



Department of Business & Industry

Together, HOME is Possible!



Administrator's Guidelines

Nevada Housing Division

**2014 Home is Possible
Down Payment Grant Program**

Published 9/15/2014

Updates shown on Page 4



Time Zones

Nevada Housing Division is located in the Pacific Time Zone

eHousingPlus and U. S. Bank MRBP Division offices are all located in the Eastern Time Zone

http://www.timetemperature.com/tzus/time_zone.shtml

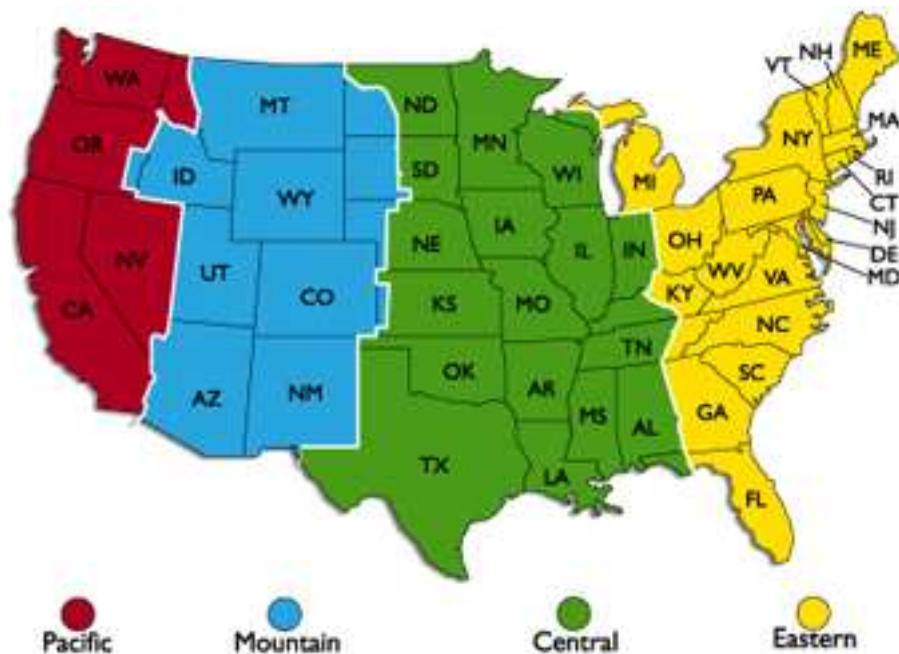


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UPDATES

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NEVADA HOUSING DIVISION TEAM



Nevada Housing Division

Sponsors the first mortgage and down payment assistance program, sets the rate, term and points, and markets the program

Participating Lenders

Take applications, reserve in the E-HousingPlus system, process, underwrite, approve, fund first mortgage and down payment assistance at closing, close and sell qualified loans to the program. Lenders are responsible for servicing program loans in accordance with Agency requirements until they're purchased by the Master Servicer.

US Bank Master Servicer

Provides information on acceptable loan products and delivery and funding, receives all first mortgage files, reviews first mortgage files, notifies lenders of first mortgage file exceptions, approves first mortgage files, purchases pools and delivers loans, buys first mortgage and provides delivers certificate.

eHousingPlus Program Administration

Maintains the program reservation system, websites, and posts Administrator's guide, forms, training materials, provides program and system training, answers program and system questions, receives compliance files, reviews, posts and notifies of exceptions and approves compliance file.

PROGRAM PRODUCTS

PLEASE NOTE THAT RATES AND ASSISTANCE GRANT AMOUNTS ARE SUBJECT TO CHANGE AT ANY TIME. With respect to reserved loans, the rate and assistance will not change as long as loans are delivered according to the timetable included in this Guide.

Only one loan type is available in this program – an Assisted Rate Loan.

Funds are available in a first-come, first-served revolving pool that provides continuous funding. FHA, VA, USDA: RD and conventional loans are permitted (HFA Preferred). US Bank provides information regarding the specific loan products permitted in the program.

Daily Rate Lock Reservation Availability

Reservations in the program are available Monday – Friday 7:00 a.m. – 5:00 p.m. Pacific Time excluding holidays.

Assisted Rate Loan with 4% Assistance Grant

The borrower receives a 30-year, fixed rate, fully amortizing first mortgage loan with 360 level monthly payments as well as an assistance payment equal to 4.00% of the note amount to apply toward down payment or closing costs.

