Louisiana Housing Corporation

# SINGLE FAMILY LENDERS' GUIDE

## MISSION

The mission of the Louisiana Housing Corporation is to ensure that every Louisiana resident is granted an opportunity to obtain safe, affordable, energy efficient housing. Each day this ongoing challenge is met by a dedicated staff of professionals who allocate federal and state funds to help low to moderate income citizens make their housing dreams a reality.

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## INTRODUCTION

### SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAM

This Lenders' Guide is intended to serve as a reference tool for the Corporation's Single Family Mortgage Revenue Bond and CDBG Disaster Programs. With each new issue, a Program Bulletin and or Notice is transmitted to all participating lenders, outlining specific parameters of the new bond issue.

The documents and instructions contained in this Lenders' Guide should be used for the reservation of funds and the compliance process. All documents contained in this Lenders' Guide are available on the Corporation's online reservation website in PDF format. The Internet address is https://webapps4.lhc.la.gov. The Lenders' Guide and Program documents may be updated at the Corporation's discretion. Check our website and Lender's bulletins often for updates.

## FAIR HOUSING

The LHC is committed to ensuring that every Louisiana resident is granted an opportunity to obtain safe, affordable, energy-efficient housing. To effectively meet its mission, the LHC must guarantee that housing opportunities are afforded to our citizens without regard to their race, color, national origin, religion, sex, familial status, or disability.

Over the last several years, the LHC has developed a renewed and fortified focus on fair housing throughout Louisiana. This focus has been directed at providing fair housing related services including education and outreach to all involved in the housing process – from developers to landlords to realtors and tenants and homebuyers.

## ROLES OF PROGRAM PARTNERS

### ISSUER

The Louisiana Housing Corporation issues the bonds and in conjunction with working group members (Financial Advisors, Bond Counsels, Issuer's Counsel, Underwriters, Master Servicer and Trustee) develops a bond and program structure. The staff of the LHC administers the reservation and compliance components of the bond program. In this role, staff monitors mortgage loan reservations, tracks program allocations, provides continuous updates to lenders, reviews files for compliance, answers compliance and allocation status questions for lenders and communicates with lenders regarding compliance issues.

### PARTICIPATING LENDERS

Participating Correspondent Lenders qualify borrowers, originate loans, submit information for compliance purposes to LHC, close and deliver the program loans to the Master Servicer for purchase. All lenders must execute Mortgage Origination Agreements for Tax Exempt Bond Program, HOME/MRB Tax Exempt Bond Program, Taxable Bond Program, and Premier Program Application prior to participation.

### MASTER SERVICER

Lakeview/Bayview is the Master Servicer that will purchase, fund, and service the program loans.

## TERMS AND CONDITIONS

### PROGRAM AREA

Bond proceeds may be used to finance mortgage loans for the purchase of residences throughout the State of Louisiana only.

### PROGRAM ANNOUNCEMENT

New programs are announced through a Program Notice and or Bulletin emailed to all approved lenders containing the following information:

- Start Date
- Programs, Rates
- Amounts Allocated
- Program Deadlines

Program Notices/Bulletins are also posted to the Corporation's website. Rates may change daily and updates are posted to the website.

### AVAILABLE FUNDING

Funds are available to all participating Lenders on a first-come, first-served reservation basis. If the lender is unable to reserve funds on-line due to a system lockout, complete **Reservation Request**, scan and email to singlefamily@lhc.la.gov for the reservation, providing funds are available.

## ACCEPTABLE LOAN TYPES

Mortgage loans delivered for purchase must be Fannie, Freddie Mac, FHA, VA, or RD, and must be eligible for pooling in mortgage-backed securities guaranteed by Fannie Mae, Freddie Mac or GNMA as set forth in the applicable guidelines of Fannie Mae, Freddie Mac or GNMA. Loans must be 30-year fixed rate, first mortgages.

Down payment requirements are determined by mortgage type. Certain restrictions also apply by loan type and compliance requirements. Please ensure that all applicable parameters are met for loan purchase by the Master Servicer.

## RATES

Interest rates are posted daily to LHC's website at www.lhc.la.gov/page/daily-rate and a Rate Sheet is emailed to lenders. Interest Rates are always subject to change. Prior to making a reservation, lenders should always confirm the rate through the Reservation Site, Website, and Daily Rate Sheet. Rates may change during the business day.

Lender can sign up to receive the LHC Daily Rate Sheet at the bottom of the Daily Rate Web page listed above.

Interest rates are set by the program and cannot be changed. Lenders must use the published rates. Buy downs are not allowed.

## CANCELLATIONS

It is important for lenders to cancel the loan with LHC as soon as it is determined the loan will not close. Lender must requesting cancellation of the Reservation via email to singlefamily@lhc.la.gov. LHC will report to the Master Servicer all cancelled loans and they will cancel the loan in their system.

Loans may not be cancelled and re-reserved to obtain a lower interest rate. A reservation made within thirty (30) days of a previous reservation for the same borrower and the same property will result in the higher of the current or previous interest rate.

If the lender cancels a reservation and later reserves the same borrower with a different address, a new loan number will be issued at the current interest rate.

**Loans will be subject to cancellation if the compliance package has not been received by LHC within 40 days from the date of reservation.**

**INCOME LIMITS**

The borrower's current Annual Household Income must not exceed established program Income Limits set forth in the corresponding **Exhibit N1** (for MRB Assisted), **Exhibit N2** (for HOME/MRB), **Exhibit N3** (for Keys for Service), **Exhibit N4** (for CDBG Assisted), and **Exhibit F(c)** (for Pathways to Homeownership). Income limits are available under Program Exhibits on the website.

All Conventional loans under most the MRB programs are restricted to income levels of 80% AMI. See **Exhibit F(b)**. Keys for Service is the only program that will allow Conventional Products to go past the restriction. Exceeding the 80% AMI restriction will change the conventional product from a HFA specialty product to a normal conventional product.

**ACQUISITION COST / MORTGAGE LIMITS**

The Acquisition Cost / Mortgage Limits of residential housing to be financed with the Assisted or HOME/MRB Mortgage Loan must not exceed the Limits set forth in the corresponding **Exhibit N1** (for MRB Assisted), **Exhibit N2** (for HOME/MRB), **Exhibit N3** (for Keys for Service), **Exhibit N4** (for CDBG Assisted), and **Exhibit F(c)** (for Pathways to Homeownership).

## LENDER APPLICATION PROCESS

All lenders must be approved by LHC and the Master Servicer.

The Lender Approval Process begins with the Service Application Package issued by the Master Servicer. Lender will be required to complete the package and return to the Master Servicer with all appropriate corresponding documentation.

