

# ACH TRUST

## Correspondent Seller Guidelines

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## Introduction and Structure

The following supplemental guidelines are intended to provide a working framework for the efficient and effective delivery of loans by “Seller” to ACH Trust for purchase by ACH Trust, under the terms and conditions of the ACH TRUST CORRESPONDENT LENDING PURCHASE AGREEMENT “Agreement” entered into between the parties.

Among other defined terms, Article I Definitions of the agreement define the following:

**Guide or Seller Guide** means all policies, procedures, and requirements of ACH Trust made available to the Seller and applicable to the acquisition of Mortgage Loans pursuant to this Agreement. ACH Trust may modify the Guide in part or in whole at any time with or without notice to Seller. The Guide, and all revisions thereto, are expressly incorporated herein by this reference and made a part of this Agreement in all respects, and shall be binding upon the parties; provided, however, that the Seller shall be entitled to sell Mortgage Loans to ACH Trust only if, and for so long as, Seller shall have been authorized to do so by ACH Trust in writing. Specific reference in this Agreement to particular provisions of the Guide and not to other provisions does not mean that those provisions of the Guide not specifically cited in this Agreement are not applicable. All terms used herein shall have the same meaning as such terms have in the Guide, unless the context clearly requires otherwise. The Guide will govern over this Agreement on matters that conflict or are inconsistent between the two documents.

**Agency or Agencies** means Fannie Mae (formerly known as the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation (“Freddie Mac”), Government National Mortgage Association (“Ginnie Mae”), Federal Housing Administration (“FHA”), Veterans Administration (“VA”), Department of Housing and Urban Development (“HUD”), or any other federal or state agency which purchases or insures mortgage loans.

**Agency Guidelines** means the guidelines for eligible mortgage loans set forth by the Agencies.

These “Agency Guidelines”, hereinafter referred to as Correspondent Guidelines or Guidelines are incorporated into and made a part of, the subject “Agreement”.

Seller represents and warrants that all loans delivered to ACH Trust for purchase shall meet each and every requirement of the applicable agency. The applicable agency shall be that agency defined in the loan “Commitment” issued to Seller for individual loans.

### **Guideline Changes:**

Each agency regularly updates eligible loan requirements. It is Sellers duty and responsibility to remain informed as to such changes to ensure all loans delivered to ACH Trust for purchase comply with all requirements of the respective “Agency”. Any instances of non-compliance may be grounds for ACH Trust to decline to purchase loans, or to require Seller to repurchase sold loans.

Seller’s failure to deliver loans fully compliant with the Guidelines may require Seller to repurchase sold loans, determined at ACH Trust sole discretion, under Article 5.1 of the Agreement which states in part:

### **“Repurchase and Remedies**

**Repurchase of Mortgage Loans by Seller.** Seller agrees that upon written request Seller shall immediately repurchase, at the Repurchase Price, any Mortgage Loan sold to ACH Trust pursuant to this Agreement for any of the following reasons:

- (a) A breach of any of the Seller's representations, warranties, covenants or agreements made in this Agreement with respect to itself or such Mortgage Loan.
- (b) Failure by Seller to deliver to ACH Trust the proper Mortgage Loan Documents pursuant to Section 2.4 and the Guide.
- (c) ACH Trust reveals any evidence of fraud in the origination and closing of the Mortgage Loan by: i.) the Seller or its employees, directors, officers, agents and independent contractors (including without limitation, sellers or brokers of the Seller); or ii.) the Borrower.
- (d) If ACH Trust determines the Mortgage Loan is not eligible under the Mortgage Loan Program for which it was registered and delivered by the Seller.
- (e) Seller fails to observe or perform or breaches any of the representations, warranties, covenants or agreements contained in this Agreement, the Guide, or Agency Guidelines with respect to a particular Mortgage Loan.
- (f) If ACH Trust determines the Mortgage Loan to be a "High Cost Loan" or predatory or similar loan as defined under applicable Federal, state or local law.
- (g) ACH Trust is required to repurchase said Mortgage Loan from Fannie Mae, Freddie Mac, or any other third party investor for any reason involving the origination or closing of the Mortgage Loan."