The Assistance is calculated on the Note amount and **funded by the Lender at closing. These funding procedures apply to all loans closing 9-22-14 and after.** The Assistance may be used for down payment or closing costs and pre-pays. While there is no cash back in this program, the borrower may be reimbursed for any overpayment of escrow. Because the Assistance is a fixed percentage, any remaining Assistance must be applied as a principal reduction. Assistance is in the form of a non-repayable grant. It is not repayable under any circumstances. When you reserve the first mortgage, the Assistance is automatically reserved. There is no additional reservation necessary. When you close the loan there are no second mortgages, second notes, deed restrictions or liens. There is no repayment.

THE REQUIREMENTS

Eligible Borrowers

- There is no first-time homebuyer requirement in this program.
- For non-residents, follow agency (FHA, VA, etc) guidelines.
- Buyers **must occupy** the property **within 60 days of closing**.
- Applicants must be considered irrespective of age, race, color, religion, national origin.
- Contact eHousingPlus Compliance office with questions regarding eligibility.

Minimum Credit Score and Maximum Debt-to-Income Ratio

Buyers must have minimum FICO credit score of 640, the mid score must be the minimum or above. If an agency (FHA, etc) has a higher minimum, follow agency guidelines. If a participating lender has a higher minimum for other loans and wishes to require a higher minimum for loans, then lenders must use the higher minimum. Underwriters must follow the manual underwriting guidelines for the products. **Please note: Minimum mid credit score is 660 for manufactured homes and 680 for conventional loans with 95.01%-97% LTV. Also, there is a Debt-To-Income (DTI) Maximum of 45%.**

Homebuyer Education

All buyers (any person on the note/warranty Deed) must attend an approved homebuyer education course. All borrowers are required to attend –first-time buyers, repeat buyer and co-signers. Approved courses are:

1. <http://nevadaruralhousingauthority.mindflash.com/PuplicCoursePage.aspx?c=798565352>
2. eHomeAmerica (local agencies are approved online education providers) <http://www.ehomeamerica.org>
3. Women's Development Center – www.wdclv.org
4. Financial Guidance Center – www.financialguidancecenter.org
5. Housing for Nevada – www.housingfornevada.org
6. Community Services of NV – www.csnv.org
7. Neighborhood Housing Services Southern Nevada – 702-649-0998
8. Chicanos por La Causa CPLC – 702-207-1614
9. Nevada Partners – 702-924-2100
10. Additional HUD-approved agencies – www.HUD.gov

Household Income Limits

Use 1003 Qualifying Income

For all family sizes - \$95,500 (Effective 9/22/14)

Eligible Area

The Housing Division is authorized to make loans state-wide. The Home is Possible Down Payment Grant Program is primarily focused in Washoe and Clark counties to complement the existing Nevada Rural Housing Authority program servicing the rural areas.

Purchase Price Limits New or Existing (Effective 9/22/14)

\$400,000 Must include everything paid by buyer or on buyer's behalf.

About the Property

- Residential Units only. New or existing, one-four units, detached or attached, condos, townhomes, manufactured homes that meet servicer/insurer/guarantor requirements.
- Homes are considered new if never previously occupied.
- Mobile, Recreational, seasonal or other types of vacation or non-permanent homes are not permitted.
- Land may not exceed the size required to maintain basic livability.

ABOUT THE FINANCING

It's expected that lenders have reviewed some **preliminary documentation and believe that applicants will also qualify for credit. Excessive cancellations will be reviewed** to assure that program funds are not being utilized **inappropriately**.

Appraisal must indicate that the home has at least a 30 year remaining useful life.

All available assets are not required to be used in this program.

Assumptions – First mortgage loans may be assumed by a qualified borrower meeting qualifying requirements, income and acquisition price restrictions in place at the time of assumption. Such loans must continue to fully comply and be insured or guaranteed by the insurer/guarantor/ or the mortgage insurer.

Buy downs (temporary) – Follow agency guidelines.

Cash Back to the borrower is **not permitted**. However, borrowers are permitted a **reimbursement of prepaid and overage of earnest money deposit as permitted by Agency guidelines** and to the extent any minimum contribution, if any, has been satisfied.

Construction to perm is not permitted.

Co-signers are permitted to the extent permitted by applicable Agency (FHA, VA USDA: RD). Treat co-signer/income as directed by agency. A co-signer cannot have any ownership interest in the property (they cannot be on the mortgage/Deed/Warranty Deed).

