

**ORIGINATING AGENTS
GUIDE REVISION 124**

July 28, 2017

Remove and discard:

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Page 48 (Revised 08/01/15).....

Page 49 (Revised 08/01/15).....

Page 50 (Revised 03/03/17)

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Replace with enclosed:

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EFFECT OF CHANGE

Effective October 1, 2017, Volunteer Mortgage Loan Servicing (VMLS) will begin receiving the servicing for newly originated Great Choice Mortgage Loans. This will be a controlled rollout with specified THDA Originating Agents scheduled each month to transfer the servicing of their new THDA loans to VLMS. A new working agreement must be executed by each originating agent prior to the assigned transfer date.

A service release premium (SRP) of 1% will be paid to the Originating Agent when all closing documents are submitted and the loan hits a complete status. THDA will deduct a \$60 tax service fee from the SRP. If wiring instructions for SRP payments differ from loan purchase payments, Originating Agents must deliver wiring instructions to THDA.



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An Originating Agent who fails to repurchase loans upon demand may be suspended from submitting new loan applications to THDA, and THDA may pursue other remedies as specified in the Working Agreement.

B. Repurchase Price

The amount necessary to repurchase a loan is:

1. The sum of the outstanding principal and interest on the Great Choice loan and the Great Choice Plus loan, if applicable.
2. Monthly escrow adjustment.

In addition, if the Originating Agent is not the THDA Servicer, the repurchase price may include reimbursement of the Service Release Fee to the THDA Servicer and a repurchase fee.

C. Repurchase Procedure

In the event THDA demands repurchase of a loan, the following procedures all apply:

1. The THDA Servicer will provide instructions for obtaining the repurchase price by a certain deadline.
2. The Originating Agent must prepare an Assignment from THDA to the Originating Agent and submit it to the THDA Servicer, who will forward the Assignment to THDA for execution.
3. The Originating Agent must wire the required repurchase price to the THDA Servicer according to instructions provided by the THDA Servicer.
4. Upon receipt of the repurchase price, THDA will sign and notarize the Assignment and return it to the Originating Agent with the loan file.
5. After repurchase, THDA will reimburse Originating Agent for all principal and interest received by THDA after the repurchase date.

Loans declared ineligible for purchase by THDA, and loans repurchased from THDA, are not eligible for subsequent purchase by THDA.

8.6 SERVICING PROCEDURES (Only for Lenders that are serviced by VMLS)

All loans shall be sold servicing-released to THDA dba Volunteer Mortgage Loan Servicing (VMLS). The lender may not perform any interim servicing. The lender shall sell the loan servicing-released to THDA immediately following closing as specified elsewhere in the Guide.

A. Service Release Premium

THDA will pay a Service Release Premium (SRP) in an amount equal to 1% of the loan amount on closed loan packages received prior to the first payment due date. THDA will withhold the SRP amount from the purchase price of the loan. THDA will pay the SRP for a loan once all documents as described in section 7 of the O. A. Guide are received from the lender for that loan. The THDA prepared SRP report will be emailed to the lender each week to the most recent email address THDA has in its files for each lender. THDA will wire the SRP each week to the lender using the most recent wiring instructions THDA has in its files for each lender. It is the lender's obligation to ensure that email addresses and wiring instructions are accurate and up to date.

B. Tax Service Fee

A \$60 tax service fee must be charged on all loans. It can be paid by the borrower or lender and must be reflected accurately on the Loan Estimate and Closing Disclosure. THDA deducts this amount from the SRP and remits the tax service fee to CoreLogic.

C. Changing Fees/Compensation

Compensation and fees may be changed or eliminated at the discretion of THDA.

D. Tax and Insurance Escrow

The initial Escrow Account Disclosure statement must be completed accurately to be sure sufficient funds are collected at closing. The lender shall wire the initial escrow deposit to THDA and shall provide email notification to THDA of each wire sent. Email the wiring report to closing@thda.org and payments@thda.org. THDA will allow weekly batched wires.

E. Volunteer Mortgage Loan Servicing Directory

VMLS staff is available to answer any question Monday-Friday, 8am-5pm CST.

VMLS Customer Service: 844-865-7378

ADDRESSES:

Physical Address:

Volunteer Mortgage Loan Servicing
404 James Robertson Pkwy, Suite 1450
Nashville, TN 37219-1536

Payment Address:

Volunteer Mortgage Loan Servicing
PO Box 305170
Nashville, TN 37230-5170

Email Address:

custserv@volservicing.com

Primary Escalation Contacts for VMLS

Servicing Managers: Trebia Johns, (615)649-3424
tjohns@volservicing.com

Heather Johnson, (615)649-3420
hjohnson@volservicing.com

SECTION 9: THDA FORMS AND INSTRUCTIONS

As a result of Tax Code requirements, THDA must require certain forms. Application files or closed loan packages that do not contain fully executed THDA forms, as required, will not be accepted by THDA. These forms must be included in THDA application files and in THDA closed loan packages as indicated in this Guide. THDA forms are in addition to the typical forms utilized in the mortgage industry. These forms are to be considered part of this Guide.

THDA forms may not be altered.

THDA forms may not be distributed to a lender who is not an Originating Agent or to any other unauthorized individual or entity.