## Rate Lock and Pricing

All questions related to policies, locking loans, price quotes, expiring locks, off sheet pricing, etc. should be directed through the Secondary Marketing Department help desk contact information below.

### **Contacts:**

Help Desk: Monday - Friday until 6:00 p.m. EST:

[secondary@achtrust.com](mailto:secondary@achtrust.com)

(248) 247-1800, Ext. 1407 or (646) 829-9798

Please refer to ACH posted Rate Lock Policy and Procedures for complete Rate Lock and Pricing Guidelines.

### **Loan Pricing and Price Changes:**

Pricing is subject to change without notice. Loan program pricing information, including loan level pricing adjusters (LLPAs), may be accessed electronically through the lock link at [www.achtrust.com](http://www.achtrust.com) or calling (248) 247-1800, Ext. 1407. Contact your ACH Trust Account Executive regarding access to this site.

### **Lock-in process:**

Rate lock requests must be submitted electronically, through the above pricing portal. The pricing portal is generally open from 10:30 am through 6:00 pm EST Monday – Friday. Rate lock requests are not valid until confirmed by the Secondary Marketing Department via email notification. It is Sellers responsibility to monitor receipt of rate lock confirmations, which Seller should generally receive by 6:00 pm EST. Some LLPAs not included in the rate lock request or confirmation may be included in the final loan purchase advice.

Incomplete or inaccurate requests for rate locks will be rejected. Seller is responsible for correcting errors or omissions on all rate lock requests. Loan pricing terms are not guaranteed until the complete and accurate request is received and confirmed by ACH Trust.

## Risk Assessment

### Underwriting Standards

ACH Trust relies on its Sellers to underwrite all loans in accordance with Agency Guidelines, state and federal regulation and ACH Trust's overlay guidelines indicated below, by product type. Agency guideline related to origination, property evaluation, underwriting, credit analysis evaluation of assets and liabilities, documentation, fraud detection and prevention, pre and post funding quality control, property insurance, mortgage insurance, closing, requirements and other important matters may be found at:

#### Conventional:

[www.efanniemae.com](http://www.efanniemae.com)

[www.freddiemac.com](http://www.freddiemac.com)

#### FHA:

[www.hud.gov](http://www.hud.gov)

#### RD:

<http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>

#### VA:

[http://benefits.va.gov/warms/pam26\\_7.asp](http://benefits.va.gov/warms/pam26_7.asp)

## **All Products**

Products: Please refer to ACH overlays for any additional requirements to product/agency guidelines.

## **Property**

### **LLC's as Sellers:**

Following documentation is required when seller is a LLC:

- Title/Closing Agent
- Evidence of authorized signers
- The appraisal must clearly reflect all rehab done by the LLC and level of rehab must justify any large increase between cost of acquisition and selling price.
- Must meet all agency/product guidelines

### **Trusts as Sellers:**

If property has been deeded to a trust within the preceding 12 months, the following is required:

- Copy of the trust agreement.
- Must meet all agency/product guidelines

### **Loans Currently in Redemption on Purchases:**

ACHT will accept loans where property is currently in redemption as long as the title insurer will add the full language in its commitment to evidence a specific exception for the unexpired right of redemption.

Title insurer will affirmatively insure the mortgage against all loss arising out of the exercise of any outstanding right of redemption; without qualification.

### **Manufactured Housing:**

- Only on FHA

### **Condition of Property:**

- ACHT will not purchase loans if the property condition is rated as C6
- C5 only acceptable if appraisal is done subject to repairs and escrow funds are held for the repairs. (must refer to ACH Repair Escrow Policy)
- SSR OVF flag acceptable documentation to be provided to be supported acceptance of value.

### **Ineligible Property Types:**

- Co-operatives
- Earth Homes, Geothermal, geodesic domes or homes built into or underground either fully or partially
- Leaseholds
- Single wide mobile/Manufactured homes

## **Miscellaneous**

### **Net Tangible Benefit:**

For any refinance transaction, our policy is that the borrower receives a net tangible benefit. Simply put, the benefit of doing the transaction outweighs any costs associated with the loan. A net tangible benefit may be in the form of comparing the COST of doing the loan against the benefit of: a reduced interest rate, a reduced monthly mortgage premium, a shorter term, going from an ARM to a fixed rate or in the instance of a cash out refinance determining if the borrower could raise the same amount of money elsewhere at a much lower cost.