Minimum Loan Amount – There is **no minimum loan amount** in this program.

Prepayments – The first mortgage may be prepaid at any time without penalty.

Recapture Tax – There is NO RECAPTURE TAX IN THIS PROGRAM.

Remaining reserves are not established by the program. Follow Agency Guidelines.

THE PROCESS SUMMARY

TRAINING

Lender training provided by the Administrator.

www.ehousingplus.com See training tab

Program training offered 24/7

System training offered once weekly

USERNAME AND PASSWORD

Following eHP University training, **Lenders apply for username and password** on the eHousingPlus website according to instructions received following training.

QUALIFY

Lenders qualify applicants **for the program**. Buyers must present an executed sales agreement before being entered into the program reservation successfully.

PROCESS

Lenders process the loan as they would normally keeping in mind the program timelines.

UNDERWRITING AND CERTIFY

Lenders underwrite & are responsible for credit decisions of the loans in the program. Servicer does not re-underwrite loans. Following credit approval **AND WITHIN 15 DAYS OF LOAN RESERVATION**, Underwriter completes the online underwriter certification form. Access System **on the eHousingPlus website**.

CLOSE

It's important to provide accurate closing instructions to closing agents. All program docs must be returned to you. **AT CLOSING, BORROWERS MUST SIGN THE Down Payment and Closing Cost Assistance Letter.** Original remains with lender, copy to borrower, US bank (with USB002) and in FHA Case Binder. **ALSO, A COPY OF THE COMMITMENT LETTER TO LENDER MUST BE PRINTED, LENDER RETAINS A COPY, PLACES A COPY IN THE FHA CASE BINDER AND PROVIDES A COPY TO U.S. BANK FORM USB-002.** Find all forms behind security at the eHousingPlus website.

SHIP / SUBMIT

Use the **Compliance Checklist** to assemble the compliance file. The compliance File is submitted directly to eHousingPlus. The first mortgage file and credit package are submitted to U.S. Bank checklists are on their website at www.mrbp.usbank.com.

EXCEPTIONS

Lenders are notified by eHousingPlus and U.S. Bank of exceptions. Exceptions for both eHousingPlus and U.S. Bank are available in the eHousingPlus web-based system.

FINAL DOCUMENTS

The recorded mortgage documents should be sent to U.S. Bank.

PROGRAM TIMETABLE

Buyers MUST HAVE A FULLY – EXECUTED SALES CONTRACT FOR A SPECIFIC PROPERTY in order to have funds reserved or be on a waiting list. The contract may be dated prior to the date of the loan application. Buyers may be prequalified. However, if the buyer does not have a contract on a property, program funds cannot be reserved for the buyer until such time as the buyer presents a valid contract. To assure that loans are purchased, please follow the processing, delivery and Purchase Timetable below. Please DO NOT reserve loans that cannot meet the timetable.

If the loan is not underwriter certified within 15 days of loan reservation, the loan is subject to cancellation. eHousingPlus via email notifies lenders that the loan may be canceled if the underwriter certification is not completed. Should the loan reservation be canceled at any point during the reservation the issuer may allow the loan to be reinstated at the higher of the mortgage rate originally reserved or the then current program mortgage rate.

Please wait until 45 days before closing to reserve funds for new construction, short sales and foreclosures. Loans not purchased within the timeframe below cannot be purchased. The revolving pool of funds assures continuous funding. Fund availability makes it unnecessary to rush reserve funds.

Loan processing, Delivery and Purchase Timetable

Once a loan is reserved in the eHousingPlus system and is provided the servicer's loan number, the loan must be:

1. Underwriting certified within 15 days of loan reservation
2. Closed and delivered to the servicer within 45 days of loan reservation
3. Purchased within 70 day of loan reservation.

Extension Request

Any loan not purchased within 70 days is ineligible for purchase unless the lender chooses a one-time only 30-day extension. The cost of the extension is \$375. The \$375 extension fee is due whether or not loans are ultimately delivered and/purchased. The \$375 will be netted by the Servicer when loans are purchased. If an extension is permitted, but the loan is not purchased, the originating lender will be billed for the extension fee of \$375. Any outstanding fees owed by the lender may result in the lender becoming ineligible to participate in the program.

At 101 days, a loan that hasn't been delivered is cancelled and cannot be reinstated.

Again, the extension is offered once per loan and no further extensions will be allowed. Furthermore, regardless of choosing an extension, any loan not purchased within the approved timeframe will become the liability of the originating lender.

