

AFFILIATED:

Prior to HUD Approval

- LTV cannot exceed 80% LTV when waiving escrows even in California
- New Construction – taxes at closing can be collected based on unimproved; however, the first payment letter needs to show the estimated improved amount. (A LOE on the different tax amounts will need to be included in the file)
- Borrowers names must appear in same order as signed closing documents(all loans)
- If there is an extension to the lock, we need a final rate lock disclosure with the final expiration date at funding signed by borrowers
- Short pay acceptable thru 14th calendar day for conventional loans and 7th calendar day for government loans, interest credit not allowed on USDA loans
- Trust closings must be approved by Affiliated Mortgage
- Condo HO-6 Policy: required if master policy does not required interior unit coverage on all attached projects. Between projects Master/Blanket policy and HO-6 policy the total coverage must be 100% of the insurable replacement cost of the unit
- HO-6 Insurance Policy must be escrowed
- Homeowner's Insurance
 - Purchase/Refi-The deductible for hazard (including hurricane & windstorm) is up to 5% of the face amount of the policy. This includes condominium, PUD projects and H0-6 policies as well.
 - If loan program allows waiver of escrows for hazard insurance and borrower paying monthly or quarterly, must have proof policy paid for next 60 days at time Affiliated funds the loan.
 - On refinance loans either secure a new hazard policy with a receipt for the first years premium, or require copy of the existing insurance policy, certified by insurance agent. Existing policy must have minimum of 45 days remaining on term at the time the closed loan is received and purchased by Affiliated. If less than 45 days remaining, renewal premium must be paid and receipt must be furnished before purchased by Affiliated Mortgage Company
- Flood Insurance (See more details in Notes):
 - Purchase Loans – A new flood policy is required. A paid receipt for the first year's premium must be obtained and furnished with the closed package. Transfer of existing insurance from seller is not acceptable.
 - Refinance Loans – Either secure a new flood policy/application with a paid receipt for the first years premium or require a copy of the existing insurance policy certified by insurance agent.
 - USDA Rural Housing – Affiliated will not purchase loans located in special flood hazard area (zone "A" or "V"). For additional information on USDA Rural Housing Loans refer to [Section 703.01](#)

HUD/Funding Approval

- Principal Reductions are not allowed
- Purchase, Realtor fees over 8% of the sales price is not eligible(all loan types)
- Affiliated will accept a Power of Attorney (POA) that authorizes the attorney-in-fact to act on behalf of the borrower. At least one borrower must be present at closing, unless face-to-face interview has been conducted with all applicants. (See notes for more details) Must not vary from written and typed information on docs: Example: signature & typed as Jane Doe by John Doe, Attorney-in-Fact
- Verbal VOE requirements for self-employed income: The lender must verify the existence of the borrower's business within 30 days prior to the Note date
 - from a third party, such as a CPA, regulatory agency, or the applicable licensing bureau, if possible; and
 - by verifying a phone listing and address for the borrower's business using a telephone book, the internet, or directory assistance

BB&T:

Prior to HUD Approval

- TIL cannot increase or decrease by more than .125% from final disclosed TIL vs. Closing TIL
- Short pay acceptable thru 5th business day
- Will not allow unimproved taxes to be collected at closing
- If borrower is waiving escrows, Provide proof policy is paid current, no additional needs to be paid, however if policy is renewing within 60 days, full premium will need to be collected.
- Hazard Insurance
 - Conventional- max deductible 5%
- Ag Exemption is acceptable on a Rate and Term and a Purchase as long as we receive clear title at closing
- HO6 Insurance on Condos not allowed to be included in the escrow account
- PUD Attached need HO6 insurance and cannot be escrowed
- POWER OF ATTORNEY
 - *BB&T will accept either a General or a Specific (limited) Power of Attorney. The following must be met:
 - If using a General Power of Attorney, it must grant permission to conduct in real estate transactions.
 - If a Power of Attorney is used to execute the closing documents relating to the mortgage of real property, the instrument must be recorded in the jurisdiction in which the Mortgage/Deed of Trust is recorded.
 - The name(s) on the Power of Attorney must match the name(s) on the note.
 - The date on the Power of Attorney must remain in effect at the time the note was executed.
 - The Power of Attorney must be notarized.
 - There can be no exceptions on the Final Title Policy.
 - Must meet applicable state requirements.
 - The utilization of a Power of Attorney is unacceptable on Texas Equity section 50(a)(6) transactions.
 - Will allow non-purchasing borrower's to be on title as long as they do NOT sign Note.
 - Flood Insurance- 1. Max Deductible is \$5000, 2. max coverage up to \$250K, 3. Only can escrow if property is actually in a flood zone 4. Flood Insurance must be greater or equal coverage of Hazard Insurance coverage
 - Conventional loan- On a Purchase, the seller tax proration may be included in the 5% required contribution
 - Delinquent real estate taxes included in loan amount:
 - Conv-has to be done as a cash out refinance OR the taxes have to be paid at closing by borrower and not rolled into loan amount

HUD/Funding Approval

- Max Cash Back at Closing is the lesser of \$2000.00 or 2% and must reflect in 100s section(can get cash back and do a principal reduction on USDA Purchase loans) (Conv Refinances)
- DU Refi Plus:
 - Max cash back at closing \$250
 - Principal Reduction-max curtailment cannot exceed the lesser of \$2500 or 2% of the original loan amount of subject
- Conventional/FHA loans – principal reductions allowed as long as done at time of closing and shown on first page of HUD. No limit to the principal curtailment.
- Docs/Warranty Deed- Seller can sign docs prior to or on date of Deed, but Borrower must sign docs date of Deed or after
- Texas Cash Out Loans-Discount is included in the 3% cap on fees and lender credits cannot offset the 3% limitation
- Over-sign/Under-sign documents- borrower's signature should not contradict name typed below signature line on note. Slight variation are ok(see notes for more explanation)

EVERBANK:

Prior to HUD Approval

- Short pay acceptable thru 5th business day (Saturday is not considered a business day)
- File can close in a trust and our attorney will have to prepare attorney opinion which states FNMA eligible and recite borrower signature line requirement. (see notes for more on signature requirements)
- POA must be approved by Everbank prior to uploading to doc order queue(see other requirements in notes)
- HO-6 Policy: the borrower must obtain an individual HO-6 policy that provides coverage, sufficient to repair the condo unit to its condition prior to a loss claim event, as determined by the insurer.
- Collect Unimproved taxes: If the subject property is new construction and there has been no valuation set on the building for tax purposes, please escrow the anticipated full monthly taxes based on tax rates for similar existing properties in the subject area.
- Flood Insurance: 100% of insurable improvements and max insurance available max is \$250K(see notes for more requirements)
- Refinance without escrows- paid receipt needed to confirm policy is paid out at least 60 days from funding
- Hazard Insurance: The borrower's hazard and wind loss deductibles can be up to 5% of the face amount of the insurance policy.
- Purchase/Refi- can delinquent taxes be rolled into loan: All delinquent taxes must be paid on or before the loan closing. Either a title binder showing these taxes as paid, or a paid receipt, must be included with the Closing Package. Any tax bill due before the first payment date must be paid at closing.
- Ag Exemption-ok as long as we have comps, Underwriter needs to make a comment as a funding condition

HUD/Funding Approval

- Principal Reductions are not allowed

First Federal Bank of Florida

Prior to HUD Approval

- FACT Disclosure to be signed at closing by borrowers
- Principle reduction allowed 2% or \$2000 max. on a conventional rate and term
- Title Endorsements to be listed on the title work
- May close in a trust and signature line must read Trustee name, AS full name of trust; example: John Doe, Individually and as Trustee. We must have trust document reviewed by attorney of our choice, for review and certification that trust is legal and enforceable. We must include in the file the attorney opinion letter which indicates the Trust is FNMA eligible.
- Short Pay acceptable thru the 5th day of the month.
- A survey will be required on all loans, EXCEPT for condos, covered by a short form B in title policy or a survey endorsement is provided AND the title insurer will issue title with no survey exceptions, MUST HAVE CLEAR TITLE.
- Survey may not be older than 90 days prior to date of closing. (there are exceptions)
- SPECIFIC SURVEY INFO FOR NEW MEXICO:

In order to remove certain exceptions from Schedule B of the Title policy on properties in NM, a "satisfactory survey" is required. A "satisfactory survey" in New Mexico is defined as follows:

If the existing property owner has a survey that was completed within 6 months of the time the owner took title to the property and no improvements have been added, it can be used but must be supplemented with an affidavit confirming that no improvements have been made since the original survey. This applies to both purchase and refinances. The closing agent will provide the affidavit.

If the existing property owner is unable to supply an existing "satisfactory survey", a new one is required.

No survey required for Condominiums.

- TAXES- New construction, may not collect unimproved for escrows. Any tax bill due in the same month as first payment or before must be paid at closing.
- Hazard insurance:
 - Refi's with escrows- if next premium is due before or the same month as first payment, the premium must be collected on the HUD.
 - Refi's W/O escrows- must evidence coverage for a minimum of 60 days from the date of funding for hazard and for flood insurance
 - AMOUNT OF COVERAGE: Replacement cost by insurer prevails over all, but without it the following applies (must state 100% replacement cost coverage):
 If the combined loan amounts are higher than the insurable value, the minimum coverage amount is the insurable value.
 If the combined loan amounts are between 80% and 100% of the insurable value, the minimum coverage amount is the total loan amount.
 If the combined loan amounts are less than 80% of the insurable value, the minimum coverage amount is 80% of insurable value (this will be greater than the total loan amount.)
- Max Deductible is 5% for hazard, for Flood max is 5% not to exceed \$2500
- Must contain windstorm/hurricane coverage or have separate policy for this coverage.
- Condo Master Policy must have at least, \$1,000,000 in liability coverage, must have an HO6 policy for the unit with at least 20% of appraised value, NOT personal property but for the dwelling. Contents only policies cannot be paid through escrow.
- If flood insurance is required, and file has escrows, flood must be escrowed.
- Flood insurance: a copy of application PLUS paid receipt for first year of premium OR dec page. Cannot be paid at closing.
- POA Requirements:

No loan should close through Power of Attorney unless prior written approval has been granted.

1. The borrower must execute the initial 1003 to be eligible to close using a POA.
2. POA must be signed and notarized prior to the date of closing. Must be recorded prior to closing.
3. The title company cannot take exception to the enforceability of the security instrument if it is signed by an attorney in fact.
4. The Power of Attorney must be recorded prior to the recording of the security instrument and a copy returned with the closing documents. A recorded copy must be provided as a final document.
5. A Power of Attorney, according to state guidelines, should specifically grant the authority to purchase or refinance the property, execute a note, and encumber real estate. The Power of Attorney must name the specific subject property.
6. This form may be called a specific or durable power of attorney. In all instances, the Power of Attorney must specifically reference our subject property.
7. All Closing documents must be signed by attorney-in-fact.
8. All requirements of state law must be complied with, including the form, execution, and acknowledgement of power of attorney.
9. POA for a VA loan with an active military borrower, an Alive and Well statement must have been provided at closing and comply with VA requirements.
10. POA may not be used when title is taken in a trust.
11. POA signatures on closing docs MUST be in their own handwriting and be the exact wording as printed below
signature lines

FIRST GUARANTY

Prior to HUD Approval

- Short Pay allowed thru 5th of the moth
- On New Construction, need to collect Improved Taxes at Closing
- Purchase - Complete the Seller Paid Fees Disclosure and upload the condition to the funding category and move the condition to the Prior to Funding Section on the Underwriting Page
- Complete the Loan Submission Form and upload to Cabo Under Original Closing Package (Closer will complete until Funder is determined in the future)
- HOI Deductible - \$1500 or 1% of coverage amount, whichever is greater
- Flood deductible max = 2%
- HOI - Dwelling coverage must cover loan amount or have guaranteed replacement cost coverage or replacement cost new per appraisal. **FGMC will accept the replacement cost estimator on Manufactured Homes only.**
- Principal reduction up to \$1500 allowed
- Notice Concerning Furnishing of Negative Information to be signed by borrower at closing on ALL files
- ICPL must be dated within 30 days of closing**