Detailed instructions for completion of each THDA form follows in the order that they are typically encountered in the lending process:

- Application Affidavit HO-0450 (03/11)
- Veteran Exemption Application Affidavit HO-0460 (02/07)
- Notice to Applicants Federal Recapture Requirements HO-0448 (07/17)
- Seller Affidavit HO-0451 (09/99)
- Buyer Profile HO-0439 (02/15)
- Underwriting Submission Checklist HO-0549 (07/17)
- Affidavit of Affixation HO-0453 (12/06)
- Legally Enforceable Obligation Letter HO-0476
- Closed Loan Submission Checklist HO-0541 (07/17)
- THDA Rider HO-0440 (08/03)
- Request for Loan Purchase with Acknowledgement and Certification HO-0444 (10/14)
- Good Faith Estimate for Second Mortgage HO-0575 (07/17)
- Disclosure of Loan Terms for Great Choice Plus Second Mortgage Loan HO-0574 (02/17)
- Disclosure of Loan Terms for HHF-DPA HO-0574-HHF (07/17)
- Good Faith Estimate for HHF-DPA HO-0575-HHF (07/17)
- Program Certification for HHF-DPA HO-0580-HHF (03/17)

APPLICATION AFFIDAVIT HO-0450 (03/11)

VETERAN EXEMPTION APPLICATION AFFIDAVIT HO-0460 (02/07) (If Applicable)

The Application Affidavit or Veteran Exemption Application Affidavit (if applicable Application Affidavit) must be executed by each applicant and non-qualifying spouse. The household income figure to be provided in item #4 is the maximum allowable income for the size of the applicant's household and location of property. The acquisition cost figure for Great Choice is to be provided in item #5 is the maximum THDA acquisition cost for the county in which the property is located. The original Application Affidavit or Veteran Exemption Application Affidavit is required by THDA. All changes or whiteouts must be initialed by the Applicant(s).

Each Application Affidavit or Veteran Exemption Application Affidavit, must be executed and notarized within the State of Tennessee; however, in rare circumstances, an Application Affidavit or Veteran Exemption Application Affidavit may be executed and notarized outside the State of Tennessee, such as when a person is a member of the armed forces, is stationed outside the state and is unable to be present while the application is being processed.

NOTICE TO APPLICANTS FEDERAL RECAPTURE REQUIREMENTS HO-0448 (07/17)

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)

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.

The seller must sign and date the Seller Affidavit, 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 (02/15)

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

UNDERWRITING SUBMISSION CHECKLIST HO-0549 (07/17)

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. Great Choice Plus Loans/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.

Submission Purpose: As indicated, this form may be used for purposes in addition to the initial submission of an application file.

Program Type: Indicate the desired THDA loan program.

Loan Type: Indicate whether the loan type is FHA, VA, Conventional or USDA/RD.

Property Type: Indicate the correct property type. Check the appropriate block to indicate a residence that is a single family detached or a condominium. Check "Other" and indicate in the blank

provided if the residence is a 2, 3 or 4 family home, or is a PUD, townhouse, zero lot line, modular or manufactured home.

THDA Program Eligibility/Credit Package

A check mark, an "X" or "N/A" must be indicated for each document listed on the form. Refer to Section 6.2 for additional information.

An Originating Agent staff member's signature, printed or typed name and telephone number must appear at the bottom of the checklist. Without this information, the file is considered incomplete. In addition, if this information is omitted, THDA does not know who to call if questions arise.

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.

LEGALLY ENFORCEABLE OBLIGATION LETTER HO-0476

For any Great Choice loans insured by FHA/HUD the Originating Agent will receive a Legally Enforceable Obligation Letter (LEOL) attached to the THDA Loan Commitment. HUD/FHA requires that THDA provide a Legally Enforceable Obligation Letter when THDA has agreed to provide DPA funds in the form of the Great Choice Plus loan. The Borrower(s) is to sign the LEOL at closing and a copy of the executed LEOL must be sent back to THDA with the initial closing submission package in order for THDA to purchase the Great choice Plus loan.

The Originating Agent is to retain the original LEOL in their loan file to accompany the FHA insurance application associated with the first mortgage.

CLOSED LOAN SUBMISSION CHECKLIST HO-0541 (07.17)

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.

THDA RIDER HO-0440 (08/03)

The THDA Rider must be completed, executed, attached to and recorded with the deed of trust for all THDA first mortgage loans, regardless of loan type. The THDA Rider must be signed by all Borrowers who are required to sign the first deed of trust and recorded with the deed of trust.

REQUEST FOR LOAN PURCHASE WITH ACKNOWLEDGEMENT AND CERTIFICATION HO-0444 (10/14)

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.

GOOD FAITH ESTIMATE FOR SECOND MORTGAGE HO-0575 (07.17)

This form must be provided to the borrower by the originating agent before settlement. Recording fees are the only allowable fees.

DISCLOSURE OF LOAN TERMS FOR GREAT CHOICE PLUS SECOND MORTGAGE LOAN HO-0574 (03/03/17)

This disclosure is required to be presented to the Borrower by the Originating Agent before settlement. This disclosure meets the exemption requirements under Secretary of HUD's special notice "Exemptions from Coverage Under Sections 4 and 5 of RESPA for Certain Subordinate Loans Provided by Assistance Programs for Low to Moderate Income People" dated October, 2010. This disclosure is required if a LE/CD is not provided on the subordinate second mortgage loan.

DISCLOSURE OF LOAN TERMS FOR HHF-DPA HO-0574-HHF (07.17)

This disclosure is required to be presented to the Borrower by the Originating Agent before settlement. This disclosure meets the exemption requirements under Secretary of HUD's special notice "Exemptions from Coverage Under Sections 4 and 5 of RESPA for Certain Subordinate Loans Provided by Assistance Programs for Low to Moderate Income People" dated October, 2010. This disclosure is required if a LE/CD is not provided on the subordinate second mortgage loan.

GOOD FAITH ESTIMATE FOR HHF-DPA HO-0575-HHF (07/17)

This form must be provided to the borrower by the originating agent before settlement. Recording fees are the only allowable fees.

PROGRAM CERTIFICATION FOR HHF-DPA HO-0580-HHF (03/17)

This disclosure is required by the Department of Treasury on all HHF-DPA loans.