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ORIGINATING AGENTS GUIDE
REVISION 63

November 16, 2010

Remove and discard:	**Replace with enclosed:**
Page 26 (Revised 04/01/09) ……	Page 26 (Revised 11/16/10)
Page 31 (Revised 01/27/10) ……	Page 31 (Revised 11/16/10)
Page 59 (Revised 01/13/10) ……	Page 59 (Revised 11/16/10)
Underwriting Submission Checklist	Underwriting Submission Checklist
HO-0449 (06/10) ……	HO-0449 (11/10)

EFFECT OF CHANGE

Effective immediately, the Underwriting Submission Checklist is revised to include Online Homeownership Education Approval and Referral Form HBEO-300 (if applicable). Also Section 9 of the Originating Agents Guide is revised to include Online Homeownership Education Borrow Information Form HBEO-100 and Online Homeownership Education Request Form HBEO-200.

Also effective immediately, all new loan submissions must include the borrower's bank statements for the previous two months.

THDA is an equal opportunity, equal access, affirmative action employer.
Telecommunications Device for the Deaf (615) 532-2894

B. Sale of Assets

Funds to close the THDA loan that are obtained from the sale of an asset must be documented. Include a copy of the HUD-1 settlement statement for the sale of real estate.

Sale of a home or a manufactured home must be documented in order to establish whether financing income is being received, or will be received, or to show that the property was sold and not retained for rental income. If there is financing income or rental income, it must be included in Household Income (See Section 3.2).

5.3 VERIFICATIONS

A. Employment Verifications

Full documentation is required for THDA. All current full-time and part-time employment or self-employment covering a period of at least the last two years must be verified in writing. Telephone verification is acceptable on previous employment. For current employment not verified with a standard VOE form, answers to all questions contained on the standard VOE must be provided by the employer on employer letterhead. Verifications must indicate bonuses, next pay increase, overtime and scheduled number of work hours if paid by the hour. In addition, a copy of each Applicant's most recent pay stub is required (no more than 30 days old). This income verification and documentation is also required for a non-qualifying spouse and any other occupant of the property 18 years of age or older.

B. Sole-Proprietorship Verifications

Year-to-date P&L, Plus 1040's with Schedule C for a minimum of two tax years, and 24 months in business.

C. Partnership Verifications

Year-to-date P&L, Plus 1065's with Schedule K-1 and Schedule E, part II; Partnership returns with all schedules. Minimum two tax returns and 24 months in business.

D. Limited Partnership Verifications

1065, Schedule K-1 and Schedule E, part II; Partnership Return with schedules. Minimum two tax returns and 24 months in business.

E. Subchapter S Corporation Verifications

1120/1120S, Schedule K-1, Schedule E, part II, W-2 for Applicant. Minimum two tax returns and 24 months in business.

F. Corporation Verifications

Provide if Applicant owns or controls 25% or more of the stock. Corporation Return, Form 1120 and Schedule L (if applicable); W-2 for Applicant. Minimum two tax returns and 24 months in business.

G. Deposit Verifications

Borrower's bank statements for the previous two months may be submitted.

H. Veteran Status

Veterans applying for the exemption to the three year requirement must provide a copy of VA Form DD-214 or VA Form DD-4 (Enlistment/Re-enlistment Document).

U. Verification of Deposit or Bank Statements for Previous Two Months

See Sections 5.3.

V. Sales Contract

Include a copy of the contract for the purchase of the Property (fully executed by seller and Applicant) in the application file. Information in the application file must be consistent with the contract. Any changes to the contract must be initialed by seller and Applicant.

W. FHA Conditional Commitment

Enclose the HUD Form 92800.5B (FHA Conditional Commitment) and the Appraisal Analysis Sheet, both signed by the DE Underwriter.

X. Appraisal

Enclose an original Uniform Residential Appraisal Report (FMNA 1004) in the application file. The Uniform Residential Appraisal Report must reflect inspections of both the interior and exterior of the dwelling. If the original Appraisal must be submitted to the loan insurer or guarantor, a legible copy must be enclosed. Original photos of the subject property and comparable sales or legible copies must be included.

If the negotiated sales price for the Property was modified after the Appraisal was provided, enclose a letter from the appraiser that indicates any changes in the appraiser's conclusions.

Y. Flood Notification

If the Property lies within a Special Flood Hazard Zone, the Originating Agent must make proper and timely disclosure to the Applicant in compliance with federal regulations. Provide a life of loan Flood Hazard certification with the initial underwriting submission package or closed loan documents.

Z. Good Faith Estimate

The initial Good Faith Estimate (GFE) must be included in the Underwriting Submission Package and any subsequent changes in the GFE, if necessary, must be included in the Closed Loan Submission Package. A separate GFE is required on THDA's Stimulus Second Mortgage.

6.3 DOCUMENTING PROPOSED CONSTRUCTION APPLICATIONS

NOTE: *This section does not apply to the purchase of a new or proposed residence located on a lot that is not owned by the Applicant prior to the date of the loan closing.*

A. Contractor to Build on Applicant's Lot

1. Applicant provides no materials or labor

   Applicant contracts with a builder to construct a residence on Applicant's lot for a firm price. Applicant will not be responsible for any construction costs, and the contracted transaction will produce a residence that is complete in every respect. If additional costs are authorized or incurred during construction, document as in 2(b) below, correct the final 1003.

   (a) Document application with:
   Copy of Warranty Deed to lot,
   Copy of construction contract.

STIMULUS LOAN PROGRAM SECOND PROMISSORY NOTE--Loans Closed in Tax Year 2010 HO-0501.10 (11/09) THDA

The Stimulus Loan Program Second Promissory Note must be used in conjunction with the Stimulus Loan Program and the original Note must be submitted to THDA in the initial closed loan package.

STIMULUS LOAN PROGRAM SUBORDINATE DEED OF TRUST HO-0500 (04/09) THDA

The Stimulus Loan Program Subordinate Deed of Trust must be used in conjunction with the Stimulus Loan Program and the original recorded Deed of Trust must be included in the final closed documents.

ONLINE HOMEOWNERSHIP EDUCATION BORROWER INFORMATION FORM HBEO-100 (11/10) THDA

The lender is responsible for reviewing the Online Homeownership Education Borrower Information Form with the prospective online education borrower. This form provides key information about the eHomeAmerica online product and requirements for the borrower to complete the course.

ONLINE HOMEOWNERSHIP EDUCATION REQUEST FORM HBEO-200 (11/10) THDA

To request approval for online homeowner education for a borrower, the Originating Agent must complete and send the Online Homeownership Education Request Form HBEO-200 and the Online Homeownership Education Borrower Information Form HBEO-100 which has been executed by the borrower to THDA by fax to 615-564-1229 or email to HomebuyerEducationInfo@thda.org.

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 and Online Homeownership Education Approval and Referral Form HBEO-300 (if applicable)
- ❑ 10. Stimulus Loan Second Mortgage Application Request
- ❑ 11. Stimulus Loan Program Information Statement

CREDIT PACKAGE

- ❑ 12. FHA Loan Underwriting and Transmittal Summary 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 within 90 days of AUS or run date
- ❑ 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 Borrower's Bank Statements for the previous two months
- ❑ 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 _____