

Arizona Department of Housing

(Acting with the Arizona Home Foreclosure Prevention Funding Corporation)



Program Guidelines:

“Pathway to Purchase” Down Payment Assistance Program

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TABLE OF CONTENTS

<u>TOPIC</u>	<u>See Page</u>
Revisions Table	3
Program Partners – Areas of Responsibility	4
First Mortgage – General Program Terms	5
Daily Interest Rate Lock Reservation	5
Down Payment Assistance Grant - Options, Usage, TRID	5-7
Program Eligibility – Underlying Mortgages	7
Borrower Eligibility	7-9
Income Limits	7-8
Purchase Price Limits	8
Minimum Credit Scores	8
Maximum Debt-to-Income Ratios	8
Qualified Residence Requirements – Property Type, Geographic Restrictions	9
Additional Program Requirements – Homebuyer Education, Home Inspection (not required)	9-10
Lender Training	10-11
Lender Compensation	11
Program Fees	12
Program Timetable	12-14
Loan Delivery & Purchase - Extension fees	13-14
Summary of Origination Process	
Declaration of Eligibility	14,15,17,19
Underwriter Certification	15
Down Payment Assistance Funds Request	15-16
Program Compliance Forms	17
P2P DPA Closing Package	16,17,18
Mortgage Closing / Settlement	18
Ship / Submit Credit & Compliance Files	19-20

UPDATES

DATE	TOPIC (effective immediately for new reservations unless otherwise noted)	PAGE(S)
3/25/2015	Corrections to improve clarity	7,9,13
4/06/2016	AHFPPC email changed for funding requests	15,16
6/1/2016	New Income Limits	7-8
	New Purchase Price Limits	8
	Clarification on non-occupant co-signor	9
	Clarification on new construction restrictions	9
	DPA Funding Rqst submitted by 4 PM (Mon through Fri) 48 hrs prior to scheduled signing	15
	Loss Payee Clause (AHFPPC)	17
	Credit Package Delivery to ADOH via P2P Document Portal	19
	Assistance for Tucson & South Tucson Delivered by Pima County / Tucson IDA	9
9/1/2016	Guideline Clarification	4
	Non-Occupant Co-Signors disallowed	9
	Power of Attorney (POA)	9
	Removed the ownership in other residential real estate restriction in accordance of Fannie Mae HFA Preferred	7,9
	DPA funds and funding authorization number	16
	"Table funded" was clarified to "funded"	throughout

THE ADOH PARTNERSHIP TEAM



Arizona Department of Housing: Acting with the Arizona Home Foreclosure Prevention Funding Corporation) – Program Administrator

Creates and directly implements the first mortgage and down payment assistance program, sets the interest rates, terms, points, authorizes disbursement of the down payment assistance funds, completes compliance review **and** markets the program through our participating lenders. Approves and monitors lender participation.

Participating Lenders

Take applications, reserve in eHousingPlus system, process, underwrite, approve, fund, close and sell qualified loans to the program’s Master Servicer. Lenders are responsible for servicing program loans in accordance with Agency requirements until they’re purchased by the Master Servicer.

U S Bank - Master Servicer

Provides information and training concerning the mortgage loan file including acceptable loan products and delivery and funding, receives all mortgage files, reviews mortgage files, notifies lenders of mortgage file exceptions, approves mortgage files, purchases first mortgage loans and delivers loans.

eHousingPlus - Reservation and Program Compliance

Maintains the program reservation system and related website, posts guidelines, provides auto-fill forms, provides training on compliance issues and system, makes corrections and updates in the reservation system at lender, Authority or master servicer requests, answers program and system questions, sends program notices regarding program timelines, receives compliance files, reviews, posts and notifies of exceptions and approves compliance file.

Use of Program Guidelines

These program guidelines are to be used in conjunction with the U S Bank and FNMA HFA preferred product (underlying first mortgage) guidelines. The primary purpose of these guidelines is to highlight program (DPA 2nd mortgage) restrictions (overlays) that supersede first mortgage guidelines. Any discrepancies or conflicts between the two guidelines should be questions with the DPA Program Administrator. Questions should be emailed to p2p@azhousing.gov with the subject line of “U S Bank, FNMA HFA, P2P Program Guideline Conflict”.