We have the option to request a net tangible benefit disclosure form at any time subject to our internal review of the loan and/or if mandated by any state/city/federal/agency guideline.

### **Mortgage Insurance:**

- Only Borrower Paid Monthly, Single Premium Borrower Paid and Single Premium Lender Paid Allowed.
- Approved MI companies are: ARCH, Essent Guarantee, Genworth, MGIC, National MI, Radian and United Guarantee.

### **Maximum LTV/CLTV:**

- Fannie Refi Plus and Freddie Relief Max LTV/CLTV is limited to 125%

### **Escrow Waiver:**

- Max 80% LTV
- Must underwrite and approve in accordance to agency guides and document justification for approval of escrow waiver.

### **Repair Escrows:**

- See specific guidelines for Repair Escrows

### **Buy Downs:**

- Not Allowed.

### **Minimum Loan Size:**

- \$50,000

### **Maximum # of Loans to 1 Borrower (sold to ACH):**

- Maximum of 4 loans with a max cumulative dollar amount of \$1,500,000

### **Maximum Loan Amount:**

Max Loan amount for Conventional, FHA and RD is per agency guidelines. On VA Loans, the maximum allowed for Loans over \$424,100 and less than max loan amount of \$1 Million will be the Entitlement plus Available Equity (appraised value -new loan amount) must be greater than or equal to 30% of the new loan amount.



**Documentation:**

- Fraud Detection Tool (such as Fraudguard, DataVerify, etc.), must include Liens and Judgement Search, Bankruptcy Search, Ownership & Occupancy, and Associated Business Search (needed for Freddie loans), evidence of Credit Monitoring and all Federal, State Agency and local Compliance/High tests, Underwriter Income Worksheet and Industry Exclusionary lists, including LDP/GSA are required to be delivered in Loan Package.

**Closing in a Trust:**

- Trust Cert and Attorney Opinion Letter required.

## Repair Escrow Policy

### Fannie

#### **When Repair Escrow Allowed:**

- Value of incomplete items does NOT exceed 10% of the total value of completed property
- Must have a valid reason for repairs not being completed such as weather, building material shortage, closing deadline that causes hardship on borrower if not closed, etc.
- Repairs need to be able to be completed within 90 days non-weather (completed by June 1 for weather related)
- Repair items must be minor in nature and in no way affect the habitability, safety or soundness of the property
- The incomplete work cannot inhibit the ability to obtain a Certificate of Occupancy, if applicable
- Must meet all agency/product guidelines

#### **How to calculate:**

- 2 bids required
- Escrow will be held for minimum 1.5 times the highest bid
- Minimum repair escrow amount is \$1000

#### **Documentation Required:**

- 2 bids required
- Escrow will be held for minimum 1.5 times the highest bid
- Minimum repair escrow amount is \$1000

### Freddie

#### **When Repair Escrow Allowed:**

- Value of incomplete items does NOT exceed 10% of the total value of completed property
- Must have a valid reason for repairs not being completed such as weather, building material shortage, closing deadline that causes hardship on borrower if not closed, etc.
- Repairs need to be able to be completed within 90 days non-weather (completed by June 1 for weather related)
- Repair items must be minor in nature and in no way affect the habitability, safety or soundness of the property
- The incomplete work cannot inhibit the ability to obtain a Certificate of Occupancy, if applicable
- Must meet all agency/product guidelines

#### **How to calculate:**

- 2 bids required
- Escrow will be held for minimum 1.5 times the highest bid
- Minimum repair escrow amount is \$1000

#### **Documentation Required:**

- Bids from licensed contractors or from builder (on new construction)
- Repair escrow agreement – executed at closing.
- Final Inspection once work is completed
- Towne Holds escrow funds\*

