

# REFERENCE GUIDE TO THE UNDERWRITING SUBMISSION CHECKLIST

## **GREAT CHOICE MORTGAGE REVENUE BOND**

Loan types for this program include FHA, VA, USDA, and Uninsured Portfolio (78% LTV or less). Homeownership for Heroes is also part of the Great Choice Mortgage Revenue Bond.

- **Application or Veteran Exemption Declaration**  
Application Declaration is required for all Great Choice Mortgages when a borrower is a first time homebuyer or is buying in a targeted area. Veteran Exemption is for a qualified Veteran that is not a first time homebuyer that is applying for a waiver to the first time homebuyer requirement. This document can be electronically signed.
- **Seller Declaration**  
Seller Declaration is required for all Great Choice Mortgages and must be signed by the Seller. The only exception is for HUD owned REO properties. This document can be electronically signed.
- **Federal Recapture Disclosure**  
Recapture Disclosure is only required for Great Choice mortgage loans as it discloses the potential for recapture, as well as THDA's recapture reimbursement program. If this form is provided on a FHLMC loan, THDA must receive statement from borrower that they understand the potential for recapture does not exist under the Freddie Mac HFA Advantage.

## **DISCLOSURES**

The below items are required regardless of program/loan type unless stated if applicable. Consider the Disclosures to be the documents that are primarily signed during the initial Application.

- **1st Mtg All Loan Estimates, Initial, Revised, Locked**  
THDA must receive all LEs, this includes the LE reflecting the loan is locked. Interest rate shown must match the rate lock.
- **2nd Mtg All Loan Estimates, Initial, Revised, Locked**  
THDA must receive all LEs, this includes the LE reflecting the loan is locked. The amortizing second mortgage must be TRID compliant. For the \$6,000 DPA, it does qualify for the partial exemption and THDA will allow the exemption form to be executed. Interest rate shown must match the rate lock.
- **Borrowers Consent to Use Tax Returns**  
This consent from the borrower allows the lender and THDA to use the tax returns to determine qualifying information.
- **Borrowers Signature Authorization**  
This consent from the borrower allows the lender to complete verifications on the borrower's behalf.

- **Patriot Act Disclosure**  
The USA Patriot Act requires lenders to obtain, verify, and record information that identifies every customer. Completion of this documentation is required in order to comply with the USA Patriot Act. A completed copy of this information must be retained with the loan file.
- **ECOA (Equal Credit Opportunity Act Disclosure)**  
The ECOA protects lenders from discrimination on the basis of race, gender, religion, national origin, marital status, and any other factor unrelated to the loan itself.
- **E-Sign Act Consent**  
This is not applicable if all the documents have a wet signature. The E-SIGN Act mandates that consumers be provided with a “clear and conspicuous statement” informing them of their right to receive a copy of the record of their transaction in a non-electronic form.
- **Intend to Proceed**  
This document signals to the lender that the borrower accepted their deal and wants to move forward.
- **Supplemental Consumer Information (FORM 1103)**  
This is an industry-recognized form used during the mortgage application process that allows borrowers to voluntarily identify language preferences and provide information on housing counseling and homeownership education they may have received. A requirement by FHLMC and FHA.

## **COMPLIANCE**

The below items are required regardless of program/loan type unless stated if applicable.

- **Homebuyer Education Certificate**  
This must be from a THDA or HUD approved Counseling Agency.
- **Exclusionary List**  
All Parties in the Transaction must be screened against LDP/GSA. If a third-party fraud risk assessment tool such as Data Verify, Fraud Guard, LexisNexis, etc. is utilized for exclusionary list verification, all pages of the report should be submitted to THDA for review
- **Borrower ID- Legible, Not Expired.**  
This should be a state or federal issued picture ID with all information visible.
- **Homeownership for Heroes Documentation for Eligibility**  
Only required if applying for Homeownership for Heroes, otherwise, N/A

## **FHA COMPLIANCE ALL DOCUMENTS IF LOAN TYPE IS FHA**

- **92564-CN Home Inspection** Required Disclosure per HUD
- **92900.B Important Notice to Homebuyers** Required Disclosure per HUD
- **FHA Connection Case Number Assignment, Borrower Validation, Appraisal Logging, CAIVRS** The borrower’s name on the Case Number Assignment should be spelled and listed the same on the loan documents, exceptions can be made for middle initial vs middle name due to space requirements. SSN should match URLA. Credit Alert

Verification Reporting System is required on all government loans. It is a shared database of defaulted federal debtors.