Once LHC gets notification of acceptance of the lender from the Master Servicer, LHC will email the program agreements to the lender for review and execution. The lender will need to send the Agreements to LHC with the wet signatures for processing.

Final step is training. After training, the lender will be activated for participation in the LHC Single Family Homeownership Programs.

LHC's Employer Identification Number (EIN): 45-4619102

## PROGRAM OVERVIEW

The Corporation has multiple programs available for the citizens of Louisiana. LHC offers Tax Exempt MRB programs, a Taxable MRB program, market TBA programs, and CDBG disaster programs.

**MRB Assisted Program** – Available to first-time homebuyers whose annual income does not exceed 115% of the area median income in non-targeted areas or 140% in targeted areas and is adjusted by family size and parish in which the property being purchased is located. Only 1-unit, owner-occupied, primary residences are eligible under this program. Assistance Payments equal to 4% of the original principal Mortgage Loan amount will be provided by LHC at closing to cover part of the down payment, closing costs, realtor commissions, or prepaid items. The borrower will execute a Second Mortgage Promissory Note and Second Mortgage Instrument for the Assistance payment and it will be subordinate to the first mortgage lien. The Second Mortgage will be forgiven after a five (5) year period of owner occupancy. The entire Original Principal Amount of the Second Mortgage Note shall become due and payable prior to the Maturity Date upon the sale or other disposition by the Borrower of the residence financed by the Note or upon the refinance of the Senior Note prior to the Maturity Date. **The Second Mortgage Promissory Note and Second Mortgage Instrument will be issued by email after wire request has been processed by LHC.**

**HOME/MRB Program** – Provides assistance to first-time homebuyers whose annual income does not exceed 80% of the HUD area median income and is adjusted by family size and parish in which the property being purchased is located. Assistance provided is a pure grant and will range from between 5% to 9% of the original principal mortgage amount. The borrower will execute and have recorded a HOME Regulatory Agreement for the loan and the assistance which will be subordinate to the first mortgage lien. Lenders must confirm the borrower's PITI (front-end ratio) is less than or equal to 30% and DTI (back-end ratio) is less than or equal to 41%. Additionally, the borrower must contribute 1% of the purchase price or $1,500, whichever is less to the transaction. Only 1-unit, owner-occupied, primary residences are eligible for HOME/MRB Program. **The HOME Regulatory Agreement and Gift Letter will be issued after wire request has been processed by LHC.**

The chart below indicates the amount of HOME/MRB Assistance provided based upon the final loan amount.

| Loan Amount | Maximum HOME/MRB Assistance Payment Allowed |
|---|---|
| $0 - $25,000 | 9.00% of Loan Amount |
| $25,001 - $35,000 | 7.50% of Loan Amount |
| $35,001 - $45,000 | 6.75% of Loan Amount |
| $45,001 - $55,000 | 5.75% of Loan Amount |
| $55,001 - $75,000 | 5.25% of Loan Amount |
| $75,001 – greater | 5.00% of Loan Amount |

The chart below indicates the HOME/MRB Period of Affordability. Refer to Exhibit E2 HOME Regulatory Agreement for complete details.

| Total HOME Contribution | Length of Affordability |
|---|---|
| Less than $15,000 | 5 Years |
| $15,000 - $40,000 | 10 Years |
| Greater than $40,000 | 15 Years |

**MRB Keys for Service Program** – Available to homebuyers whose annual income does not exceed $125,000. Only 1-unit, owner-occupied, primary residences are eligible under this program. Assistance Payments equal to 4% of the original principal Mortgage Loan amount will be provided by LHC at closing to cover part of the down payment, closing costs, realtor commissions, or prepaid items. The borrower will execute a Second Mortgage Promissory Note and Second Mortgage Instrument for the Assistance payment and it will be subordinate to the first mortgage lien. The Second Mortgage will be forgiven after a five (5) year period of owner occupancy. The entire Original Principal Amount of the Second Mortgage Note shall become due and payable prior to the Maturity Date upon the sale or other disposition by the Borrower of the residence financed by the Note or upon the refinance of the Senior Note prior to the Maturity Date. **The Second Mortgage Promissory Note and Second Mortgage Instrument will be issued by email after wire request has been processed by LHC.**

**CDBG Assisted Program** – Provides assistance to first-time homebuyers whose annual income does not exceed 80% of the HUD area median income and is adjusted by family size and parish in which the property being purchased is located. Participating parishes are based on the FEMA declarations for the Hurricanes Laura, Delta, and Ida. Assistance provided will be in two parts. A large forgivable second mortgage of up to 20% or $55,000, and a closing cost grant up to $5000. Lenders must confirm the borrower's PITI (front-end ratio) is in between 28% to 33% and DTI (back-end ratio) is less than or equal to 48%. Additionally, the borrower must contribute 1% of the purchase price or $1,500, whichever is greater to the transaction. Only 1-unit, owner-occupied, primary residences are eligible for CDBG Assisted Program. The borrower will execute a Second Mortgage Promissory Note and Second Mortgage Instrument for the Second Mortgage Amount. It will be subordinate to the first mortgage lien. The Second Mortgage Note will be forgiven over a ten (10) year period of occupancy by 1/120 for each month the borrower occupies the property as primary residence. **The Second Mortgage Promissory Note and Second Mortgage Instrument, and Gift Letter will be issued after wire request has been processed by LHC.**

**Pathways to Homeownership Program** – Provides assistance to first-time homebuyers whose annual income does not exceed 80% of the HUD area median income and is adjusted by family size and parish in which the property being purchased is located. Participating parishes are based on the FEMA declarations for the Hurricanes Laura, Delta, and Ida. Assistance provided will be in two parts. A large forgivable second mortgage of up to 20%

or $55,000, and a closing cost grant up to $5000. Lenders must confirm the borrower's PITI (front-end ratio) is in between 28% to 33% and DTI (back-end ratio) is less than or equal to 48%. Additionally, the borrower must contribute 1% of the purchase price or $1,500, whichever is greater to the transaction. Only 1-unit, owner-occupied, primary residences are eligible for Pathways to Homeownership Program. The borrower will execute a Second Mortgage Promissory Note and Second Mortgage Instrument for the Second Mortgage Amount. It will be subordinate to the first mortgage lien. The Second Mortgage Note will be forgiven over a ten (10) year period of occupancy by 1/120 for each month the borrower occupies the property as primary residence. **The Second Mortgage Promissory Note and Second Mortgage Instrument, and Gift Letter will be issued after wire request has been processed by LHC.**