“Pathway to Purchase” Down Payment Assistance Program

GENERAL

The **Pathway to Purchase** Down Payment Assistance Program (the “**P2P**”) is being implemented by the Arizona Department of Housing, with the Arizona Home Foreclosure Prevention Funding Corporation (the “AHFPFC”). In addition to the provisions set forth in these Program Guidelines, the provisions set forth in the Mortgage Origination Agreement shall also apply; in the event of a conflict, the provisions of the Mortgage Origination Agreement shall control.

PATHWAY to PURCHASE - FIRST MORTGAGE LOAN

All borrowers under the **P2P** Program will receive a 30-year, fixed rate, fully amortizing first-lien mortgage loan (a “**P2P** Loan”) and a Down Payment Assistance (DPA) second mortgage equal to 10% of the purchase price of the subject property, subject to a maximum of \$20,000. The funds from the **P2P** DPA second mortgage can be used for down payment, closing costs / prepaids and mortgage insurance premiums.

DAILY INTEREST RATE LOCK RESERVATION

Interest rates for the first mortgage component of the **P2P** Program are posted to the eHousingPlus.com web page under Available Programs, Arizona, Arizona Housing Finance Authority, RATES tab. Interest rates and reservations for this program are available Monday – Friday 7:00 A.M. – 5:00 P.M. Mountain Standard Time, excluding Holidays.

PLEASE NOTE that interest rates and the availability of the **P2P** DPA second mortgage are subject to change at any time. Once reserved, the interest rate and the amount of the **P2P** DPA second mortgage will not change as long as loan is delivered according to the timetable included in these guidelines.

- Interest rate buy-ups or buy-downs are not available on the **P2P** program.

PATHWAY to PURCHASE (P2P) DPA SECOND MORTGAGE

The funding for the **Pathway to Purchase** DPA Second Mortgage Program is provided by the U.S. Department of the Treasury through the Trouble Asset Relief Program; Hardest-Hit Fund. The P2P Program has \$48,000,000 commitment from the Arizona Home Foreclosure Prevention Funding Corporation Hardest-Hit fund allocation. These funds are available on a

first come first serve basis. The **P2P** Program **cannot** be combined or layered with the ADOH **HOME Plus** program.

A Lender will make the determination that a borrower meets the requirements of the **P2P** Loan and the requirements for receiving a DPA Second Mortgage. When the lender reserves the first mortgage in the eHousingPlus system, the DPA Second Mortgage is automatically reserved. There is no additional reservation necessary. The (AHFPFC / ADOH) will fund the DPA Second Mortgage assistance amount to the Title Company on the related **P2P** Loan closing. The DPA Second Mortgage assistance is only available in conjunction with a **P2P** Loan.

AMOUNT OF ASSISTANCE

- DPA Second Mortgage is equal to 10% of the subject property purchase price up to a maximum of \$20,000.
- DPA Second Mortgage is a lien against the subject property with the following components,
 - Five-year, deferred loan 100% forgiven after five years
 - 0% interest rate
 - No monthly Payment

The **P2P** DPA Second Mortgage can be applied only for the following purposes (i) to pay for any portion of the Purchase Price of the Residence due and payable at Closing which is not funded by the Mortgage Loan (i.e., any portion of the “down payment” for the Residence) and (ii) to pay for any closing costs (see next paragraph) collected by the Lender. Because the DPA Second Mortgage is a fixed percentage, any remaining / unused DPA Grant Assistance must be applied as a principal reduction. The **P2P** DPA Second Mortgage will not be applied by the Mortgagor for any other purpose without the consent of AHFPFC / ADOH or the Servicer.

Closing costs mean prepaid taxes, hazard and mortgage insurance premiums (including single premium borrower paid), origination and discount points, guaranty fees, credit report fees, survey fees, appraisal fees, inspection fees, title insurance premium, abstract and attorney’s fees, escrow and courier fees, recording fees, and similar fees.