- **Identity of Interest Certification** Required Disclosure per HUD
- **“Successful” Upload to EAD**  
FHA’s EAD portal is a web-based technology system used by FHA-approved mortgagees to submit appraisal reports to FHA. Evidence of a successful upload must be included.
- **FHA Loan Underwriting & Transmittal Summary**  
LT must include the second mortgage payment if applicable, amount of secondary financing, source/EIN (THDA 62-6001445) – information should match AUS. CHUMS ID must be listed including ZFHA if Approve/Eligible.
- **FHA Amendatory Clause**  
The executed FHA and VA amendatory clause gives advance notice to all parties about the homebuyer's rights that the price of the executed contract must be in line with the home's appraised value. FHA and VA amendatory clause is mandatory to accompany the executed real estate contract for all FHA and VA homebuyers.
- **92900. A HUD Addendum to URLA. Pages 1-4;-Page 3 Must be Executed by the UW**  
Specifically looking for pages 1 & 2 to be signed by the borrower during the initial application, page 3 must be signed by the DE Underwriter.
- **HUD-92800.5B, Conditional Commitment Direct Endorsement Statement of Appraised Value** Signed by the DE underwriter after appraisal has been reviewed/approved.

## **VA COMPLIANCE OR VETERAN EXEMPTION REQUIREMENTS**

- **Loan Analysis & Certification & CAIVRS** must have a signature
- **VA Amendatory Clause**  
The executed VA amendatory clause gives advance notice to all parties about the homebuyer's rights that the price of the executed contract must be in line with the home's appraised value. FHA and VA amendatory clause is mandatory to accompany the executed real estate contract on all FHA and VA homebuyers.
- **Certificate of Eligibility** Military Discharge Papers
- **LNV-Lender Notification of Value**  
NOV establishes the estimated reasonable value of the property. NOV includes a list of conditions and requirements that must be satisfied for the property to be eligible for VA loan guaranty.
- **DD-214 or DD-4** only applicable for Veteran Exemption/ Homeownership for Heroes

## **USDA COMPLIANCE**

- **USDA/RHS #3555-18 & CAIVRS** Conditional Commitment Form
- **1008 Transmittal signed by the Underwriter**  
This should match URLA & Form #3555-18. It should include CAIVRS (Credit Alert Verification Reporting System) which is required on all government loans. A separate document is acceptable. It is a shared database of defaulted federal debtors.

## **FREDDIE MAC HFA ADVANTAGE**

This product is a Freddie Mac offering, which must meet Freddie Mac guidelines. The only THDA overlay is income overlay, all other guidelines are according to Freddie Mac.

- **1008 Transmittal Summary Signed by UW**  
This should match the information in the Loan Product Advisor Feedback Results.
- **LPA Feedback Results “Accept” Including Document Checklist**  
All data points listed in the guide including the appraiser identifier must be entered. HFA Advantage must be listed as the product identifier. The document checklist is needed as this provides the information to THDA all the required documentation including income verification needed.
- **PMI Certificate Matching Coverage Reflected on LPA Feedback Results Based on AMI/Income** The PMI certificate must be the appropriate coverage according to the LPA Feedback results. Coverage is based upon AMI/Income. All PMI companies accepted by Freddie Mac are acceptable to THDA.
- **Freddie Mac Exclusionary List**  
In addition to the exclusionary list search listed in the Disclosure section, an additional search against Freddie Mac’s Exclusionary List must be completed.
- **UCDP Submission Summary Report (SSR)**  
If the risk level is above 3, THDA’s underwriting may have additional conditions.

## **APPROVAL DOCUMENTS**

- **AUS Feedback Results**  
This could be DU, LPA, or GUS and must be current
- **Additional Documentation Refer/No Score**  
Specifically for overlay requirements for the Great Choice Program
- **Additional Documentation per Feedback Results**  
Include additional documentation to support the feedback results. This could include evidence of debt being paid off, information regarding job gaps, expected income, seasonal income, and income-based student loan repayments, etc.
- **Excessive Submissions Addressed**  
Signed letter of explanation detailing the reason behind excessive submissions.

## **APPLICATION**

- **URLA-Initial**  
The initial URLA should be included, 3 years of residency must be listed for Great Choice Mortgage loans, or N/A for FHLMC HFA Advantage. Section 4b w/subordinate lien information must be completed for all loans.
- **URLA-Final**  
Must include a complete application which matches the AUS feedback submitted with the file. This includes income, assets, subordinate liens, and payments. Section 4b w/subordinate lien information must be completed for all loans.

## **CREDIT REPORT**

- **Credit Report/Credit Supplements**  
Credit supplements may not be applicable. Credit Report must reflect the same credit score as the AUS feedback.
- **Documentation for Any Omitted Accounts**  
If debt to be paid at closing, those funds must be sourced, THDA's DPA cannot be used to pay debt. THDA, at our discretion, may request the CD to verify prior to issuing the commitment. Loan is unpurchaseable by THDA if DPA is used to pay off debt.
- **Credit Explanation/Inquiry Explanation**  
Written and signed explanation detailing any credit issues and inquiries. Borrower must state if any new accounts were established.
- **Documentation for Any Co-signed/Authorized User**  
Documentation should meet the insurer/guarantor's guidelines.
- **Documentation for Any Debt Not Listed on Credit Report or Alternative Credit**  
THDA only requires 3 lines of credit if a borrower is building or establishing credit, otherwise, the lender must document the file to establish credit worthiness.

