

## 7 – RESERVATION PROCESS

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### *IN GENERAL*

Program funds may be reserved using a first-come, first-served reservation system. Funds may be reserved once an individual has a fully executed (SIGNED by both buyer and seller) Purchase and Sale Agreement, has demonstrated completion of a Commission sponsored Homebuyer Education seminar, has completed a loan application with a Mortgage Lender, and appears to meet Program compliance.

### *MAKING A RESERVATION*

The Mortgage Lender can reserve funds using the On-line Reservation System described in the following pages of this section. Rate locks on a reservation may be made from 9:00 am – 4:00 pm Prevailing Pacific Time Monday through Friday excluding holidays.

### *MANDATORY DELIVERY DATES*

Lenders will have 10 days from the date of loan closing to deliver loan to the Master Servicer. Loans must not be aged more than 45 days from the loan closing date until the time the loan is delivered for purchase. This includes the date the credit and closing file is received and the loan is eligible for purchase. All loans must be delivered to the Master Servicer within 60 days of the note date. If a file is not delivered within 60 days from the date of loan closing, original Notes will be returned to the lender and the loan(s) will not be purchased. Lenders not meeting mandatory delivery dates will pay extension fees as described below. Lenders not meeting mandatory delivery dates on a regular basis are subject to removal from the Program at the sole discretion of the Commission.

### *EXTENSIONS TO RESERVATIONS*

An extension (either 7, 15 or 30 days) to a reservation must be made electronically in writing by 4:00 pm, prevailing Pacific Time, **prior** to the expiration of the lock and sent to [lockdesk@wshfc.org](mailto:lockdesk@wshfc.org) for approval using the Rate Lock Extension Form provided on our Website at <http://www.wshfc.org/sf/HAforms.html>. Extension fees are netted out at loan purchase.

Extensions will **not** be accepted via telephone, fax, or through an email to an individual employee of the Commission. An extension will require approval by the Commission and will be subject to market conditions. A fee of .09375% of the loan amount will be applied to 7 day extensions. A fee of .18750% of the loan amount will be applied to 15 day extensions. A fee of .37500% of the loan amount will be applied to 30 day extensions. Fees may be higher depending on market conditions. An acknowledgement of the received email and approval will

be sent back to the Lender on the same business day for all extensions made prior to 4:00 pm PT and a condition with the appropriate fees will be posted to the reservation system.

If the Lender fails to extend the lock prior to expiration of the reservation, the Commission will automatically extend the lock and fees netted out at time of loan purchase. The Commission is not obligated to purchase the loan if the lender fails to extend the lock prior to expiration of the reservation.

### ***CHANGES TO A RESERVATION***

Changes to a loan reservation can be made by completing and submitting the “Reservation Change Request” form found on our website to [lockdesk@wshfc.org](mailto:lockdesk@wshfc.org). Changes can be made for the following reasons:

1. Increasing or decreasing the loan amount
2. Increasing or decreasing the purchase price
3. Adding or deleting Borrower
4. Changing the amount of Downpayment Assistance

### ***EXPIRED RESERVATIONS AND CHANGES IN PROPERTY***

The Commission’s loan reservation policy authorizes the Lender to make a reservation for funds on behalf of the borrower(s) for a set period of time (lock period). After completing the reservation, the Lender may not cancel and re-reserve funds to obtain a lower interest rate or transfer to a House Key loan. This policy applies to both existing and expired loan reservations. Extensions to existing or expired reservations are at the sole discretion of the Commission and fees will apply.

Extensions to an expired reservation will be based on:

1. Original rate lock price plus appropriate extension to bring the reservation current. Extension fees will apply.
2. In the event the purchase and sale contract is terminated and **the lock has expired**, if the borrower subsequently enters into a contract for a different property, the Lender may cancel the old reservation and may complete a new reservation for funds at current rates.

In the event the purchase and sale contract is terminated and the Borrower subsequently enters into a contract for a different property **within the lock period**, the Lender must provide to the Commission the new property address and loan amount. The Lender will be expected to deliver the loan within the lock period, or the old reservation may be cancelled and a new reservation made at current rates.

Duplicate reservations are not allowed.

## ***CANCELLED RESERVATIONS***

Lenders can cancel their reservation on-line until a file is submitted for pre-closing compliance review and then afterwards by emailing [homedocs@wshfc.org](mailto:homedocs@wshfc.org).

If the lender cancels a reservation lender cannot re-reserve for the same property until 60 days has lapsed from the day the reservation was cancelled or the original lock will be reinstated and loan must be delivered within the original lock period or extensions fees will apply.