**Premier** – Available to homebuyers whose annual income does not exceed $99,000. 1-unit or 2-units, owner-occupied, primary residences are eligible under this program. Assistance amounts are directly tied to the first mortgage interest rate offering. Daily availability of interest rates and assistance will be published on the LHC website and the LHC Daily Rate Sheet. Assistance Payments equal to 0, 3, or 4% of the original principal Mortgage Loan amount will be provided by LHC at closing to cover part of the down payment, closing costs, realtor commissions, or prepaid items. The borrower will execute a Second Mortgage Promissory Note and Second Mortgage Instrument for the Assistance payment and it will be subordinate to the first mortgage lien. The Second Mortgage Note will be forgiven over a three (3) year period of occupancy by 1/36 for each month the borrower occupies the property as primary residence. **The Second Mortgage Promissory Note and Second Mortgage Instrument will be issued by email after wire request has been processed by LHC.**

## LOAN DOCUMENTATION / VERIFICATION REQUIREMENTS

### Taxes

- Complete signed federal income tax returns (all schedules, W-2's, 1099's, etc.) filed for the last three (3) years for non-targeted areas. One (1) year required for targeted areas.
- IRS Tax Return Transcript or Record of Account may be used in place of the original 1040. Wage and Income Transcript may be used in place of the original W2s and 1099s.
- LHC does not accept tax return extensions.

### Income

For bond purposes, LHC projects the borrower income over the next 12 month period. Income from these sources and others will be included in the projected calculations:

- Regular hourly, weekly, monthly wages
- Anticipated or proposed raise reflected on VOE
- Bonus
- Overtime
- Commission
- Current P&L
- Rental Income – 75% of the gross rental income will be used in the projected income figures
- Part-Time Employment
- Social Security
- Retirement
- Interest/Dividend
- Child Support/Alimony with less than three (3) years remaining

Lenders are required to obtain the following income documentation:

- Verification of Employment – 2 year history. Current or Termination VOEs. Written only. LHC will not accept verbal VOEs. Must be dated within 60 days of commitment.
- Current paystub for each employer – within 30 days of commitment
- Child support/alimony/separate maintenance documentation, if applicable
- Documentation for pensions and all benefits received
- Documentation for other sources of income

LHC includes all adult household members (18 years and older) in the projected income AND benefits or other unearned income from minors. Earnings in excess of $480 for a full-time student 18 years of age or older who is a dependent are excluded.

There are areas that lenders should exercise caution when analyzing income documentation. Those areas include but are not limited to:

- Inconsistency of income between VOE and paystub
- Borrower paid bi-weekly versus 24 pay periods per year
- Number of pay periods for teachers – 9, 10, 11, or 12 months
- Overtime – rate and average may need written clarification from employer
- Bonus/Commission
- Future raises referenced on the VOE
- Self-Employment – YTD P&L required (P&L figures will be used to project annual income )
- Pay through Date (Pay End Date) vs the Paycheck Date. LHC will use the Pay through Date in the calculations.

**Base Calculations to Project Annual Income**

| |
|---|
| Hourly wages by # of hours worked per year (2080 hours for full time employment) – no overtime |
| Weekly wages by 52 |
| Bi-weekly wages (paid every other week) by 26 |
| Semi-monthly wages (paid twice a month) by 24 |
| Monthly wages by 12 |
| Other than full time – multiply wages by actual hours and weeks the person is expected to work |

**Daily Average Factor Formula**

This formula is one of the methods used to project income. It pulls in all income data into one projection. There are 2 parts to the formula.

Factor = (Pay through date day count / 365) x 12

Annual Income Projection = (YTD Gross Total / Factor) x 12

The first part creates the Factor which is a number representation for the day of the year. The second part does the projection based on YTD totals and the Factor.

**Alimony/Child Support**

If an applicant is divorced or a single parent, a copy of the Legal Documents (Child Support Decree and the Department of Social Services (DSS) printout) are required. If no documents exist, provide written certification from the borrower stating the amount of alimony and/or child support received OR Certification that they do not receive child support and/or alimony AND that no legal documents exist stating they should receive child support and/or alimony.

**Income Exclusions**

Items that will not be included in income calculations

- One-Time Bonuses (verification may be required from employer)
- Food Stamps
- Scholarships
- Reimbursements (must be dollar for dollar reimbursement)
- Earned income of minors

**Ratios**

Housing: Most programs do not have a front ratio requirement. Program with front ratio requirements are HOME/MRB with <=30%, CDBG Assisted and Pathways with 28-33%.

DTI: All programs have a max DTI ratio cap of 50%. Programs with program required ratios (HOME/MRB at <=41%, CDBG Assisted and Pathways <=48%) will be more restrictive than the overall DTI cap.

These limits are hard ratio caps. Exemptions will not be granted.

**Household**

"Household Member" does not include foster children; live-in aides and children of live-in aides; unborn children; and children being pursued for legal custody or adoption who are not currently living with the household.

Louisiana Law does not recognize marriage separations. Estranged spouses will be included as household members and must be included in all calculations. Only a final divorce decree can remove an estranged spouse from the household.

**Citizenship**

Mortgages are provided to U.S. citizens, permanent resident aliens, or to non- permanent resident aliens provided the borrower occupies the property as a principal residence, has a valid Social Security Number (SSN), and is eligible to work in the United States. Originating Lenders are required to certify that borrowers meet these guidelines.

**Assets**

MRB Assisted, Keys for Service, CDBG Assisted, and Pathways to Homeownership loans will use the actual income received from the assets.

HOME/MRB loans will use either of the following:

- If the total cash value of all the family assets is <u>$5,000 or less</u>, the *actual income* the family receives from the assets is included in annual income, OR
- If the total cash value of all the family assets is <u>greater than $5,000</u>, use the greater of the *actual income* or the imputed rate (0.06%).
    - Lenders should pay special attention to the interest claimed on the borrower's tax returns.
    - Asset income should always be included in the total annual household income.

Assets consist of but are not limited to:

- Checking
- Savings
- Money Market
- CD's
- Mutual Funds
- Stocks
- Bonds
- Broker and Barter Exchange Transactions

Retirement / 401K accounts will not be utilized in interest income from assets verification.

## FIRST TIME HOMEBUYER REQUIREMENT

A borrower may not have owned any residence in the past three (3) years. Exceptions to this rule are:

1. An individual who is a displaced homemaker and has only owned with a spouse.
2. A single parent who has only owned with a former spouse while married.
3. Targeted areas as reflected on **Targeted Area Exhibit** (applies to MRB Assisted only).

### Mobile / Manufactured Homes

If a prospective borrower has owned a mobile home within the prior 3 year period, adequate proof must be obtained that the borrower **did not file homestead exemption**, regardless if they owned the actual land where the mobile home resided.