\*\* Please note that final grade on new construction is required to be included in repair escrow if not complete at time of close\*\*

## **FHA**

### **When Repair Escrow Allowed:**

- Only allowed if weather related exterior repairs ; or
- HUD home with Purchase Agreement written with Repair escrow
- Work must be able to be completed by June 1
- Must meet all agency/product guidelines

### **How to calculate:**

- 2 bids required
- Escrow will be held for minimum 1.5 times the highest bid
- Minimum repair escrow amount is \$1000

### **Documentation Required:**

- Bids from licensed contractors or from builder (on new construction)
- Repair escrow agreement – executed at closing.
- HUD Compliance Completion Inspection once work is completed
- Towne holds escrow funds

\*\* Please note that final grade on new construction is required to be included in repair escrow if not complete at time of close\*\*

## **RD**

### **When Repair Escrow Allowed:**

- Only allowed if weather related repair (exterior only)
- Work must be able to be completed within 120 days
- Must meet all agency/product guidelines

### **How to calculate:**

- 2 bids required
- Escrow will be held for minimum 1.5 times the highest bid
- Minimum repair escrow amount is \$1000

### **Documentation Required:**

- Bids from licensed contractors or from builder (on new construction)
- Repair escrow agreement – executed at closing.
- A Final Inspection once work is completed

\*\* Please note that final grade on new construction is required to be included in repair escrow if not complete at time of close\*\*

## **VA**

### **When Repair Escrow Allowed:**

- Only allowed if weather related repair (exterior only)
- Work must be able to be completed within 120 days
- Must meet all agency/product guidelines

### **How to calculate:**

- 2 bids required
- Escrow will be held for minimum 1.5 times the highest bid
- Minimum repair escrow amount is \$1000

### **Documentation Required:**

- Bids from licensed contractors or from builder (on new construction)
- Repair escrow agreement – executed at closing.
- A Final Inspection once work is completed
- Towne holds escrow funds

\*\* Please note that final grade on new construction is required to be included in repair escrow if not complete at time of close\*\*

## Closed Loan Delivery – Lock of Loans

### Closed Loan Documentation Standards:

- Accepted secondary market loan documentation standards should be followed
- Erasures, correction fluid, and strikeovers on the Note, Security Instrument and Riders are not acceptable.
- All borrowers must initial any corrections made
- The borrower's name must agree with signatures and/or other appearances of typed or signed name on the application, sales contract and security instrument.
- Loans must be closed on a MERS Mortgage
- Loans must be delivered evidencing that loan was tested for QM Points/Fees, HPCT, HPML, HOEPA, Fannie/Freddie High cost and any other high cost test required per federal, state or local regulations
- QM Income Calculation worksheets as well as QM closing worksheets must be in submitted with each file

SELLER MUST REFER TO BUYER PRODUCT GUIDE AND/OR BULLETIN AND ANNOUNCEMENTS ([WWW.ACHTRUST.COM](http://WWW.ACHTRUST.COM)) FOR COMPLETE ELIGIBILITY AND GUIDELINES\*\*

**Locking of Loans:** All rate locks are done on line and are considered MANDATORY if closed. Loans can be locked under any of our *eligible* lock terms as described on our daily rate sheet. *All loans must be received in our office on or before the rate lock expiration date.* If a loan is received on the day of a rate lock, the file would have to be in our office no later than midnight to be deemed as "on or before the rate lock expiration date". The loan package should include all documents necessary to fund the loan. **Loans must be cleared of any outstanding items within 7 business days of notification of missing documentation; otherwise, loan will be subject to repricing. A minimum of 1/4 of 1% will be charged. Pricing will be based on current market conditions and par off fees incurred by Towne.**

- Locked loans that have not been submitted by Lock Expiration Date, will be cancelled 5 business days after Lock expires.
- Loans that are Purchase Suspended (Approved with Outstanding Conditions), with no activity for 30 days, ACH will contact the client to confirm if the loan is still active. If response is not received within 5 business days, the loan will be cancelled.

