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NOTICE

**ORIGINATING AGENTS GUIDE
 REVISION 50**

January 27, 2010

Attached to this notice are revised pages to be substituted in your Originating Agents Guide. Remove and replace the page as follows:

Remove and discard:

Replace with enclosed:

Page 30 (Revised 04/01/09v2).....	Page 30 (Revised 01/27/10)
Page 31 (Revised 12/29/09).....	Page 31 (Revised 01/27/10)
Page 51 (Revised 12/29/09).....	Page 51 (Revised 01/27/10)
Page 52 (Revised 12/29/09).....	Page 52 (Revised 01/27/10)
Underwriting Submission Checklist	
HO-0449 (Revised 12/09).....	HO-0449 (Revised 01/27/10)
Closed Loan Submission Checklist	
HO-0441 (Revised 12/09).....	HO-0441 (Revised 01/27/10)

EFFECT OF CHANGE

Effective on all Stimulus Second Mortgage applications taken on or after January 1, 2010, the Closed Loan Submission Package must include a separate HUD-1, final 1003, original Note endorsed to THDA, and original recorded Deed of Trust. A copy of the Good Faith Estimate (GFE) for the Stimulus Second Mortgage must be included in the Underwriting Submission Package and any subsequent GFEs with changes, if necessary, must be included in the Closed Loan Submission Package.

THDA will no longer require a title policy for the Stimulus Second Mortgage on applications taken on or after January 1, 2010.

Initials: _____ Date: _____	It is suggested that the person making these changes to the Guide initial and date this page, and retain it in the back of the Guide to provide evidence that the Guide is current at all times.
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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. Certificate of Title or Manufactured Certificate of Origin (Manufactured Home)

A copy of the Certificate of Title or Manufactured Certificate of Origin must be included in the Underwriting Submission package.

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.

U. Verification of Deposit or Most Recent Bank Statement

See Sections 5.3 and 5.5.

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.

G. Affidavit of Affixation (Manufactured Home)

Enclose the original, fully executed and recorded Affidavit of Affixation.

H. Assignment (n/a If MERS documents submitted)

Enclose the original recorded Assignment, or a copy (before recording) of the fully executed Assignment which has been certified as a true and exact copy by an authorized Originating Agent staff member.

THDA must receive the original recorded Assignment on or before the 120 day deadline. The recorded Assignment must indicate the correct book and page reference for the recorded Deed of Trust and any subsequent re-recordings. The Title Insurance Policy or an endorsement must reflect the recording and any subsequent re-recordings of the Assignment.

I. Title Insurance Policy/Endorsements

Enclose the original Title Insurance Policy and all required endorsements. The original Title Insurance Policy must be received by THDA on or before the 120 Day Deadline.

J. Warranty Deed

Enclose a copy (before recording) of the fully executed Warranty Deed that conveys the Property to the Borrower. A copy of the recorded Warranty Deed is required if a Manufactured Home.

K. HUD-1

The Closed Loan Submission Package must include the HUD-1 Settlement Statement. If the borrower(s) is taking out two loans to finance the purchase, each loan must have a separate HUD-1. However, the principal amount of the second loan should be listed on lines 204-209 of the HUD-1 for the first loan.

A loan originator may designate an origination point on page 2 of the HUD-1 in line 801. THDA allows a 1% origination point for all loans. The designation should follow "Our Origination Charge" either by adding the language "Includes Origination Point " (___% or \$__) or by placing an asterisk (*) and adding the language at the bottom of the page. THDA also allows the Originating Agent to charge a ¼% discount point. If the Originating Agent elects to charge the ¼% discount, it must be included in line 802 of the HUD-1.

Please note that THDA allows the Originating Agent to charge an Application Fee of up to \$400. If the Originating Agent elects to charge the \$400 Application Fee, it must be included in "Our Origination Charge" on the HUD-1. The total Application Fee cannot exceed \$400.

L. Truth in Lending

The final Truth in Lending (TIL) must be provided to THDA on all closed first mortgage loans.

M. Hazard Insurance

THDA must receive a copy of the hazard insurance policy declarations page, or a copy of the Certificate of Insurance, signed by an authorized agent of the insurance company. The original policy or Certificate of Insurance must be sent to the THDA Servicer.

N. Termite Inspection/Treatment Certificate (when applicable)

See Section 7.4.C.

O. Flood Insurance (when applicable)

See Section 7.4.E.

P. Commitment Conditions

Enclose any documents to satisfy, at closing, conditions specified in the Commitment, if not otherwise satisfied with documents listed above.

Q. Copy of MIC/LGC/PMI Certificate; Original USDA/RD 1980-17, or As Applicable

1. The MIC must be ordered promptly after closing. THDA must receive a copy of the MIC within 120 days following closing.