## ***RESERVATION TRANSFER***

At the Borrower's option, a Mortgage Lender may request that a reservation be transferred to the requesting Mortgage Lender from the Mortgage Lender who made the original reservation. The new Lender will be expected to deliver the loan within the lock period and pay extension fees as applicable. This can be done by submitting a letter or email from the Borrower to the Commission. The requesting Mortgage Lender must include a cover letter that outlines the situation and includes a letter or email from the Borrower requesting the transfer. This must be done prior to the original Mortgage Lender canceling the reservation. Only one transfer per Borrower is allowed. A Borrower may not have more than one reservation at any one time.

## ***STATUS OF LOANS***

Mortgage Lenders can review status of loans on-line on a regular basis. See the **Loan Tracking Status** section of this chapter for further information and instructions.

## ***ON-LINE RESERVATION SYSTEM***

To access the On-line Reservation System, type in the following Internet address:

<https://lenders.wshfc.org/Bin/Display.exe/ShowSection>

Following are step-by-step instructions for entering data onto each screen of the On-line Reservation system:

### **Loan Originator Logon Screen**

1. System Login
2. User Name and Password

All loan originators registered with the Commission will receive a User Name and Password from the Commission prior to being authorized to enter new reservations. All other personnel, unless authorized in writing by the Mortgage Lender's contact will receive a User Name and Password to view the pipeline status of loans. For security purposes, if prompted to change your password, the new password must be a minimum of 3 characters with upper and lower case letters and numbers.

### 3. Login

If all of the information you have entered on the System Login Screen is correct, click the Login button.

### 4. Clear

If the information you have entered on the User Name or Password is incorrect, move back to the appropriate field, clear and re-input the data.

On the next screen displayed, select the **New Reservation** tab to bring up program options screen.

### **Available 1<sup>st</sup> Mortgage Options**

- 1 Select a 1<sup>st</sup> Mortgage Program by clicking on the + sign to expand available options.
- 2 Click on the appropriate 1<sup>st</sup> mortgage program option
- 3 Once you have selected your 1<sup>st</sup> mortgage loan type, you will be prompted to choose a 2<sup>nd</sup> mortgage. If there is no 2<sup>nd</sup> click on “Continue **Without** Additional Mortgage(s) to continue reserving only a 1<sup>st</sup> mortgage.
- 4 Click on the radio dial next to the applicable 2<sup>nd</sup> mortgage program then click “Continue **With** Additional Mortgage(s).”

### **Loan Information Screen**

All data for both 1<sup>st</sup> and 2<sup>nd</sup> loan reservations are entered on one screen.

Fields marked with an \* are required.

#### **First Mortgage Section:**

Lender Loan Number

Loan Type (select appropriate entry from the drop down box)

Loan Amount (use whole dollars only)

Loan Term (360 months only option from drop down box)

Interest Rate (will correspond with current day lock rates in drop down box)

Second Mortgage Section, if applicable:

Loan Amount (rounded down to nearest dollar)

#### **Borrower Section:**

1. First Name, Middle Initial and Last Name (IN ALL CAPS)
2. Borrower Social Security Number (No dashes)
3. Sex—M/F
4. Ethnicity
5. Marital Status

Current Address Section: This section is optional.

If you have a co-borrower or co-signor check the appropriate box and complete required fields.

When all of the information is keyed, click on the **Submit** button at the bottom of the screen.

If information entered is incorrect there are two possible error codes you may receive:

Reservation is DENIED for the following reason(s).

Or if a required field (\*) is missing data

### **Confirmation of On-Line Reservation**

Upon completion and submission of the reservation lender will receive a Reservation Accepted confirmation. You may view or print the lock reservation.

### **Tracking Loan Status**

All loans can be reviewed on line using individual Originator codes/passwords or by using back office codes/passwords assigned to each Lender personnel.

Lenders may check the status of a loan. Choose the “Loan Status” tab from the menu bar. You may search for the loan by using the WSHFC loan number, Lender Loan number, Borrower name or social security number.

Once the loan have been found, choose the appropriate action from the “Actions Menu”.

“View”—This will provide you the loan details including loan terms, current status, outstanding conditions and name of Commission file reviewer.

“Reprint”—This will allow lender to save or re-print the reservation confirmation

“PDF Docs”—Access all of the PDF documents available for the file. You may generate the pre-closing checklist, FHA DPA Award and DPA Commitment Letters, 2<sup>nd</sup> mortgage Notes and Deed of Trust or program documents pertaining to the file. Check the appropriate box of item to print and click “Generate Documents” tab.

“eDocs”—Section to upload files and conditions.