### Ownership Interest

A Borrower holding any of the following ownership interests would not be classified as a first-time homebuyer:

a) a fee simple interest
b) a joint tenancy
c) a tenancy in common
d) a tenancy by entirety
e) a tenant-share hold in a cooperative
f) a life estate
g) a land contract pursuant to which possession and burdens of ownership are transferred, but legal title is not transferred until some later time

h) a beneficial interest in a trust that would constitute a present ownership interest if it were held directly by the mortgagor
i) a claimed Homestead Tax Exception on any property

A Borrower is considered to have an ownership interest in a property if he/she received the benefits of the mortgage interest or real estate tax deduction through the filing of a joint federal income return with a spouse, even if the Borrower did not hold title to the home within 36 months of the closing date of the new home.

Interests that are not considered to be ownership interests are:

a) a remainder interest
b) a lease (without regard to any purchase option)
c) a mere expectancy to inherit an interest in a principal residence
d) an interest that a purchaser of a residence acquires upon the execution of purchase contract
e) an interest in a residential property other than a principal residence during the previous three (3) years
f) an interest in a vacation timeshare

A Borrower is not considered to have had a prior ownership interest in a primary residence in the last three years if:

a) the Borrower did not hold title to the home, but did receive all or a portion of the proceeds of the sale of the residence
b) the Borrower continued to hold title following a divorce which granted property to other spouse, but the Borrower has not used the property as a principal residence in the last three (3) years
c) the Borrower owns a manufactured home that is currently titled by the Department of Motor Vehicles, is not permanently affixed to a permanent foundation and is taxed as personal property
d) the Applicant owns vacant land

LHC reserves the right to investigate or require further substantiation of the Borrower's first time homebuyer status.

Even if not included as a Borrower, a Borrower’s spouse may not own any other residential real estate as of the date of closing.

## PROPERTY REQUIREMENTS

### Eligible Property Types

All properties must be owner occupied principal residences.

- Single unit residence – 1 unit
- Single Wide and Double Wide Manufactured Housing
- Modular
- Condo
- Townhome
- Accessory Dwelling Units (ADU) defined as one (1) unit property only

Additional requirements for Manufactured Homes are:

- Manufactured after 1994
- Titled as real estate
- Permanently affixed
- Eligible for 30 year financing
- Single Wide is conventional loan products only

### Ineligible Property Types

- Properties located outside of Louisiana
- Mobile/Recreational
- Vacation homes
- Proposed construction
- Investment property
- Cooperatives
- 2 or more units
- Community Land Trusts
- Working Farms or Ranches
- Timeshares
- Leaseholds
- Condotels
- Geodesic Domes
- Unimproved Land

All properties must be completed with respect to construction or repairs and be ready to occupy. Escrow Holdbacks for repairs will not be allowed.

A property where more than 15% of the total area is expected to be used primarily for a trade or business purposes does not qualify as a principal residence and therefore will not be eligible for the LHC Programs.

## INSURANCE

### Homeowners

All LHC Programs' loans will require Homeowner's Insurance equal to the full first mortgage amount. Additionally, the CDBG disaster programs (CDBG Assisted and Pathways) will increase coverage to include both the first and second mortgage amounts.

The maximum allowable deductible for all property types is 5% of the face amount of the insurance policy. When a policy provides for a separate wind-loss deductible (either in the policy itself or in a separate endorsement), that deductible must be no greater than 5% of the face amount of the policy.

Replacement Cost Value (RCV) will be accepted if the coverage amount is 100% and meets the requirements set forth above. LHC will use the appraisal valuation of the land in the determination of RCV.

### Flood

Flood insurance requirements will follow the loan product guidelines for all programs except the CDBG disaster programs. These CDBG disaster programs will force flood insurance for the property and will require the flood insurance to be escrowed throughout the life of the second mortgage. Coverage requirements will be the full first mortgage for all non-disaster programs and the full first and second mortgages for the disaster programs.

- Individual unit - The maximum deductible available from the NFIP (currently $10,000)
- PUD Project / Condominium Project - The maximum deductible available from the NFIP (currently $25,000)

### Mortgage Insurance

All conventional loans with a household AMI of up to 80% may take advantage of the reduced MI schedule available to the HFAs.

- 95.01% to 97.00% LTV – 18%
- 90.01% to 95.00% LTV – 16%
- 85.01% to 90.00% LTV – 12%
- 80.01 to 85.00% LTV – 6%

**Mortgagee Clause**

Louisiana Housing Corporation ISAOA/ATIMA
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Baton Rouge, LA 70808

## DOWNPAYMENT AND CLOSING COSTS

The amount of the down payment and closing costs will reflect loan product requirements. The borrower's own funds may be comprised of one or more of the following forms:

1. Gift from relative (for purpose of this paragraph, a relative is defined as the borrower's spouse, child, dependent, domestic partner, fiancé, or any other individual related to the borrower by blood, marriage, adoption, or legal guardianship). LHC will require submission of the gift letter.

2. Unsecured loan or grant from a government entity, the borrower's employer, or a nonprofit organization (including churches, but a credit union is not considered to be a nonprofit organization for the purpose of this paragraph).

## HOMEBUYER EDUCATION

All HOME/MRB, Keys for Service, CDBG Assisted, Pathways for Homeownership, and all Conventional loans require at least one borrower attend a Homebuyer Education class. Borrowers can take training from any HUD approved Counseling Agency. Below are some acceptable online resources:

- eHome America
- Framework
- Home Trek
- Finally! Home
- LHC Homebuyer Education Course

For a complete list of vendors in the country, visit www.hud.gov then search for counseling agencies.

Fannie Mae's HomeView, Freddie Mac's CreditSmart, and MI companies' courses are not acceptable.

Please include the certificate in the compliance package submission.

## COMBINING PROGRAMS

MRB Assisted and Keys for Service loans allow the borrower to combine additional assistance as long as there is not a subordinate mortgage required and the additional source is not funded with mortgage revenue bonds. Lenders must ensure they meet the program guidelines and deadlines from both sources.

Additionally, HOME/MRB, CDBG Assisted, and Pathways to Homeownership loans **do not allow** the borrowers to combine assistance from other Federal Funds.

## UNDERWRITING

Lenders are responsible for credit and collateral underwriting ensuring the loan meets both product and program guidelines and must determine the loan qualifies for Fannie Mae, Freddie Mac or GNMA pool policy. The Master Servicer will not re-underwrite Correspondent Lenders loans for eligibility or to ensure loans qualify to be placed in mortgage-backed securities. Additional guidelines to be aware of:

- All loans must receive “Approve/Eligible” through DU or “Accept” through LP Automated Underwriting Systems.
- Manual underwriting is not allowed.
- Minimum credit score of 640 and at least 2 credit scores are required for MRB, all 3 scores will be required for CDBG/Pathways
- Underwrite loans according to product, program, and the Automated Underwriting System Findings Report.
- Underwriter Certification must be completed by the underwriter and submitted online in the LHC reservation system.

