submitted regardless of whether the Acknowledgement and Certification is included with the form submitted with a particular loan file.

Provide all information indicated. Check the appropriate box indicating whether the loan file is complete in all respects or not. Sign and date where indicated, print name and title, and provide telephone number. Omitted information may cause the loan file to be returned to the Originating Agent.

STIMULUS LOAN PROGRAM INFORMATION STATEMENT--Loans Closed in Tax Year 2010 HO-0499.10 (11/09) THDA

The Stimulus Loan Program Information Statement must be executed by the borrower(s) and included in the initial Underwriting Submission package.