PLAZA

- Power of Attorney on Behalf of the Borrower

Plaza will permit the use of a Power of Attorney (POA) to designate an attorney-in-fact/ agent to execute closing documents for individual borrowers in certain instances when a borrower is unable to execute closing documents.

The Power of Attorney must:

Language must be specific to the transaction, meaning the POA document must identify the transaction and property (however, for soldiers on active duty, a standard military POA may be used instead of a POA that is specific to the transaction).

Borrower(s) names must match exactly the title commitment vesting section.

- The POA must be signed and dated prior to the Date of the Note.
 - Be signed and dated by the party granting the power of attorney.
 - Be signed by an appropriate "witness" (if required by state law).
 - Be in effect on the date of the closing transaction.
 - Be notarized.
 - Recorded prior to closing or in correct sequence at time of recordation of all closing documents.
 - No older than 6 months from the date of closing.
 - Signed, dated and notarized on or prior to closing.
 - Insured by the title company without exception to the POA.
 - The attorney-in-fact must be a co-borrower on the loan or a disinterested third party. For example, the
 - attorney-in-fact cannot be a realtor, loan officer, employee of the company, a party to the transaction, or a title company employee.
 - POA may not be used when title is taken in the name of a trust.
- The initial 1003 must be signed by the borrower(s) or for active military borrower only, follow VA guidelines.
- If multiple borrowers exist on the loan, at least one borrower must sign the closing documents. All borrowers cannot be represented by an attorney-in-fact on the same loan.
- Meet all state specific requirements

STONEGATE MORTGAGE:

Before HUD Approval

- FHA- Add the Affidavit of Occupancy and Financial Statement to the Funding Conditions to be sent and signed at closing
- Short pay acceptable thru 5th calendar day
- If survey required in a survey state, but title does not require and will issue a T-19 with no exemption, survey is not required
- Trust (need to review new guidelines)
- POA's for single borrower loans=NO, unless deployed military. If POA being used for 2(or more) borrower loans, ok if 1 borrower is present. ALL POA loans must adhere to Patriot Act requirements.(If we only have one borrower on the loan, send the POA to Tom Dawson, after it has been approved by our Attorney, for prior approval by their closing department; Also, a representative from Open will need to meet the borrower face to face at some point in the process and do a certification documenting they met the borrower. Title company can also do an affidavit stating they met the borrower face to face.)
- POA must have subject address and legal description and LOE from Borrower why we are using a POA on the transaction
- HOI waiving escrows – if borrower is paying month to month, obtain the renewal and documentation for that month and proof it is paid current for that month. Stonegate requires borrower to have insurance with a current and up to date policy. If policy is expiring at the time of closing, obtain the renewal policy along with a payment receipt and confirmation he pays month to month.
- HOI/Flood with escrows – if due within 60 days of funding, MUST be paid at closing.
- HO-6 must be escrowed if loan has escrow account.
- HOI CONDO MASTER POLICY must list number of units covered.
- HOI deductible for conventional loans 5%, FHA and VA- whatever is reasonable and customary in the area, USDA does not have a limit on deductible
- HOI dwelling coverage:– Use the following to establish if we have enough coverage: 1. 100% of the insurable value of the improvements, as established by the property insurer OR unpaid principal balance of mtg, as long as it equals min amount of 80% of the insurable value of improvements per FNMA
- Flood insurance deductible max \$5000
- Subordinate liens not used for property purchase cannot be paid at closing in a no-cash out transaction (unless state permits)
- Address should match GEOCode or an address Affidavit would need to be signed at closing
- Unimproved taxes can be collected at closing on a new construction property, need disclosure signed at closing(included in closing package) and borrower must have qualified on improved taxes