**Delivering of Loans:** All endorsed original notes must be delivered to Deutsche Bank National Trust Company, 1761 East St. Andrew Place, Santa Ana, CA 92705 to the ATTENTION of: **Towne Mortgage Correspondent**. A copy of the Note, Underwriting File and Closing File must be ELECTRONICALLY delivered to the ACHT Loan Origination system. In addition, the 1003 information on our system must match how the loan was closed. This can be accomplished by simply imported the Fannie Mae 3.2 files into our system.

**Funding of Loans:** Loans must be ready to fund by 9:30 AM EST; otherwise, funding will not take place until next business day.

**Fees:** Standard fees as per fee schedule found in our Seller Guide at [www.achtrust.com](http://www.achtrust.com). Other fees may apply from time to time and fees are subject to change at any time at buyer discretion. Notice will be given prior to the purchase of any loan of any loan fee charges apply outside of the standard fee.

**Mortgagee Clause; Endorsements:** The mortgagee clause of each insurance policy must be properly endorsed, necessary notices of transfer must be given, and any other necessary action must be taken as reasonably requested by buyer in order to protect the interest of buyer as first mortgagee under the terms of the policy.

It is the Correspondent's responsibility to notify the insurance agent(s) of the change in servicer. Correspondent must either provide proof that the servicer has been changed prior to funding or must provide a copy of a fully executed change letter in the loan file. If the change is not made prior to purchase, the correspondent must notify the insurer of the change in servicer



within 5 calendar days of purchase. **Correspondent is responsible for any and all losses incurred due to failure to provide insurer with new servicer information.**

**Current Payment History:** Loans must be cleared of any outstanding conditions within 7 business days of initial review; otherwise loan will be subject to applicable roll charges.

**Contact Information and Warehouse Information:** To ensure that purchase funds are wired to the correct institution, buyer must have accurate wiring information in our system. Any changes and/or deletions must be submitted. Correspondent must also submit a list of their employee contacts for rate locks, underwriting, closing, post-closing, funding and final docs. Include phone numbers, faxes and email for all contact information. Please email the contact sheet to [support@achtrust.com](mailto:support@achtrust.com).

**Third Party Originations:** Towne does not accept third party originated loans without specific prior written approval for TPO. Without prior written TPO approval, all loans must be originated by Seller.

**Endorsement:** The note is to be endorsed as follows:

Pay to the order of "Towne Mortgage Company"

Without recourse

this \_\_\_\_ day of \_\_\_\_\_ 20\_\_

\_\_\_\_\_

Name:

Title:

**IRS Form 1098:** The correspondent lender is responsible for compliance with any IRS Form 1098 reporting requirements for any interest collected prior the buyer purchase of the loan

**First Pay Due Dates:** Mortgage loan payments are due to buyer on the first day of the month.

**Interim Interest Credit:** Interest credit can only be given up through the 5th day of the month.

**Goodbye Letter:** It is essential that *correspondents DO NOT provide the Goodbye Letter any sooner than 24 hours after the loan purchase, but no later than 5 business days after the loan purchase. In no instance shall the correspondent provide a goodbye letter to the client prior to buyer purchasing the loan.*

Buyer cannot process payments that are sent to us before the loan is set up on our servicing system, which may cause returned payments and thus creating additional customer service issues for your clients.

When preparing the goodbye letter please ensure that:

1. It contains the address you provided to the borrower at closing for sending payments to YOU, along with your toll free telephone number.
2. It must contain the date the last payment is due to your company, as well as the date the first payment is due to Buyer.
3. The goodbye letter should NOT be provided to the client at the time of closing.
4. It is prepared on your letterhead
5. Has appropriate language as required by RESPA describing a transfer

**Purchase Dates:**

Buyer will send the correspondent **client** a purchase advice via email **or they will receive notification the purchase advice is uploaded within our LOS** indicating that we purchased the loan.

*For loans purchased between the 1st and the 14th day of the month*, if the payment due on the first of that month is still outstanding at the time of purchase, buyer net funds that current month's payment from funds due to correspondent

*For loans purchased on or after the 15th of the month*, buyer net funds the next month's payment.