PROGRAM ELIGIBILITY – Underlying Mortgages

The **P2P** Program permits only the Fannie Mae HFA Preferred Loans (HFA Preferred is a variance of the FNMA Home Ready formerly, MyCommunityMortgage product), at a maximum LTV of 95.0%. The maximum LTV limit includes any borrower financed MI.

Within the Program Guidelines are the overarching requirements related to the **P2P** DPA Second Mortgage. The Program Guidelines do not include ALL specific Fannie Mae HFA Preferred agency relating program guidelines within this single document. The respective agency guidelines for the underlying mortgage Fannie Mae HFA Preferred must be met and requirements adhered to. Furthermore, the master servicer, US Bank could have additional underwriting overlays.

Our Master Servicer U.S. Bank's provides lender support at the following links:

MRBP Home Mortgage Lender manual can be found at <http://www.mrbp.usbank.com>

General questions on the underlying mortgage can be made at hfa.programs@usbank.com

Exception inquires on a specific loan can be made to mrbpcommunications@usbank.com

Inquiries on post purchased loans can be made to mrbp.postfunding@usbank.com

ELIGIBLE BORROWERS:

- Regarding non-permanent residents, the respective agency guidelines for the underlying mortgage (Fannie Mae HFA Preferred) must be met and requirements adhered to. ADOH will add no additional overrides for the **P2P** Program.
- All borrowers must be considered irrespective of age, race, color, religion, national origin, sex, marital status, military status or physical handicap.
- Borrowers must occupy the property as their primary residence and reside in the subject property within 60 days of closing.

INCOME LIMITS:

In determining gross monthly income, the income of all borrowers expected to **both** live in the residence and who are credit qualifying /on the Note must be taken into account. For compliance purposes, the borrower(s) income calculation is based on the respective agency income guidelines for the underlying mortgage (Fannie Mae HFA Preferred) and as disclosed on the final, signed and dated Fannie Mae Universal Residential Application Form 1003.

- **The borrower(s) income cannot exceed \$92,984.00.**

PURCHASE PRICE LIMITS:

Acquisition Limits (Purchase Price Limits)

Acquisition cost means the cost to a Mortgagor of acquiring a Residence from the Seller as a completed residential unit - in most cases this is the Sales Price. This must include everything paid by the buyer or on the buyer's behalf with the exception of Agency-permitted financing costs. If the respective agency guidelines for the underlying mortgage (Fannie Mae HFA Preferred) have a lower purchase price limit then it must be met and requirements adhered to.

- **The acquisition cost of the property cannot exceed \$371,936.00.**

If the subject property purchase price is less than \$75,000 additional disclosures may apply.

MINIMUM CREDIT SCORE / MAXIMUM DEBT-TO-INCOME RATIO

Fannie Mae HFA Preferred Mortgage:

LTV's 95.0% or less

- Minimum 640 FICO
- Maximum LTV / CLTV - 95.0% / 105%
- Max DTI – 45%
- Manual underwrite allowed – see agency restrictions
- 16% Charter Minimum MI – LTV's 90.01% - 95.0%
- 12% Charter Minimum MI – LTV's 90.0% - 85.01%
- 6% Charter Minimum MI – LTV's 85.0% - 80.01%

The minimum credit score requirements apply to ALL borrowers on the transaction.

- If minimum credit score required by an Agency (Fannie Mae HFA Preferred) is higher than the program minimum, then you must follow Agency guidelines.
- If as a Participating Lender your internal requirements dictate a higher minimum credit score, you must adhere to your lending guidelines.
- If a tri-merged credit report is used, the middle score must be the program minimum or higher.
- If a merged credit report only returns two scores, the lower of the two scores must be the program minimum or higher.
- Please see the U. S. Bank website "Bulletins" regarding manual underwriting.

