

Housing Opportunities Commission/eHousingPlus/U.S. Bank
Loan Process for MBS loans

Revised 10-2014

These procedures apply to the HOC MBS program which began on August 31, 2012, subject to change.

Both eHP and HOC have information, manuals, affidavits, forms etc. on their websites. Refer to the specific websites for more detailed information. HOC and U.S. Bank Information Power Points on HOC website.

<http://www.hocmc.org/Properties/For-the-Lenders.aspx> – FOR LENDERS

<http://www.ehousingplus.com/available-programs/maryland/housing-opportunities-commission-of-montgomery-county-md/>

EHOUSING PLUS – RESERVATIONS/RATE LOCK

HOC first trust and purchase assistance loan reservations are now made through eHousingPlus (eHP), not with HOC.

Reservation window: Monday – Friday 10:00a.m to 8:00 p.m.

- 1) **First Mortgage And Purchase Assistance Loan** is reserved through eHousingPlus.
- Option 1 – First Trust without Purchase Assistance
 - Option 2 – First Trust with 3% Purchase Assistance

RESERVATIONS /RATE LOCK; EXTENSION AND CANCELLATIONS

RESERVATION(Rate Lock) for New Construction, REOs and Short Sales

DO NOT reserve loans that cannot meet the timetable. Rate Lock is sixty days **WITH NO EXTENSION**

- **New Construction and REOs CANNOT** be reserved until 30 days before closing.
- **Short sales MUST** be accepted by the Lender before making a reservation (rate lock).

ALL OTHER FIRST MORTGAGE RESERVATIONS (Rate Locks)/Extensions/Cancellations

- **Reservation (Rate Lock Date) to Close** = 60 days
 - eHP Loan Confirmation Letter will indicate Rate Lock End Date.
- **Extensions and Extension Re-reserve:**
 - Settlements beyond the 60 day Rate Lock Date, must complete an extension request in the eHP system. Approval by HOC and eHP needed.
 - **15 DAY** extension to settle at the **SAME RATE**
 - **16 -30 DAYS** extension to settle at the **original rate or the rate at time of extension, whichever is higher.**
 - Reserve after extension expire **60 days after the expiration of the extension date.**

PLEASE NOTE: The lender compensation is based on the Original Reservation (rate lock) Date and not the settlement date. **Compensation Fees are affected by these extensions.**

- **Cancellation and Re-reserve:** Borrower cannot go to another lender. Can only....
 - Re-reserved 60 days after the **expiration of the rate lock date or extension expiration date.**

2) **County Revolving Closing Cost Loan “5 for 5” (RCCAP)**

Reserved with **HOC not eHP**, refer to HOC website for the procedure.

- RCCAP “5 for 5” Loan is not reflected on the eHP confirmation letter.

TIMELINE for ALL LOANS

- HOC Pre-Closing Compliance Review/Certification: To HOC at least 5 days before settlement
- Settlement to Post Closing Review (HOC) and Delivery to Servicer: 10 days after settlement
- Reservation (Rate Lock Date) to Purchase by US Bank: (See Compensation Timeline Table)

PRE-CLOSING and CLOSING

Pre-Closing Compliance file - submit to HOC at least 5 days prior to closing

1) **Pre-Closing Compliance file** is sent to HOC for compliance/eligibility approval.

Refer to the HOC Pre-Closing Compliance Checklist on the HOC website or the eHP website.

- HOC underwrites for compliance/eligibility prior to closing. HOC is not underwriting for credit in the MBS program.
- HOC issues an approval letter to close with instructions.
(U.S. Bank gets a copy of this approval in their post closing file submitted by the Mortgage Co.)
- Loans cannot close without HOC approval.
- HOC updates in eHP, approval of pre-closing compliance under UW certification heading.

2) **Lender closes and funds the First Trust loan. HOC table funds the Purchase Assistance Loan, if applicable.**

- Purchase Assistance Loan, specific documents are required to be sent with the pre-closing compliance package, refer to the Pre-Closing Secondary Financing Checklist on HOC website.

3) **RCCAP “5 for 5” – HOC funds the RCCAP “5 for 5” loan.**

- Specific documents are required to be sent with the pre-closing compliance package, refer to the Pre-Closing Secondary Financing Checklist on HOC website.

POST CLOSING and LOAN PURCHASE

Post Closing document submission timeline:

- **Within 10 days of settlement, forward a Post-Closing Compliance package to HOC (follow MBS Post-Closing Compliance Checklist) for pre purchase approval.** Refer to HOC website for the checklist
- **Within 10 days of settlement, forward closed loan to U.S. Bank. (HOC’s Master Servicer) follow the U.S. Bank FHA Loan Delivery Checklist.**

1. HOC reviews within 24 to 48 and clears any deficiencies with the lender and signs off their approval of what was reviewed. HOC sends emails for all conditions to the appropriate person.

- **NOTE: eHousingPlus fee of \$225.00 in the form of a check made payable to eHousing Plus must accompany the Post-Closing Compliance package.**

HOC's completed post-closing approval notification will be sent to eHP; file status updated.

2. U.S. Bank reviews the files daily, if everything is okay it is then purchased and all applicable compensations are paid or the deficiencies are worked through with the lender.

- Help Desk: mrpb.helpdesk@usbank.com
- Help Desk Line: **1-800-562-5165**

U.S. Bank's deficiencies and suspension is on the eHP website and also on the U.S. Bank system.

3. When all exceptions are cleared between the lender and U.S. Bank on the closed loan file **AND** HOC's compliance approval date is reflected in the eHP system, U.S. Bank will purchase the loan from the lender and commence servicing of the loan.
- In order for loans to be approved and purchased, loans must be delivered with all of the proper documents.
4. Loan Purchase file – U.S. Bank will compensate based on their approval of a complete closed loan package. U.S. Bank will net all fees/compensation.

U.S. Bank Fees

- Loan Funding Fee - \$300.00 (for reservations on or after June 9, 2014)**
- Tax Service Fee - \$85.00

PURCHASE SCHEDULE/LENDER COMPENSATION

Lender compensation applies from the original loan reservation confirmation date.

<u>Compensation</u>	<u># of days from reservation date</u>
2%	Loan Purchased within 60 days of the reservation date
1.5%	Loan Purchased within 61 - 90 days of the reservation date
1%	Loan Purchased within 91-120 days of the reservation date
0%	Loan Purchased within 121-150 days of the reservation date
After 150 days	The loan will not be purchased (unless approved by HOC)