HUD/Funding Approval

- Notary can select the she/he personally knows the borrower, but we must have a Patriot Act form with proof of ID for all borrowers and/or NPS
- If borrower over-signs the documents, it is ok as long as we have a A.K.A for the borrower matching the name matching the signature
- Principal Reduction on USDA Loans(See letters to include in file per Judy at USDA)
- Max cash out is \$500, (All FHA Refinances except Texas)
- Max principal reduction on FHA loans is \$500(including Texas)
- Conventional loans-Max cash back to borrower \$2000 or 2% of the principal of the new loan amount(does not apply to Texas)

SUNWEST:

- If it is “hard locked” (has a sunwest loan number) then the file must be a full-fund.
- Add a condition that states “warranty deed vesting to match the DOT/Mortgage vesting exactly”

Before HUD Approval

- Short pay allowed on FHA Purchase until the 7th of the month
- Short pay allowed on FHA Refinance until the 10th of the month
- New Construction Loans – unimproved taxes can be collected at closing
- Conventional- Sunwest will not allow any amount of borrower-paid conventional MI premiums to be excluded from the points and fees calculation
- Fannie Mae Does not apply to FHA, VA, AND USDA; only to Conventional
- HOI- dwelling coverage must be the lesser of cost new or loan amount, if coverage is lesser an insurer estimate of replacement cost must be included and coverage must match the max replacement cost; Deductible allowed up to 5% for all loan types
- HOI and HO-6- refi, policy must be good for 90 days from closing date, or require evidence of renewal for one year and paid in full on hud.
- HO-6 coverage must be no less than 20% of appraised value; Must be escrowed if loan has escrows.
- Flood insurance deductible is greater of 1% or \$1,000; If flood policy is in renewal period (NFIP authorization renewal period aka. Hiatus) and a binder cannot be obtained a paid receipt for the renewal premium must be included; PMI acceptable ONLY from: Radian, United Guaranty (UGIC), MGIC, and its affiliate MIC, Genworth.
- NPS to sign DOT/TIL in Missouri

HUD/Funding Approval

- VOE must be done at time of funding AND be within 3 days of closing.
- Over-signing (e.g. signing with a middle initial when none is typed under the signature line) /undersigning(omitting an initial) not acceptable. Signatures must match the name typed below it.
- Principal reductions are allowed on FHA refinances (2% or \$2000, whichever is less)

WELLS FARGO:

Before HUD Approval

- Will Allow escrows to be waived up to 90%LTV in California only
- Can use unimproved taxes on a new construction loan, but need to have Form 15 signed and dated by borrower at closing
- Short pay acceptable thru 7th business day up to the 7th calendar day for purchases, no restriction on refi as long as it does not result in cash back to the borrower. For all loan types.
- HOI-up to 5% deductible allowed
- HOI- Refinance without Escrows-confirm paid current and must be paid out at least 60 days
- Flood Insurance Assumed from Seller, Is Acceptable provided the following:
 - Min 60 days remaining on its term after the loan closing date
 - Flood Insurance coverage to be at the full replacement cost value or maximum available.
- Flood Insurance and Hazard Insurance must be the exact coverage amount
- Flood Insurance Condo- must be \$250K multiplied by the number of units to equal flood insurance coverage required
- Agent to document assignment by: 1. Copy of updated policy showing borrower as insured as of date of closing 2. Copy of seller's existing policy page AND a general change request form that has been signed by the insurance agent showing the policy has transferred from seller to buyer dated on or before closing
- POA- Purchase or Refinance must be specific to Transaction
- Trust closings: ok only for revocable trusts and must have title coverage without exceptions for the trust or trustees. Must confirm FNMA trust eligibility and that ok in state to originate to a trust.
- Electronic Signatures- have all documents been sent to closing to be resigned per funding condition
- Fannie Mae allows up to \$2500 principal reduction (Allowed on Conv Fannie files)
- RVOE on a self employed borrower including 1099 must be documented as follows:(Conventional)
 - A letter from the borrower's accountant.
 - A letter from the borrower's attorney.
 - A print off from the borrower's company website.
 - A print off of the borrower's company name in the phonebook.
 - A copy of the borrower's business license.
 - Internet websites: business, government, union, or professional association website