## LOAN FILE SUBMISSION

- Compliance packages must be uploaded into the online reservation system. Please send a confirmation email after upload to singlefamily@lhc.la.gov.
- Documents should be placed in order as listed on the **Compliance Review Checklist**.
- Any compliance submission found to be incomplete will not be reviewed until all compliance items are submitted.
- Lenders should request a follow-up, if the loan has not been assigned to a compliance specialist within 24 hours of sending the confirmation email.
- Assignments are done on rotation. The Lender cannot request a specific specialist.
- Review turn-time will be 2-3 business days for initial submissions and 24 hours for condition submissions.

## COMPLIANCE REVIEW PROCESS

There are three (3) major areas of compliance review process: (1) $1^{st}$ Time Homebuyer Rule; (2) Income Limitations; (3) Purchase Price Limitations.

One of three (3) decisions will be delivered on a loan:

1. Compliance Exception Notice – reflecting conditions required prior to final approval.
    - Lender has 15 days to upload conditions into the online reservation system and to notify the Compliance Specialist using singlefamily@lhc.la.gov.
2. Final Compliance Approval – Commitment Letter reflecting closing conditions, if applicable.
    - Commitment Letter will not be issued until the underwriter has completed the on- line Underwriter's Certification.
    - Lenders should not increase the loan amount once the file has been submitted to the Corporation. Changes in the loan amount will require new documentation and a recommitment by LHC. This change may result in delayed compliance approval.
    - Commitment Letter will expire 30 days after issuance.
3. Loan Denied – Denial issued stating reasons loan has been denied.

### HQS INSPECTION AND ENVIRONMENTAL

All HOME/MRB, CDBG Assisted, and Pathways to Homeownership Program loans will require a HQS Inspection and Environmental Review. Upon the start of the compliance review, LHC will order the HQS inspection and the Environmental Review from internal staff. Receipt of HQS inspection and the Environmental Review can take up to two (2) weeks. Lenders must factor this time into the compliance period.

### DUPLICATION OF BENEFITS

All CDBG Assisted and Pathways to Homeownership Program loans will require a Duplication of Benefits check with Office of Community Development (OCD). Upon the start of the compliance review, LHC will order the Duplication of Benefits. Borrower is required to complete the **Duplication of Benefits Exhibit**.

### TARGETED AREA LOANS

Targeted areas are HUD designated census tracts that are subject to special benefits. The following special benefits are available only to MRB Assisted Program loans only.

1) First-time homebuyer requirements are fully waived, but the residence financed under the Tax-Exempt Program must be the principal residence of the homebuyer/borrower.

2) Purchase Price / Mortgage Limits for residences in Targeted Areas are generally increased by 20%.
3) Family Income Limits are generally increased up to 140% of applicable median family income (AMI) and, subject to precise oversight and approval by the LHC.

**NON-OCCUPYING CO-BORROWER**

These are allowed under FHA only. Follow FHA guidelines for credit purposes. This is for the lender's side only. LHC will not be using non-occupying co-borrowers for compliance purposes. The main borrower on the loan that goes through compliance review must comply with all program requirements and must have some of their own income. LHC will not allow a non-occupying co-borrower with a borrower that has no income.

Non-occupying co-borrowers are only required to complete the NOCB certification confirming that they will not be taking <u>any</u> ownership in the property. The certification is available from LHC. Non-occupying co-borrowers are not required to sign any other LHC documentation unless specifically required by the loan product.

**NON-PURCHASING SPOUSES**

The non-purchasing spouse may not be on title, have any vested interest in the property, be on the purchase agreement, or be added to title after loan closing unless specifically required by the loan product. All individuals that will be on the title must comply with all the eligibility requirements.

Borrowers and spouses cannot have owned principal residence in the past three years unless present property being purchased is in a targeted area.

## <u>DOWN PAYMENT ASSISTANCE WIRE REQUEST</u>

Lenders are required to submit to LHC 24 hours prior to a loan closing the following documents:

- Complete Closing Disclosure
- Wire Requisition Form
- Title Company Wire Instructions

For HOME/MRB Loans: Prior to closing, LHC will provide a gift letter to lenders for the assistance. Borrowers are required to sign the gift letter at closing. Additionally, LHC will provide the HOME Regulatory Agreement to be signed and recorded. An overnight label for the carriers or a pickup from the office is required for the HOME Regulatory Agreement. The signature page for this document will be original with the LHC wet signatures. This signature page is required to be at closing for the borrower to sign the same page with our wet signatures.

For MRB Assisted and Keys for Service loans: Prior to closing, LHC will provide the Second Mortgage Instrument must be executed by the Borrower at loan closing and recorded, and the Second Mortgage Promissory Note that must be executed by the Borrower at loan closing and the original returned to LHC, and the letter from the governor.

For CDBG Assisted and Pathways to Homeownership loans: Prior to closing, LHC will provide a gift letter to lenders for the assistance. Borrowers are required to sign the gift letter at closing. Additionally, LHC will provide the Second Mortgage Instrument to be that must be executed by the Borrower at loan closing and recorded, and the Second Mortgage Promissory Note that must be executed by the Borrower at loan closing and the original returned to LHC, and the letter from the governor.

## MORTGAGE LOAN CLOSING

**All loans must be purchased by the servicer within 60 days of the reservation date.**

A mortgage loan **may not** be closed by a Mortgage Lender until a compliance approval commitment letter for such mortgage loan is received by the Mortgage Lender. LHC's trustee, Hancock Whitney Bank will wire the DPA to the title company on the day of closing. The Master Servicer is not obligated to purchase a Mortgage Loan, which has closed without a compliance approval letter, gift letter, or LHC executed Second Mortgage Instrument.

The use of a Power of Attorney (POA) is not allowed unless: 1) the borrower is active personnel in the United Military and is currently deployed overseas; or 2) permitted under other extraordinary circumstances, as determined at LHC's sole discretion. Only then may a specific Power of Attorney be used by the approved agent designated in the Power of Attorney. In any circumstance, the Power of Attorney may not be an interested party to the transaction. This requirement does not apply to the seller or to non-occupying co-borrowers.

Borrowers that specifically go through compliance review are required to sign the LHC exhibits and legal documentation. Other household members are only allowed to sign if required by the loan product.

