

12 – LOAN PURCHASE AND DELIVERY



IN GENERAL

The entire closed Mortgage Loan package should be reviewed for completeness and accuracy before shipping to Idaho Housing and Finance Association (IHFA) for purchase. The loan must be purchased by IHFA within 60 days of reservation.

AMORTIZED LOAN BALANCE

When Mortgage Loans are purchased, loan servicer will determine the principal balance and current escrow reserves, based on an amortized balance. IHFA will purchase loans on a non-delinquent, normal payment, normal escrow disbursement status.

TIMING AND DELIVERY OF CLOSED LOANS

The closed mortgage loan package is to be received by IHFA within 10 days of loan closing.

1. Lenders must check the closed loan package to confirm all items listed on the Funding Checklist are included in the package. Loans will not be funded if any of the items on the checklist are missing or incorrect.
2. All First mortgage loans purchased by IHFA will require mandatory registration with MERS. No assignments will be accepted for first or second mortgages. Lender must transfer all applicable rights in MERS to IHFA immediately after purchase.
3. Utilize the provided IHFA Delivery Checklist as found on the Commission's Website at <http://www.wshfc.org/sf/HKforms.html>.

Upon completion of the closed loan file compliance review, the mortgage loan(s) will be funded if the file is complete and is in compliance with all requirements. Closed loan packages will not be funded until all required fundable documentation has been received and all compliance issues cleared.

PENALTIES WITHHELD FROM FUNDING.

Lenders must deliver the complete closed loan package to IHFA as soon as possible after loan closing. A loan is considered to be in a fundable condition when a complete closed loan package is delivered without errors or missing documents. Also, loans with delinquent payments will not be purchase.

All loans must be purchased by IHFA within 60 days of the note date. Original notes will be returned to the lender's warehouse bank as requested by the lender for loans that will not be purchased.

LOAN PACKAGE DELIVERY

Loan packages must be delivered electronically at www.lenderwa.com. Please DO NOT mail loan packages.

WIRE/ACH TRANSFER INSTRUCTIONS

IHFA will wire all funds to the lender's warehouse bank according to the wire instructions provided by the lender.

Please use one warehouse bank per lender. If a second warehouse bank is needed, please contact IHFA prior to loan purchase. Accommodations will be considered on a case by case basis.

LOAN PURCHASE SCHEDULE/FUNDING

IHFA:

IHFA will purchase loans every day except on federal holidays. A purchase advice is generated for each loan. Lenders can view the Purchase Advice at www.lenderwa.com on the day of funding. The Purchase Advice will itemize the payments in the funding wire. Any fees due to IHFA will be netted from the wired funds.

PURCHASE PRICES

Borrower Points	Loan Sale by Lender to Servicer	Net Compensation to Lender
1.00	101.25%	2.25%
0.00	102.25%	2.25%

Amounts to be deducted from funding will consist of:

1. \$85.00 Tax Service Fee
2. \$10.00 Flood Certification Transfer Fee
3. \$40.00 Electronic Upload Fee
4. \$40.00 Program Application Fee for second mortgage (as applicable)
5. Extension fees assessed (as applicable).

LOAN SUSPENSIONS (CURATIVES)

After a closed file review is done, suspense conditions are posted via Lender Connection. The suspense conditions will list any documents needed to complete the file or any corrections that need to be made to documents before the loan may be purchased.

Conditions required prior to loan purchase or separate follow up documentation must be uploaded in Lender Connection,

The most common curatives occur for: a missing note; incorrect endorsement to the note; incomplete copy of the Mortgage/Deed of Trust; missing Riders to the Mortgage/Deed of Trust; missing final Closing Disclosures; missing or incomplete hazard policy/declaration page, tax, mortgage insurance, or flood information.

FIRST PAYMENT/NOTICE OF ASSIGNMENT

Lenders are responsible for servicing the loan until purchased by the loan servicer to include the payment of all required escrow disbursements for each loan during the period from closing to purchase.

The originating lender retains the loan servicing rights and benefits until the loan servicer purchases the loan. The originating lender will perform all servicing duties until that time.

Servicing and benefits rights transfers to the loan servicer at the time of loan purchase. IHFA will send the borrowers a welcome letter with payment instructions at the time of loan purchase.

IHFA assumes Seller will collect scheduled payments that have already become due. For Loans purchased fewer than 15 days prior to the next payment due, IHFA will amortize down one more payment so the scheduled purchase balance is lower than the current unpaid principal balance. A pay history is required after two payments.

For scheduled balance Loans funded between the 1st and 15th day of the month, the Effective Date of Transfer is the 1st day of the following month. For Loans funded after the 15th day of the month, the Effective Date of Transfer is the 1st day of the second month following the Sale Date. It is Seller's responsibility to continue servicing the loan and collecting payments up to the Effective Date of Transfer and to forward all curtailments received during this time.

HAZARD INSURANCE PREMIUM

A copy of the Declaration Page showing the first annual premium is paid in full should be included with the Loan Closing Package. IHFA will also accept a copy of the binder with the policy number and paid receipt.

FLOOD INSURANCE

Please see Section 2 for additional information.

FHA MONTHLY INSURANCE PREMIUM

IHFA requires the lender to be responsible for all monthly MIP payments for the months the lender is collecting the payment. IHFA will be responsible for making the monthly insurance payment for loans purchased when the first payment due date on the Note is also the first payment due to IHFA.

CONVENTIONAL MORTGAGE INSURANCE PREMIUMS

The first monthly mortgage insurance premium on a conventional loan is due at the time the loan closes. Mortgage Lenders are responsible for the initial monthly premium.

POST CLOSING DETAILS OF ORIGINATION CHARGES – ITEMS PAYABLE IN CONNECTION WITH LOAN

The Mortgage Lender must provide a breakout of all items payable by the buyer and seller as shown on the Post Closing Review Checklist (15.20.1-2).

FINAL DOCUMENTS

The lender is to submit the final mortgage loan documentation consisting of the original recorded mortgage, title policy, MIC, etc., to IHFA within 90 days of loan purchase. The recorded Deed of Trust for the Down Payment Assistance Program is to be delivered to IHFA also within 90 days of loan purchase of the second mortgage loan.

IHFA:

Send the Final Documents To:

Idaho Housing and Finance Association
Attn: Document Center
565 W. Myrtle Street
Boise ID 83702

COMMON EXCEPTIONS THAT DELAY PURCHASE

1. The Borrower's name must be typed under their signatures on the Note and Deed of Trust. This includes 2nd mortgages.
2. Incomplete packages are not acceptable. IHFA cannot purchase Mortgage Loans that are incomplete. Please review the applicable checklist and upload a complete file. Incomplete files slow up the purchase process.
3. When recorded documents require a correction, fax a letter of intent to re-record to IHFA that includes the correction being made and to which documents. Do not wait for the original document to be returned.
4. 1st Mortgage liens must be endorsed and assigned to IHFA.
5. 2nd Mortgages must be closed in the name of the Washington State Housing Finance Commission. Do not endorse the 2nd lien Notes to IHFA.
6. Marital status needs to be indicated on the Deed of Trust for both the 1st and 2nd mortgages.
7. Separate Closing Disclosures are required for the 1st and 2nd mortgages.