QUALIFIED RESIDENCE REQUIREMENTS

- **P2P** DPA Second Mortgage assistance program is ONLY available in the following 17 Arizona Cities:
 - Arizona City, Avondale, Buckeye, Casa Grande, Coolidge, Douglas, El Mirage, Fort Mohave, Goodyear, Huachua City, Laveen, Maricopa, Red Rock, Sierra Vista, Snowflake, Yuma.
 - Tucson & South Tucson – Contact Pima County/Tucson IDA for first mortgage and/or eHousing system questions.
- For Fannie Mae HFA Preferred, only existing Single Family properties, including attached PUD's / Townhouses and Condos are allowed. See US Bank website for Bulletins and Guidelines on credit overlays.
- Existing, previously occupied properties only, new construction, including spec homes are not allowed.
- Manufactured Homes are not permitted.

ADDITIONAL PROGRAM REQUIREMENTS

- **Seller cannot advance funds**, solicit or induce funds to be advanced by another, directly or indirectly, for the payment of any amount required by the Loan;
- **Non-Occupant Co-Signors:** While the underlying first mortgage, Fannie Mae HFA Preferred allows for non-occupant co-borrowers (co-signors), a non-occupant co-borrower or a non-occupant co-signor conflicts with the strict occupancy requirements of the soft second lien on the P2P Program. As such non-occupant co-borrowers (or non-occupant co-signors) are not allowed.
- **Power of Attorney (POA):** The use of a POA must be reviewed and approved by Program Administration prior to the funds request being processed and the DPA closing package being signed. The DPA Funds Request and POA should be uploaded to the program portal at <https://housing.az.gov/portals/document-upload-portals/p2p-portal> and labeled POA Request.
- **Homebuyer Education Course Required:** Each borrower must complete a homebuyer education course before closing. The homebuyer education requirement may be met by taking a pre purchase course through an internet-based program developed by mortgage insurance companies, such MGIC or Genworth Financial or through another HUD-approved homebuyer education provider. These outlets meet the standards prescribed by the National Industry for Homeownership Education and Counseling (NIHEC). <http://www.homeownershipstandards.com>. These standards were developed by HUD, Freddie Mac, Fannie Mae, and various lenders and interest groups.
- **Cash back** to the borrower is not permitted. However, borrowers are permitted a reimbursement of overage of earnest money deposit to the extent any minimum

contribution has been satisfied and permitted by Agency guidelines.

- **No Minimum Loan Amount:** there is no minimum loan amount required under the **P2P** Program. If a minimum loan size applies, it is determined by the type of financing used (i.e. Fannie Mae HFA Preferred).
- **Prepayments:** **P2P** First Mortgages may be prepaid at any time without penalty.
- **No “Mortgage Subsidy” Recapture Tax:** There is no Mortgage Subsidy Recapture Tax under the **P2P** Program.
- **No Refinancing:** The **P2P** program is available for purchase money transactions only.
- **Escrow / Impound Account Requirements:** The borrowers must establish an impound/escrow account for monthly collection (1/12) and annual /semi-annual disbursement of the property taxes, homeowner’s insurance premiums and private mortgage insurance (if applicable) and flood insurance (if applicable).
- **Reserve Requirements:** There are no minimum / maximum reserve requirements under the **P2P** Program. The **P2P** Program does not have liquid asset overlays, restrictions or requirements, furthermore program does not impose restrictions on a homebuyer putting/ providing additional funds for the down payment / closing costs OR retaining his/her liquid assets in reserves and using just program funds for down payment / closing costs. If any reserves are required, these are determined by the DU Finding or any agency related guidelines. (i.e. Fannie Mae HFA Preferred).
- **Home Inspection:** It is the homebuyer’s option to obtain a home inspection. This is for their benefit and does not need to be provided to the lender, master servicer or program administrator. The fee for this inspection can be covered by the DPA assistance funds.

LENDER TRAINING

If you are an existing ADOH **HOME Plus** lender, with user credentials for the **HOME Plus** program, you do NOT need to take additional on-line training. Your current ADOH **HOME Plus** program credentials will allow you access to the **P2P** DPA Second Mortgage Program.