### CASH OUT AT CLOSING

The Borrower may not receive funds in excess of Paid Outside of Closing (POC) items, gifts from family/friends, and Earnest Money Deposit (EMD) back at closing. Costs must be shown as POC on the Closing Disclosure to be included in allowable cash back to borrower. LHC does not allow any principal reductions.

**ASSUMPTIONS**

Loan assumptions are not allowed on the LHC programs' loans.

**GIFT LETTER**

A gift letter must be properly documented and verified. Gifts provided at closing must be submitted to LHC and listed on the Closing Disclosure. The gift letter will be required with the wire request package.

**RECASTING**

LHC program loans are not available for recasting.

## DELIVERY TO LHC

Lenders are required to submit the closing documents as listed on **Post Closing Checklist** within 10 days of closing. Post Close Packages will be uploaded into the HDS Reservation System. The following legal documentation is required in the post-closing process:

**MRB Assisted Program**
- Certified Recorded Copy of the executed Second Mortgage Instrument
- Original executed Second Mortgage Promissory Note
- Tax Exempt Rider

**HOME/MRB Program**
- Program HOME Summary
- Exhibit E2 – Certified Recorded Copy of the executed HOME Regulatory Agreement with detailed legal description on Exhibit A attachment.
- Tax Exempt Rider
- Closing Cost Gift Letter

**MRB Keys for Service Program**
- Certified Recorded Copy of the executed Second Mortgage Instrument
- Original executed Second Mortgage Promissory Note

**CDBG Assisted and Pathways Programs**
- Program CDBG Summary
- Flood Insurance Acknowledgement
- Second Mortgage Title Policy
- Certified Recorded Copy of the executed Second Mortgage Instrument
- Original executed Second Mortgage Promissory Note

- Closing Cost Gift Letter
- Tax Exempt Rider

## DELIVERY TO MASTER SERVICER

Program files must be purchased by the Master Servicer within 60 days of the reservation.

Please note that all loans must close within the parameters outlined in the Program Notice/Bulletin and that loans not meeting these deadlines will be subject to cancellation automatically without further notice. Additionally, all fees are nonrefundable including the $125 compliance fee.

Purchasing submissions will be through the master servicer lender portal.

## EXTENSION REQUEST

Lenders who cannot meet the purchasing deadline (60 days from reservation) may obtain an extension for a fee by submitting to LHC the extension request.

## MORTGAGE NOTE RATE

The Mortgage Note Rate is the interest rate selected on the day of loan reservation. Interest rates will be posted daily to the LHC website at www.lhc.la.gov/page/daily-rate and a Rate Sheet will be emailed to lenders daily.

LHC does not allow for interest rate buy downs. Lenders must use the published rates.

## ACCEPTABLE FEES

The program determines the fees that may be charged and are indicated below referencing fees charged by the Corporation and Master Servicer. Lenders are permitted to charge reasonable and customary charges for settlement costs and out-of-pocket expenses. Settlement costs include title services, transfer taxes, lenders and owners title insurance, survey, recording charges, or other similar costs. Other allowable fees include appraisal, processing fee, admin fee, underwriting fee, tax service fee, document preparation fees, funding fee, flood certification, compliance fee, prepaid escrow deposits and other similar charges allowable by FHA, VA, RD, Freddie Mac or Fannie Mae. "Junk fees" as determined by LHC are not allowed.

Program Fees are:

- Funding Fee - $400
- Tax Service Fee - $85
- Compliance Fee - $125
- Wire Fee - $20 / $40 (for CDBG Assisted and Pathways for Homeownership)
- Extension Fee (if necessary)
  15 days 0.125%, 30 days 0.250%, 45 days 0.375%, 60 days 0.500%

All fees will be netted upon purchase by the Master Servicer. If the loan is not purchased, LHC will bill the lender for all outstanding fees.

LHC monitors each loan's Loan Disclosure and Closing Disclosure to ensure excessive fees are not being charged. Lender fees cannot be named origination and cannot appear as a percentage. Origination Points and Discount Points are not allowed with the LHC programs.

## COMPENSATION PAID TO CORRESPONDENT LENDERS

- Total Compensation paid for each loan closed and purchased is 2.0% SRP.
- Correspondent Lenders will register, underwrite, close, fund and interim service these loans before transferring to the Master Servicer.
- Correspondent Lenders will assume the full representations and warranties outlined in LHC's Mortgage Origination Agreement for all loans sold to the Master Servicer.

## RESERVATION PROCESS

LHC has a web-based reservation system, Mortgage Compliance Reservation System **https://webapps4.lhc.la.gov**, for lenders not only to reserve loans via the Internet, but also to manage their pipeline. Please periodically review loans that are in your pipeline and cancel those which you know will not close. Should the file already be submitted to LHC, please notify the Corporation in writing as soon as possible that you wish to cancel the loan. This will enable the Corporation to make funds available to other applicants.

<u>Unless specifically allowed by the Corporation, there is a 30 day waiting period after a reservation has been cancelled before the same borrower may make a new reservation</u>.

Lenders have direct access via a password protected log-in on the LHC website. The lenders are instructed to have a unique log-in and password for each individual that they wish to have access to the system. Apply by sending an email to singlefamily@lhc.la.gov with the following specifics: Name, Position, Company Name, Physical Address, Phone Number, Fax Number, Email Address, NMLS #, and Chums # (if underwriter). Shared log-ins and passwords are prohibited and may result in suspension of website usage.

The reservation lock period is 60 days from reservation date to loan purchase date. Reservations can only be made between the hours of 9:00 am – 6:00 pm daily. Once the reservation is made, the rate will remain with the borrower throughout the lock period.

- **NOTE**: Once you begin a reservation in the Mortgage Compliance Reservation System, the system allows thirty (30) minutes to complete the reservation. If the reservation cannot be completed within that timeframe, you will be required to start the reservation from the beginning.

If a reservation expires on a Saturday, Sunday, or holiday, the reservation expiration date will fall backwards to the previous business day.

Please follow the **LHC Reservation Guide** for the step by step instructions on reserving loans in the HDS online system.

Once the loan has been reserved, the compliance package must be received by LHC within 40 days from the date of the reservation. Within 10 days after closing, lenders are required to submit to LHC the closing documents listed on **Post Close Checklist** and submit to the Master Servicer the complete closing package for purchase.

## COMPLIANCE REVIEW

There are requirements imposed by the IRS and the Corporation that must be reviewed for compliance with the program guidelines. It is the responsibility of the lenders to review program documents and to originate loans in accordance with the requirements. The Master Servicer is not obligated to purchase loans that do not comply with program terms. The compliance package for each loan must be received by the Corporation within forty (40) days from the reservation. The Corporation may cancel any loan not received by the Corporation within forty (40) days from reservation without notification to the lender.

