

9 – PRE-CLOSING COMPLIANCE REVIEW & APPROVAL



PURPOSE OF PRE-CLOSING COMPLIANCE REVIEW

One of the principal reasons for the pre-closing compliance review process is to provide Mortgage Lenders a level of assurance that, given no changes in the basic conditions of the transaction, the Mortgage Loan is qualified for purchase by the Master Servicer.

This pre-closing review process is in place only as a service to Mortgage Lenders and does not automatically guarantee that loans will be purchased. Additionally, if a loan is purchased and is subsequently found not to meet Program requirements, the Commission has the authority to request that the Mortgage Lender repurchase the Mortgage Loan.

Following is the procedure for Mortgage Lenders to use when submitting a Mortgage Loan for approval to close:

SUBMISSION OF LOAN FILE

Once the Mortgage Lender obtains all items as listed on page 15.13.1 of the Pre-Closing Compliance Review Checklist Mortgage, the Mortgage Lender is strongly encouraged to submit the file early in the process to the Commission for review. If using downpayment assistance, all items on page 15.13.2 are needed prior to final compliance approval. However, the file can initially be submitted with the items on page 2 to follow. The Commission does not require full loan approval by the Mortgage Lender prior to submitting the file for compliance review.

Files must be submitted in the order specified on the Pre-Closing Compliance Review Checklist (Form 15.13). This Checklist is located in the Forms section of this Program Manual.

WHERE TO SUBMIT FILES

Please send Mortgage Loan file prior to closing electronically to Emphasys. You may also mail completed files to:

Washington State Housing Finance Commission
Attn: Homeownership Division
1000 Second Ave, Suite 2700
Seattle, WA 98104-1046

Please note: The Commission does not accept electronic “secured” files requiring passwords. .

REVIEW PROCEDURE

Each Mortgage Loan file will be reviewed approximately within two business days by Commission staff for compliance with Program requirements. The results of the review will be posted on the Internet Web site at <https://lenders.wshfc.org/Bin/Display.exe/ShowSection>.

If a file is suspended, the loan stage will be updated to show as “Pre-Review/Incomplete” and the suspense conditions will be posted on our on-line system. When the file is approved to close the loan stage is updated to “Committed” and the Mortgage Lender can review and print our loan approval and conditions from on-line system. The Commission’s on-line system interfaces with the Master Servicer’s system eliminating the need for Mortgage Lenders to provide them a copy of the approval.

Following acknowledgment of approval to close authorized on the Pre-Closing Compliance Review File Checklist, Mortgage Lenders may close the Mortgage Loan.

The Commission reserves the right to return any file submitted for approval to close that lacks adequate documentation or does not meet Program requirements.

CHECKING MORTGAGE LOAN STATUS

Mortgage Lenders can access Mortgage Loan information using the On-line Loan Tracking System Web site 24-hours a day at <https://lenders.wshfc.org/Bin/Display.exe/ShowSection>. The Commission will assign log in for office staff to use for viewing and printing file status and conditions.

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, 2nd 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.

All conditions pertaining to both the first and second mortgage loans will be posted on the first mortgage loan approval.