For new users, the Lender training is a three step process that involves ADOH **HOME Plus** Program training via eHP University, US Bank (Servicer) Training and System Training via eHP University.

1. Mandatory ADOH **HOME Plus** Program Training.

- a. Program training is offered via eHP University and is an online, non-instructor led course. Training is available 24 hours a day, 7 days a week, is self-paced and can be completed in 30-45 minutes. You attend when it is convenient for you.

- b. To attend, click the following link, create a user account and attend training. <http://www.ehpuniversity.com/arizona-hfa.html>
- c. Immediately upon course completion, the attendee will receive an email with a finisher’s certificate, how to apply for user credentials and information on how to attend US Bank training.

2. US Bank (servicer) Training

- a. Just like the ADOH **HOME Plus** Program training, the US Bank servicer training is available 24 hours a day, 7 days a week, is self-paced and can be completed in 30-45 minutes. You attend when it is convenient for you.

3. eHousingPlus System Training

- a. Every Wednesday at Noon Eastern Time, eHousingPlus conducts a Live Webinar system software training. During this training lenders learn how to use the eHousingPlus system software to reserve funds, print forms, etc. System training is completed in one hour.
- b. It is highly encouraged that anyone who will reserve funds, complete an underwriter certification, print forms, order DPA funds or clear exceptions attend this training.
- c. To attend, click the following link: <http://www.ehousingplus.com/ehp-system-trainings/>

LENDER USER CREDENTIALS

Following the completion of the ADOH **HOME Plus** Program Training via eHP University, an email will be sent to the attendee (lender) providing directions on how to apply for User Credentials for the lender portal. User credentials are necessary to system access and **P2P** loan reservation.

LENDER COMPENSATION SUMMARY

- The lender compensation is 2.50% and is paid in Service Release Premium SRP.

Loan Type	Origination points	SRP paid at loan purchase	Total Lender Compensation
Fannie Mae HFA Preferred LTV <95%	-0-	2.50%	2.50%

- Normal lender administration, document preparation, processing and/or underwriting fees are not included in the lender compensation cap. Discount Points are not allowed.

PROGRAM FEES

ADMINISTRATOR FEE – eHousingPlus.

The Program includes a non-refundable **Compliance Review Fee of \$275**. The fee is payable at closing and must be disclosed on the Closing Disclosure and can be paid by the buyer or seller.

SERVICER FEES – U.S. Bank

A **\$85 Tax Service Fee and \$400 Funding Fee** are payable at closing. Both must be disclosed on the Closing Disclosure and can be paid by the buyer or seller.

DPA Second Mortgage Lien - Pathway to Purchase

The only allowable fee to be charged in association with the **Pathway to Purchase** DPA second mortgage lien is a recording fee.

US Bank provides lender support for TRID related issues at USBHMLenderSupport@usbank.com

OTHER LENDER FEES

Lender Fees are fees paid to the Lender for services rendered (i.e. Processing Fees, Underwriting Fees, Administrative or Administration Fees and Doc Prep Fees). Lender fees (regardless of what they are called) should not exceed what is charged to the Lender's other borrowers. **The purpose of down payment and closing cost assistance is not to provide a source to pay for such fees. This is a public purpose program for affordable housing and fees are closely monitored. Junk fees are not permitted and excessive fees will not be tolerated.** An Application Fee must include no more than the actual costs of allowable items such as appraisals.

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 pre-qualified. 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 10 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 30 days before closing to reserve funds on 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 to reserve funds.

NOTE: It is expected that Lenders will review preliminary documentation and believe in good faith that applicants will qualify for loan credit approval. Excessive cancellations of loan reservations with respect to a Lender will be reviewed to assure that the Home Plus Program is not being utilized inappropriately by a Lender.

MILESTONE DATES:

Once a loan is reserved in the eHousingPlus system and is provided the Servicer’s Loan number, the loan must be

1. underwriter certified within 10 days of loan reservation
2. closed and delivered to the Servicer within 35 days of loan reservation and
3. purchased within 60 days of loan reservation.