An extension request is available on the eHousingPlus web page for the NHD link on **ehousingplus.com**. Click on the **SUMMARY** tab, scroll to the area titled, **EXTENSIONS**. Remember that the form must be submitted BEFORE the 70th day after loan reservation.

PROGRAM FEES

FIRST MORTGAGE FEES

A fee to be retained by lender, limited to 1.00% may be charged EITHER as origination or discount.

The program includes a first mortgage program Fee of \$225. The fee is payable at closing and remitted to eHousingPlus with the Compliance File. The fee must be disclosed on the HUD-1 as being paid to eHousingPlus and can't be financed.

U.S. Bank fees of \$85 Tax Service Fee and a Funding Fee of \$300 are payable at closing. Both must be disclosed on the HUD-1 as being paid to U.S. Bank. They will be netted at loan closing and can't be financed. Adverse Market Delivery Fee for conventional loans apply at .25% of the 1st mortgage loan amount (but no Loan Level Price Adjustment [LLPA]).

Lenders are permitted to charge reasonable and customary charges for out of pocket expenses and costs, other financing costs such as legal fees and underwriting fees may be charged and courier fees may be charged if such fees are normally charged. Lenders may charge the usual and reasonable settlement costs. Settlement costs include titling and transfer costs, title insurance, survey fees, hazard, mortgage and life insurance premiums, recording or registration charges, prepaid escrow deposits and other similar charges allowable by the insurer/guarantor/ "junk" fees are not defined term and may not be charged. Excessive fees are not permitted in the program.

LENDER COMPENSATION

On each loan the lender collects the 1.00% origination/discount as explained above from buyer or seller (follow agency guidelines) and a 1.25% SRP for FHA, RD loans, 1.00% for conventional loans and .75% for VA loans. SRP is paid by U.S. Bank at loan purchase.

Total lender compensation:

FHA, RD up to 2.25%

Conventional up to 2.00%

VA up to 1.75%

**PROGRAM FORMS
PRE-CLOSING**

Extension Request Form

An extension request is available at ehousingplus.com

Remember that the form must be submitted BEFORE the 70th day.

CLOSING DOCUMENTS

NOTICE OF Down Payment and Closing Cost Assistance Letter ORIGINAL RETAINED BY LENDER, copy borrower U.S. Bank (with USB002) and in FHA Case Binder.

Legally Enforceable Obligation Letter for HUD ML 2013-14: Commitment Letter. ORIGINAL RETAINED BY LENDER, Copy U.S. Bank (with USB002) and in FHA Case Binder.

DOCUMENTS REQUIRED FOR COMPLIANCE FILE

- **Compliance File Checklist**

Available behind security within eHousingPlus lender portal.

- **Real Estate Purchase contract**

The full address of the property, full names of all sellers and buyers, total purchase price of the property must be included. If there is not an address for new construction, a lot number and subdivision name are required. All named persons must sign. Include the name and title whenever a representative is signing for a corporation.

- **Final Typed Loan Application (1003)**

The typed application signed and dated by all parties is required. Loan interviewer must complete and sign page 3 of 4 of the 1003. If there is not possible, then an officer must sign in place of the interviewer.

- **HUD-1 Settlement statement**

Buyer seller and closing agent must fully execute the HUD-1. Borrowers on the HUD-1 must be all persons taking title to the property and match the affidavit and application. Persons not taking title to the property may not appear or sign the HUD-1. The application fee must be shown as being payable to eHousingPlus. Please do not bundle charges. Itemize all charges to the transaction. Payoffs of other debt must appear on page 1 under section 100 of the HUD-1 as part of "settlement Costs."

- **Warranty Deed**

A copy of the Warranty Deed is required.

- **Homebuyer Education Certificate**

A copy of the homebuyer Education Certificate must be in the Compliance File. All those on the note must attend homebuyer education.

U.S. BANK WEBSITE

Down Payment Assistance Funding Verification Form - USB002

U.S. Bank checklists, program manuals, bulletins, lender training

All may be found on the US Bank ALL Regs web site.

Click on this link: www.mrbp.usbank.com

Click on **U.S. Bank Lending Manuals**

Pop-up box will appear click on **Continue**

Web page will be redirected to U.S. Bank All Regs site.

Click on **Housing Finance Authority** folder

Click **Nevada**

Click **Nevada Housing Division**