LHC's compliance decision will be based on, but not limited to, a review whether the documentation in the Compliance Package demonstrates satisfactory compliance with the following criteria:

1. Borrower meets the first time homebuyer requirements
2. Borrower's total Household Annual Income meets Program requirements
3. Acquisition Cost of the subject property is within the published Acquisition Cost limits
4. Program required forms are complete and accurate
5. Loan proceeds are utilized for purchase only transactions

6. Complete and accurate information is provided prior to loan closing and all underwriting approval conditions are satisfied and adequately documented

**Processing Requirements and Forms** - The following information applies only with respect to submissions required by the Corporation and not requirements by RESPA, FHA, VA, Fannie Mae, Freddie Mac or Rural Development. Lenders are to follow the **Compliance Review Checklist** for all required compliance items and the proper stacking order.

All documents listed are essential to the compliance review process. If documents are incomplete and/or missing, the compliance review will be stopped by the compliance specialist and will be resumed only after all required compliance items are submitted. The compliance package must also contain other supplemental information, i.e. divorce and or child support decrees/documentation, etc.

I. Fannie Mae 1003 or Freddie Mac Form 65 application must show a physical address (not PO Box) for the borrower covering three years, clearly indicating if the borrower lived with relatives, rented, etc. The LHC Assistance needs to show the proper amount. Lenders cannot drop off the cents.

II. Loan Estimates: A copy of the initial Loan Estimate will be required for all program loans.

III. Fannie Mae 1008 Transmittal Summary or HUD 92900-LT Transmittal Summary must show the proper amount of assistance. This document must show Approved/Acceptance/Eligible.

IV. Complete signed tax returns with all schedules and W-2's and 1099's are required. Federal Recap forms, Tele-Tax and IRS Form 8879 are not allowed. Request a "Tax Return Transcript or Record of Account" along with W2 information from IRS ('Wage & Income Transcript") if client cannot provide an actual copy of the filed return.

V. Lenders must complete the bond documents made available on the Corporation's online reservation site. Re-created forms are not acceptable. The Borrower must sign and date all Bond documents obtained from Corporation's online reservation site – https://webapps4.lhc.la.gov.

VI. Appraisal Report Submissions: The complete appraisal report must be submitted to the Corporation for compliance review. In the case of a doublewide mobile home, please submit a copy of the floor plan with dimensions. Must be As-Is. If Subject To, then the Final Inspection Report will be required.

VII. Credit Report with at least 2 scores for each borrower for MRB Programs. All 3 scores are required for CDBG Programs (CDBG Assisted and Pathways). All Programs require a credit score of at least 640.

VIII. Homebuyer Education must be given by a HUD approved counseling agency. Only one borrower is required to take the education, if it is required by the program or loan product.

IX. Insurance documentation is required showing the proper about of coverage equal to the program requirements. Replacement Cost Valuations will be accepted as long as the requirements are met. Program requirements are the full first mortgage amount or otherwise specified in the program guidelines.

Lenders will follow normal loan processing procedures, which must be modified to include the following program qualifiers:

- **First-time Homebuyer Requirements**

  A borrower may not have owned any residence in the past three (3) years, unless the borrower qualifies under one of the exceptions listed above.

- **MRB Limits Elevated in Targeted Areas**

  The MRB Income and Mortgage Limits are elevated for MRB Assisted Program purposes only in the designated census tracts listed on **Targeted Census Tracts Exhibit.**

- **Household Income Limits**

  Borrowers' household income must not exceed established program income limits indicated on **Exhibit N1, N2, N3, N4, or F(c)** as set forth for each loan program.

- **Mortgage Limits**

  The mortgage amount must not exceed the Maximum Permissible Mortgage Limit for Residential Housing Units as set forth on **Exhibit N1, N2, N3, N4, or F(c)**.

- **Eligible Property**

  New and existing, one unit dwellings, condos, townhomes, modular and manufactured homes that meet insurer/guarantor requirements are eligible properties. Homes are considered new if never previously occupied. Proposed construction is <u>not</u> eligible.

  **Primary Residence** - Program funds may be used to finance residences that are the primary full-time residence of the borrower only. A primary residence is the legal residence of a person. It is also the place where the person lives on a full - time basis.

Recreational, seasonal or other types of vacation or non- permanent homes are not eligible under the program.

**Economic Life** - remaining economic life of the property may be no less than 30 years as indicated on the appraisal.

**Ineligible Properties** – Multiple units, investment properties, proposed construction, cooperatives, community land trusts, farms or ranches, timeshares, leaseholds, condotels, geodesic domes, unimproved land, and recreational or vacation homes are not eligible under this program.

**Manufactured Housing** - manufactured housing qualifies if it is a structure manufactured in a factory after 1994, which is delivered to a home site and placed on a permanent foundation. The roof must be sloping, the siding and roofing must be the same as those found in a site-built house, and the house must be eligible for thirty year real estate mortgage financing in order to qualify for purchase. Manufactured Housing must meet all applicable guidelines of insurer/guarantor and be insured/guaranteed by same.

**Flood Zone Restriction** – The disaster programs (CDBG Assisted and Pathways to Homeownership) have a Tier 1 Flood Zone restriction. Properties in these zones will not be allowed under the disaster programs. No Flood Zone A, AE, or V.

- **Credit Score Requirement**

All loans reserved **<u>MUST</u>** have a minimum credit score of **640**. Loans with a score **less than 640** are not eligible. Borrower must have at least 2 credit scores for MRB Programs and all 3 credit scores for CDBG Programs.

Manufactured Housing will required a credit score of at least **660**.

- **Funding Requirements**

The lender is responsible for funding the first mortgage at closing. The servicer will purchase the first mortgage from the lender after closing. The lender will be required to submit a purchasing package to the servicer.

Funding of the down payment assistance provided by the programs will depend on the program. MRB Assisted, HOME/MRB, and MRB Keys for Service will have the second mortgage down payment assistance funded to Title by LHC's trustee. CDBG Assisted and Pathways to Homeownership will have the lender fund the second mortgage along with the first mortgage at closing.

The second mortgage amount under the CDBG Assisted and Pathways Programs will be reimbursed to the lender by LHC after the post close and reimbursement reviews are complete. This process will require multiple weeks to complete.

LHC will fund the closing cost assistance and/or the additional subsidy to title for closing under the CDBG Assisted and Pathways Programs.

## POST CLOSING

Deliver post-closing documentation as listed on **Post Closing Checklist**, to LHC within 10 days of the closing date. Failure to deliver will result in a delay of the purchase of the first mortgage by the servicer.