MORTGAGE LOAN DELIVERY and PURCHASE

Lenders must close, fund, deliver and clear conditions on the Mortgage Loans with the Master Servicer (U.S. Bank National Mortgage Association) within sixty (60) calendar days of the date the Mortgage Loan is reserved on the Lender Portal. Adequate time should be allowed for U.S. Bank to perform a compliance review of the credit loan package in order to cure any conditions prior to their approval to purchase the loan.

The Mortgage Loan must be purchased by the Servicer within sixty (60) calendar days of the date the Mortgage Loan is reserved on the Lender Portal. If a Mortgage Loan is not purchased within such sixty (60) day period, an extension is available for a fee that is applicable to the extension time necessary.

Rate Lock Extension	Extension Fees
7 days	0.09375 Points
15 days	0.18750 Points
22 days	0.28125 Points
30 days	0.37500 Points

These fees will be netted out of the lender service release premium (SRP) upon loan purchase by US Bank.

To the extent that Assistance is advanced on loans that do not close, are not purchased by the Servicer under the program or are to be repurchased by the lender prior to being pooled into a mortgage-backed security, the lender will be required to reimburse ADOH with respect to such Assistance so advanced.

CANCELLATION and COMMITMENT EXPIRATIONS

The Lender is responsible for cancelling all Mortgage Loans subject to a reservation if the Mortgage Loan will not be delivered under the applicable Program. Please note, should the Lender cancel a reservation, the Lender will be prohibited from making another reservation for that Borrower for a period of 60 days or unless otherwise authorized by the Program Administrator.

- a. In a case where the Borrower cancels or withdraws his or her application, the reservation of funds must be cancelled by contacting the Program Administrator.
- b. In a case where the Commitment expires, the Lender must request an extension using the Extension Request Form available through the Lender Portal, and provide the new estimated closing date.

In all cases, the expiration of the Commitment without the required action by the Lender may result in the Lender being placed on "Inactive Status," meaning the Lender may submit no new reservations until the problem is resolved. Failure to comply with this provision may result in the Lender's expulsion from the Program.

SUMMARY of the ORIGINATION PROCESS

LOAN RESERVATION

Once the lender determines the borrowers(s) is program eligible the transaction can be reserved in the eHousingPlus system. The interest rate on the first mortgage is locked and the down payment assistance is set at the time of reservation, the 60-day delivery timeline also begins. It is strongly recommended that lenders do not reserve too early as exceeding the 60-day delivery timeline will result in an extension fee and a reduction of the lender compensation. Reserving the first mortgage automatically reserves the down payment assistance. The lender will receive a loan number and message confirming the successful completion of the reservation.

Any time after loan reservation the lender can generate the **Declaration of Eligibility Package**. The documents in this package; Declaration of Eligibility, Dodd-Frank Certificate and Third Party Authorization will need to be signed by the borrower(s) and the originals included in the compliance package sent to eHousingPlus.

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 10 DAYS OF LOAN RESERVATION**, Underwriter completes the online underwriter certification form.

REQUEST **P2P** DOWN PAYMENT ASSISTANCE FUNDS

The Arizona Home Foreclosure Prevention Funding Corporation (AHFPFC) MUST provide DPA funds directly to the Title Company / Closing Agent. DPA funds are requested by the lender prior to closing and funded by AHFPFC, sending DPA funds directly to the lenders Title Company. **The Lender will not advance the DPA funds.** These requirements apply to all loan types.

In order to expedite the delivery of the **P2P** DPA funds:

1. After the underwriter certification of the loan has been completed, and with a scheduled closing date, the Lender's authorized representative must fill out and execute the DPA Funding Request Form available within the eHousingPlus Lender Portal
2. The DPA Funding Request Form must be printed, signed and scanned in pdf, jpg, and tiff or png format by 4:00 PM (Monday through Friday) 48 hours prior to the scheduled signing. The DPA Funding Request Form CANNOT be handwritten; it must be from the eHousingPlus Lender Portal after an Underwriter Certification has been submitted online. Should any of the reservation information on the transaction need to be corrected, contact the eHousingPlus compliance department at (888) 643-7974 or email eHousingPlus Services at services@ehousingplus.com and a compliance specialist will assist in updating the system.
3. Two business days prior to loan signing, the Lender must send a complete, executed scanned version of the DPA Funding Request Form to AHFPFC at: P2P@azhousing.gov
4. Request Form Review
 - a. Anything received by 4 p m Arizona Time will be verified that day and the requests forwarded to our Custodian Bank; Zion Bank.
 - b. Requests received after 4 pm Arizona Time will be processed the following business day.
 - c. Any DPA Funding Request Form received over the weekend or on a holiday will be processed on the next business day.
5. The DPA Funding Request Form will be reviewed by AHFPFC for accuracy.

Lenders will be contacted by AHFPFC if the Request Form cannot be verified. Verified Request Forms are sent by AHFPFC to the Zion Bank for authorization to disburse DPA funds. The Zion Bank will wire the **P2P** DPA funds directly to the Closing Agent/Title Company and NOT to the Lender or the Borrower.

6. It is the lenders responsibility to generate the **P2P DPA Closing Package** and forward to the Closing Agent / Title Company. These documents can be included with the lenders first mortgage documents. An Arizona Department of Housing / Save Our Home AZ (ADOH / SOHAZ) representative will send Escrow Instructions directly to the Title Company detailing information related to the return of the executed **DPA Closing Package** directly to ADOH / SOHAZ.
7. The title company is responsible for uploading the executed **DPA Closing Package** directly to ADOH / SOHAZ according to Escrow Instruction provided by ADOH by 4PM two days prior to the desired disbursement date of the transaction; in order to receive DPA funds and a Funding Authorization.

If the **P2P** transaction does not fund with three business days of the loan closing date indicated on the DPA Funding Request Form, the Lender will notify the Authority if the loan does not close and the funds will be returned to the Authority's Account not later than the close of business within three business days following the expected loan closing date. Wiring instructions for the return of funds are as follows:

Zions Bank
ABA: 124000054
Account # 08-00006-15
Further Credit: A/C #0512001
Beneficiary: Arizona Housing Finance Authority

Tina Valenzuela – Corporate Trust Administrator
Christina.Valenzuela@zionsbank.com
(602) 212-5457

The DPA Closing Package only needs to be reproduced if the transaction does not sign in the month the documents are dates. It is AHFPFC goal is to facilitate this process and to provide Lenders the assistance needed to ensure the DPA funds are available at each **P2P** Loan closing. Please make sure that P2P@azhousing.gov are added to your white lists/contacts for both system-generated emails and other emails relating to the DPA Funding Request.

Should you have any questions, please contact Reginald Givens at Reginald.Givens@azhousing.gov or (602) 771-1041.

PROGRAM COMPLIANCE FORMS

The simple rule of whom signs program forms – if the person is named on the Mortgage/Deed, they sign the forms. If they are not on the Mortgage/Deed, they do not sign the forms. Having people sign documents who should not sign is as incorrect as not having all sign who should.

Original, personal signatures of all borrowers and sellers are required and must match on all documents associated with the transaction.

Forms are available online at www.ehousingplus.com and most fields' auto-fill for printing as a completed document.

PRE-CLOSING FORMS:

- **Declaration of Eligibility Package; includes Declaration of Eligibility, Dodd-Frank Certificate, initial Truth-in-Lending Disclosure (TILA) and Third Party Authorization.**
- **DPA Wire Request (must submit 2 full business days prior to signing)**

CLOSING FORMS – DPA Closing Package

- **Applicant Certification**
- **DPA Promissory Note**
- **DPA Deed of Trust**
- **Final Truth-in-Lending Disclosure (TILA)**
- **Disclosure Statement to Borrower**
- **Media Release – borrowers option**
- **W-9**

LENDER LOSS PAYEE Requirements

- **Obtain evidence of hazard insurance and get AHFPFC listed as an additional loss payee. The clause should read exactly as:**