HUD/Funding Approval

- Principal Reduction is the lesser of \$2000.00 or 2% and must reflect in 100s section payable to the lender, (On All Conventional Refinances)
- USDA- principal reduction acceptable and there is no limit as long a reasonable. If not sure if reasonable, please ask management for approval.
- Over signing= ok.(adding an initial) Undersigning=must have and affidavit of Indentity, AKA's must include the variations between the typed name and the undersigned signature or typed name as they differ on docs. NOT for errors in names, if errors occur, they must be corrected.
- Cash back to the borrower 2% or 2,000 for refi's, ; Puurchases limited to POC items.
- Any amount over \$5000 paid out on the seller side of the HUD must be /Documented....obtain document from title
- Conventional Loans - Tax Pro-rations cannot be used towards borrowers minimum investment

US Bank Bond

Before HUD Approval

- Hazard Insurance – FHA/VA/USDA: Max Required by State Law OR \$2500 or 2.5% of the face amount of the policy; If Association Policy Condo or PUD Project deductible may not exceed \$2500 or 2.5% of the policy insurance limits for all covered losses
- Bond Documents added to Funding Category
 - Coversheet to Title to send the documents back to Open Mortgage(Coversheet in Google Drive)
 - Tax exempt Rider(Funding condition required)-Fill in The Date the Borrower is Signing the Documents (Note Date)**NOT REQUIRED ON FLORIDA HOUSING STATE CONVENTIONAL LOAN OR HILLSBOROUGH COUNTY
 - Down Payment Assistance Program Award Letter- Fill in the Date-Should be the Same as the Closing Date/Date Borrower is Signing
 - Subordinate Mortgage(Funding condition required)- Fill in the Date the Borrower is Signing the Documents(Note Date)
 - Fill in Vesting (EX: A Single Woman; Husband and Wife, ect....)
 - Promissory Note(Funding condition required)- Fill in the Maturity Date- This will be the Same as the Maturity Date on the 1st Mortgage
 - For Loans in Pinellas, FL – Marked “Deferred” or “Amortized” Box in Top Right Corner
 - No Blanks left on E-Housing Documents
- Final TIL required on Deferred and Amortized on Pinellas and Pasco County Bond programs(this is not required on Hillsborough)-make sure condition has been added
- MCC program will be on some of the Hillsborough County bond files only-make sure conditions are added
- HUD required on Pinellas and Pasco County Amortized and Deferred Bond Program- make sure this condition has been added
- Note verbiage funding condition should be on all bond files -- See FL State Overlays
- Compliance Checklist for bond and MCC (if applicable) should be in file and funding condition added
- Affidavits and Certification funding condition should be added
- Final Recapture funding condition should be added
- If Home Lift Funds are being used, need a copy of the Note and Mortgage to be signed at closing and make sure the funding condition has been added
- If there is a NPS on the first lien mortgage, the NPS must also be on the 2nd and 3rd mortgages (it must match)
- All 2nd Lien TILS, Mortgage Deeds, Notes and/or HUDs will need to be approved by Open Mortgage closer
- EHousing Funding Review Condition stating Corporate closers should review all second lien docs should be added as a funding condition
- Pinellas, Pasco, Hillsborough Counties- Bond Documents are good as long as the date matches the first lien documents. The loan does not have to close by the date the on the bond docs
- Indiana Bond Loan- the Note and Mortgage maturity Date is 2 years from the note date
 - Principal Reductions allowed - no limit
- Florida HFA Preferred Conventional Loan Program:
 - 1. We will request wire for 2nd liens from our warehouse bank, need a first and 2nd lien HUD and TIL, this is a 30 year deferred no interest rate non-amortized loan
 - 2. Must Have Mortgage Insurance of 18% coverage