LHC does give second mortgage reimbursement files priority in post-closing. Please submit these post close packages to LHC as soon as you can. Please follow the **Post Closing Checklist** to ensure all items are submitted. Any item found missing will delay the reimbursement process.

Recorded Second Mortgage Instrument, Recorded HOME Regulatory Agreement, Original Second Mortgage Promissory Notes are all required in post-closing.

The separate purchase loan package should be reviewed for completeness and accuracy before shipping to the Master Servicer. Loans must be purchased within 60 days of the reservation date.

The Corporation in conjunction with the Master Servicer audits the closed loan files. Should irregularities or compliance issues be discovered, the lender will be required to repurchase the loan pursuant to the Mortgage Origination Agreements.

**Exhibits "101"**

**MRB EXHIBITS**

**Exhibit A – Compliance File Checklist**

- Lists the required items and the stacking order for compliance submission

**Exhibit B – Loan Confirmation Report**

- Summary of data on the loan in the system

**Exhibit C – Commitment**

- LHC's clear to close. Expires in 30 days of issuance.

**Exhibit D – Borrower's Affidavit and Notice of Potential Recapture Tax**

- Rules and regulations the borrower agrees to accept
- Details of the Recapture Tax and how it can be triggered

**Exhibit D1 – Acquisition Cost Worksheet**

- Confirms the sales price of the property

**Exhibit D2 – Mortgage Income Eligibility Worksheet**

- Confirms the household income and all the different income components

**Exhibit E1 – HOME Project Summary / CDBG Project Summary**

- Confirms numbers and amounts for the loan

**Exhibit E2 – Homebuyer Regulatory Agreement**

- Legal document for the HOME/MRB Program. Recorded as a second lien that is tied to the first mortgage
- An agreement for the borrower to live in the property for a number of years

**Exhibit F – Post Closing File Checklist**

- Lists the required items and the stacking order for post close submission

**Exhibit G – Post Closing Certification**

- A review with the lender on the numbers that closed

**Exhibit H – Tax Exempt Rider**

- Recorded with the first mortgage to lock in the Tax Exempt Status of MRB loans

**Exhibit I – Notice FHA / VA Buyers**

- Borrower to sign for these loan products

**Exhibit J – Affidavit of Seller**

- Sales Price confirmation with the seller

**Exhibit K – Reservation Request**

- Backup document for the reservation process

**Exhibit L – Underwriter Certification**

- Backup document for the underwriter certification process

**Exhibit M – Extension Request**

- Adds more time to the reservation window for a fee

**Exhibit N1 – MRB Assisted Limits**

- Program limits for the MRB Assisted Program

**Exhibit N2 – HOME/MRB Limits**

- Program limits for the HOME/MRB Program

**Exhibit N3 – Keys for Service Limits**

- Program limits for the MRB Keys for Service Program

**Exhibit N4 – CDBG Assisted Limits**

- Program limits for the CDBG Assisted Program

**Exhibit O – CDBG Consent and Release Form**

- Consent for reporting under the CDBG Assisted Program

**Exhibit P – Targeted Census Tracts**

- Designated Targeted Areas by HUD for the MRB Assisted Program

**Exhibit Q – Program Requisition Form**

- Wire request for the program assistance to be wired to closing

**Exhibit R – CDBG Flood Insurance Acknowledgement**

- Confirmation with borrower that flood insurance is required under the CDBG Assisted Program and LHC will be monitoring the requirements throughout the life of the second mortgage

**Exhibit S – CDBG Duplication of Benefits**

- Verification with the borrower that they have never received any disaster program funds in the past

**Exhibit X – Denial**

- Loan denial form for borrowers that are not qualified for the program

## PATHWAYS FOR HOMEOWNERSHIP EXHIBITS

### Exhibit A – Loan Confirmation Report

- Summary of data on the loan in the system

### Exhibit B – Reservation Request

- Backup document for the reservation process

### Exhibit D – Extension Request

- Adds more time to the reservation window for a fee

### Exhibit E – Program Requisition Form

- Wire request for the program assistance to be wired to closing

### Exhibit F(c) – Pathway Limits

- Program limits for the Pathways to Homeownership Program

### Exhibit G – Compliance File Checklist

- Lists the required items and the stacking order for compliance submission

### Exhibit H – Borrower's Affidavit

- Rules and regulations the borrower agrees to accept

### Exhibit I – Project Summary

- Confirms numbers and amounts for the loan.

### Exhibit J – CDBG Duplication of Benefits

- Verification with the borrower that they have never received any disaster program funds in the past

### Exhibit N – CDBG Consent and Release Form

- Consent for reporting under the CDBG Assisted Program

**Exhibit O – Underwriter Certification**

- Backup document for the underwriter certification process.

**Exhibit P – Post Closing File Checklist**

- Lists the required items and the stacking order for post close submission

**Exhibit Q – Affidavit of Seller**

- Sales Price confirmation with the seller.

**Exhibit R – Flood Insurance Acknowledgement**

- Confirmation with borrower that flood insurance is required under the Pathways for Homeownership Program and LHC will be monitoring the requirements throughout the life of the second mortgage

**Exhibit W – Commitment**

- LHC's clear to close.  Expires in 30 days of issuance.

**Exhibit X – Denial**

- Loan denial form for borrowers that are not qualified for the program.

## Single Family List of Contacts

| | |
|---|---|
| 1-888-454-2001 | Toll Free |
| 225-763-8700 | Local |

| | | |
|---|---|---|
| **Homeownership Director and Chief Programs Officer** | | |
| Brenda Evans | bevans@lhc.la.gov | 225-358-5280 |
| **Single Family Manager** | | |
| Cody Henderson | chenderson@lhc.la.gov | 225-358-5301 |
| **Compliance Specialists** | | |
| Kelya Woods | kwoods@lhc.la.gov | 225-358-5350 |
| Kevin McCleary | kmccleary@lhc.la.gov | 225-358-5357 |
| Shannon Jenkins | sjenkins2@lhc.la.gov | 225-358-5406 |
| Judy Johnson-White | jwhite@lhc.la.gov | 225-358-5345 |
| **Business Development Officers** | | |
| Daniel Duggan, Supervisor | dduggan@lhc.la.gov | 225-358-5306 |
| **HUD Homebuying Counselor** | | |
| Sonja Andrews-Smith | ssmith@lhc.la.gov | 225-358-5408 |
| **Administrative Assistant** | | |
| Monica Meilleur-Mealancon | mmeilleur-mealancon@lhc.la.gov | 225-358-5382 |
| **HDS Reservation System** | https://webapps4.lhc.la.gov | |
| **Single Family Email Address** | singlefamily@lhc.la.gov | |