**AZ Home Foreclosure Prevention
Funding Corp, c/o ADOH, ISAOA
1110 W Washington St, Suite 280
Phoenix, AZ 85007
Loan #: P2P_____**

POST-CLOSING FORMS

- **Compliance File Checklist with Required Documents**

MORTGAGE CLOSING / SETTLEMENT

The lender is responsible for generating and providing to their Title Company the DPA Closing Package. In order to ensure an on time funding make note of the following:

- The closing date in the eHousing system must equal the signing date of the transaction. This ensures the closing documents are properly dated.
 - Deed of Trust – Insert the Escrow Number, Title Company as the trustee and applicant as the trustor
 - Deed of Trust – Insert the Maturity date on Page 1
 - Promissory Note - Insert the Maturity date on Page 1 and Page 2
- The funding may occur up to 72 hours post the signing.

In addition, if the Declaration of Eligibility Package has not yet been signed by the borrower, this package should be generated by the lender and sent to their Title Company.

In addition to the review and authorization of DPA funds, an Arizona Department of Housing / Save Our Home AZ representative will send Escrow Instructions directly to the Title Company detailing information related to the return of the executed DPA Closing Package directly to ADOH / SOHAZ. The following items will be returned by the Title Company directly to:

Arizona Department of Housing c/o Save Our Home AZ
Attn: Closing Team
1110 W Washington Street, Suite 310
Phoenix, AZ 85007

1. Certified copy of the Final Closing Disclosure
2. Certified copy of the DPA DEED of Trust
3. Original DPA Promissory Note
4. Original Truth-in-Lending Disclosure (TILA)
5. Original Applicant Certification
6. Original Disclosure Statement
7. W-9
8. Media Release – if borrower executes
9. Complete Copy of Mortgage File – Credit Package sent to US Bank via Secure Portal.

All forms can be found at the eHousingPlus website.

SHIP / SUBMIT CREDIT & COMPLIANCE FILES

There are three (3) files shipped post-closing and it is extremely important that the lender submits both in a timely manner.

1. Mortgage File – Credit Package to USBank.

The mortgage file, including the credit package is sent to US Bank, via their doc Velocity system. The US Bank Loan Delivery Checklist may be found on the US Bank web site, www.mrbp.usbank.com

Click on US Bank Lending Manuals.

Pop-up box will appear, click on Continue

Web page will be redirected to US Bank All Regs site

Click on Housing Finance Authority folder

2. Mortgage File – Credit Package to ADOH.

Additionally, the mortgage file, including the credit package is sent to ADOH, via their P2P Document Portal system. The P2P Document Portal may be found on the ADOH web site, <https://housing.az.gov/portals/document-upload-portals/p2p-portal>

Fill in the form with required information; Email, First Name, Last Name, Phone Number, eHousing Loan Number and attached the document by clicking the “Choose Files” button.

3. Compliance File

The compliance file is sent to eHousingPlus at:

eHousingPlus

3050 Universal Blvd.

Suite 190

Weston, FL 33331

Documents required for Compliance File sent to eHousingPlus.

1. Real Estate Purchase Contract - copy

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 is required. All named persons must sign. Include the name and title whenever a representative is signing for a corporation.

2. Final Typed Loan Application (1003) - copy

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 this is not possible, then an Officer must sign in place of the interviewer. All persons taking title to the property must execute all documents. The income disclosed on the Affidavit must be the same or more than that shown on the 1003. The purchase price, loan amount, and other financial details must be the same as shown on all other documents.

3. Closing Disclosure (settlement statement) – certified copy

Borrowers on the Closing Disclosure 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 Closing Disclosure

4. Warranty Deed - copy

5. Homebuyer Education Certificate - copy

Homebuyer Education must be completed prior to closing. Certificates are acceptable if the **completion date is within 12 months of loan closing of the P2P loan.**

6. Signed Declaration of Eligibility, Household Composition, Dodd-Frank Certificate and Third Party Authorization – original

7. Compliance Review fee of \$275.

Corporate Checks only made payable to eHousingPlus, include borrower name and servicer loan number on check.

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.