Evidence of Originating Agent compliance with HUD's electronic transmission requirements for the Mortgage Record Change must be in the closing package. A copy of the lender query from FHA connection reflecting THDA as the holder.

2. The LGC must be ordered promptly after closing. THDA must receive a copy of the LGC within 120 days following closing.
3. For USDA/RD loans, enclose the original Loan Note Guaranty 1980-17 within 120 days of closing.

Also enclose a copy of RD Form 1980-11, Lender Record Change. The original 1980-11 must be submitted to Rural Development. In the appropriate space, indicate THDA's USDA/RD ID number: 6206001445.

4. THDA must receive the PMI Certificate with the initial underwriting submission package (see Section 6.2-J, page 30).

R. Final Loan Application (1003)

The final 1003 executed by the borrower(s) must be included in the Closed Loan Submission Package for the Stimulus Second Mortgage.

8.5 LOAN REPURCHASE

A. Repurchase Obligation

THDA, in its sole discretion, may refuse to purchase any loan and may require an Originating Agent to re-purchase any loan when any of the following exist:

1. Commitment conditions are not satisfied; or
2. The closed loan does not match all elements of the Commitment; or
3. The Originating Agent fails to deliver required documents to the THDA Servicer within the THDA Servicer's deadline; or
4. The loan is refused for servicing by the THDA Servicer; or
5. The Borrower fails to make the first regularly scheduled loan payment to the THDA Servicer ("first payment default"); or

**Tennessee Housing Development Agency (THDA)
Underwriting Submission Checklist**

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

Primary Applicant: _____
 Property Address: _____

- | | | | |
|---|---|---------------------------------------|---|
| Submission Purpose: | Program Type: | Loan Type: | Property Type: |
| <input type="checkbox"/> Initial Submission | <input type="checkbox"/> Great Start | <input type="checkbox"/> FHA | <input type="checkbox"/> Single Family Detached |
| <input type="checkbox"/> Supplemental documents | <input type="checkbox"/> Great Advantage | <input type="checkbox"/> VA | <input type="checkbox"/> Condo |
| <input type="checkbox"/> Updated documents | <input type="checkbox"/> Great Rate | <input type="checkbox"/> USDA/RD | <input type="checkbox"/> Manufactured Home |
| | <input type="checkbox"/> Disaster Relief | <input type="checkbox"/> Conventional | <input type="checkbox"/> Other _____ |
| | <input type="checkbox"/> Great Save (Refinance) | | |
| | <input type="checkbox"/> Stimulus Loan (2 nd Mortgage) | | |

This loan will: Close with OA funds (Purchase method) Close with THDA funds (Pre-Funded 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. PMI Certificate of Commitment (if applicable) including Job Loss Protection (JLP or IUI) Insurance
- 16. VA/Loan Analysis Worksheet Approval OR VA Certificate of Commitment/DD-214 or DD-4 (if applicable)
- 17. Initial Good Faith Estimate including a separate GFE for the Stimulus Second Mortgage (if applicable)
- 18. Final Loan Application (Typed URLA) 1003 (3 year residency should be stated)
- 19. Initial Interviewer's Signed Loan Application 1003 (3 year residency should be stated)
- 20. Credit Report
- 21. Credit Explanation Letter(s)
- 22. Final Divorce Decree/Marital Dissolution (if applicable)
- 23. Verification of Court Ordered Child Support
- 24. Verification of SSI or Other Assistance
- 25. Verifications of Employment (verbal is unacceptable)
- 26. Most Recent Pay Stub (within past 30 days)
- 27. Verifications of Prior Employment (telephone verification is acceptable)
- 28. Self-Employment Cash Flow Worksheet, P & L, 2 years Business Tax Returns (corp. or partnership or sole prop.)
- 29. Verification of Deposit OR Most Recent Bank Statements, as listed on 1003
- 30. Gift Letter
- 31. Sales Contract and Addendum (Copy)
- 32. Appraisal Report (URAR) and Condition Sheet with VC Sheet/USDA-RD Conditions, and executed conditional commitment (928005.b), VA CRV
- 33. Legible Photos of Subject Property (front, rear, street)
- 34. Photos or photocopies of Comparable Sales
- 35. Flood Notification (if applicable, signed by Applicant or certified date mailed to Applicant) (Copy)
- 36. Grant/Down payment assistance approval letters
- 37. Documentation required if refinancing a Qualified Adjustable Rate Mortgage loan
- 38. Copy of Certificate of Title or Manufactured Certificate of Origin (Mobile/Manufactured Homes)

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 Number: _____

OA Address: _____

THDA Loan #: _____

Contact Person: _____

THDA 2nd Mortgage Loan #: _____

Phone: (_____) _____

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)

*Original Certificate of Title or Manufactured Certificate of Origin (Manufactured Home)

Servicing package mailed to: _____ on _____.

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