## **INCOME**

FHLMC HFA Advantage income is documented according to the document checklist, Great Choice Mortgage program please see below:

- **Underwriter Income Worksheet**  
This document is not required, however, it could save time for THDA's underwriter and could lead to a quicker review of the file if any issues arise with validating income.
- **Verification of Employment**  
Written VOE is required for all current income of the borrower, verbal VOE should be included to match all W2s in the file.
- **Paystub within 30 days of submission to THDA**  
THDA's program is income sensitive. Ensure the most recent paystub is in the file.
- **VOE Prior Employment for 2 yrs./Match W2s**  
Verbal VOE is acceptable
- **Signed Tax Returns Most Recent Year, Including W2(s) or IRS Non-Filing**  
If tax transcripts are in the file, tax returns do not need to be signed.
- **SSI/Disability or Other Assistance/Income**  
Documented according to the insurer/guarantor's guidelines.
- **Child Support/Alimony**  
THDA must count child support and/or alimony if it will continue for 12 additional months, and it has been consistently received in the past 12 months. Include Parenting plan or documentation from friends of the court.
- **Self-Employment Documentation; P&L, 2 yrs. Taxes**  
THDA must have 2 years taxes and YTD P&L for self-employment. Follow insurer guidelines for calculating income.

## **ASSETS-REQUIRED FOR ALL PROGRAM TYPES**

- **Copy of Earnest Deposit**  
Document according to insurer/guarantor's guidelines. If funds used for closing, must have evidence the check has cleared.
- **Gift Letter or Source Funds to Close**  
Document according to insurer/guarantor's guidelines
- **Gift Transfer/Donor's Ability to Give**  
Document according to insurer/guarantor's guidelines. If funds provided at closing, additional closing conditions will be issued, including funds listed on the CD, and evidence of the receipt of the wire/cashier's check
- **Verification of Deposit; 2 Months Bank Statements; Assets Must Match AUS Feedback Results** Bank statements are utilized to source funds to close and assets as listed on the AUS Feedback Results. Please only provide 2 months. Additional months could result in additional conditions required that typically would be outside of the transaction.
- **Investment Statements and/or any Additional Verified Asset per AUS Feedback Results** Only applicable if listed on the AUS Feedback results.

## **PROPERTY**

- **Title Commitment, Including Legal; Alta 8 & 9; Alta 7.6 MFG Home if applicable**  
Verify legal description matches appraisal, loan amount should be the same as the loan, and insurer's name must include ISAOA, ATIMA. If a non-purchasing spouse is taking title, they must be listed on the title commitment. THDA does not require a non-purchasing spouse to sign the DOT, however, the title company may.
- **Sales Contract, All Addendums and Extension if Needed**  
Due to THDA's current turnaround time, extensions are currently being issued as a closing condition. All items must be executed by all parties.
- **Appraisal Report**  
Must State Purpose/Intent of Use if FHA or USDA, must include attic photos for FHA & USDA. Seller on the appraisal should be the same seller listed on the contract.
- **Final Inspection w/ Photos Reflecting all Repairs are Complete**  
If applicable and can be a closing condition, please verify all repairs are complete when submitting.
- **HOI Declaration Page w/ Appropriate Coverage**  
Hazard insurance coverage must be included with the appropriate coverage. Great Choice program requires 90% coverage of the improvements, deductible at a maximum of 1% of the loan amount or \$2500, whichever one is highest. FHLMC HFA Advantage must meet Freddie Mac's guidelines. See [Originating Agent's Guide](#) if Flood Insurance is required.
- **Flood Certification-Reflecting ISAOA**  
Include its successors and/or assigns. Flood certification should be transferred to THDA after closing.
- **Condo Questionnaire, Master HO Policy, Approval Docs**

If applicable per insurer guidelines.

- **Escrow Holdback Agreement (if Applicable)**  
THDA discourages holdbacks; however, there are times they cannot be avoided. Ensure estimates are included and 1 ½ times to be held.

### **MANUFACTURED HOME DOCUMENTS**

Below is for the Great Choice Program, follow Freddie Mac's guidelines for HFA Advantage.

- **Certificate of Title or Manufactured Certificate of Origin (Front & Back)**  
If the unit has separate certificates for each side, both should be included; N/A if property de-titled.
- **Structural Engineer Certification Verifying Meets HUD Guidelines**  
Required on all loans
- **De-title Letter from the State of TN**  
Evidence from the State the property has been de-titled and is now considered real property.

### **OTHER**

- **Specific Power of Attorney** – must be specific to the transaction