Any payment netted at purchase by buyer must be collected by Correspondent from the clients and retained to complete the accounting for the mortgage on its books. The correspondent is required to submit a current payment history as a Final Document once any and all payments have been received.

*For example:*

Original Loan Amount:	\$60,000
Interest Rate:	12%
Loan Term:	360 months
P & I	\$617.70
1st pay due date:	August 1
Purchase date:	August 20

*Calculation of the Payment Adjustment:*

\$60,000 loan amount X 12% = 7200/360 days = 20.00 daily interest

20.00 X 30 days = \$600.00 in interest

\$617.70 (P & I) minus \$600.00(Interest) = \$17.70 (the amount that goes to principal)

\$60,000 loan amount - \$17.70 = \$59,982.30 (adjusted principal balance)

\$59,982.30 will be the adjusted current balance of the loan reduced by one principal payment.

**GENERAL:**

**Calculating Interest:**

For purposes of calculating per diem interest, a 365 day calendar year used unlike the 360 day used for purposes of amortizing payments

**Pre and Post Purchase Reviews:**

We will perform reviews on loans delivered for purchase. These reviews can be pre-purchase (done **before** a decision to purchase the loan is made) or post-purchase (done **after** the loan is purchased). The review selection is weighted to loans identified as having higher risk characteristics. The review may also include, reviewing the data entered in Desktop Underwriter (DU) and/or Loan Prospector (LP) as part of our loan review due diligence.

With respect to these reviews, we reserve the right to reject any loan for purchase or demand repurchase, as applicable, if we determine that the loan is not of investment quality or does not otherwise conform to the requirements of Correspondent Lending.

**Seasoning:**

We will not purchase loans that have more than 90 days seasoning. Seasoning is based on the closing date.

**Complete Loan Packages Required:**

We do not purchase loans with incomplete closing and credit package.

**Final Documents:**

All trailing documents (Final Title Policy, Deed of Trust/Mortgage and Interim Assignment) should be delivered to buyer within 120 days from the date of purchase.

We will assume full responsibility for procuring any post-closing loan documents (including title policies, mortgages, and assignments) not received within 120 days from the date of loan purchase by Correspondent Lending. If a document is not on record with the county or title company, the Client shall be obligated to assist buyer in locating the document. For aged documents, over 120 days, clients are billed for the outsourced procurement fees. All fees associated with procuring these documents, including any out-of-pocket, third-party fees such as title premiums and recording fees, will be charged to the Client. All fees assessed for procuring outstanding documents will be invoiced as a monthly statement.

Fees associated with the document procurement process are:

- \$100.00 per title policy
- \$75.00 per recorded document, such as mortgages and assignments, Neither efforts by buyer to obtain outstanding documents or its assumption of the responsibility for procuring outstanding documents will relieve Clients of their obligation under this Client Guide to provide documents to buyer. Further, any actions taken by buyer to procure outstanding documents, and any fees paid by the Client to Buyer in connection with such efforts, shall not release the Client from its repurchase and indemnification obligations under the Correspondent Loan Purchase Agreement and this Client Guide for failing to deliver such documents.

**Holiday or Weekend Expiration:**

If the lock expiration date falls on a weekend or holiday, the loan file will be due on the next business day following the holiday or weekend.

**Government Insured Loans:**

All government loans sold to buyer must be insured PRIOR to buyer Purchasing said Loan. This insurance requirement Applies to FHA, RD and VA transactions and insurance will be verified as follows:

- FHA loans will require the MIC and will be verified via FHA Connection
- RD loans will require Loan Note Guarantee (LNG)
- VA loans require the delivery of the Loan Guaranty Certificate (LGC)

If on exception, buyer agrees to purchase a loan prior to the loan being insured, the client must obtain the required insurance within sixty (60) days of the CD Settlement date. If the Client fails to obtain the required insurance within the sixty (60) day timeframe, the Client shall, at the discretion of buyer repurchase the affected loan.



**Flood Certification/Flood Insurance:**

- Correspondent Lenders must obtain an initial flood determination from a third party vendor for every loan submitted for purchase.
- Loans where the subject property is located in a flood zone must have flood insurance coverage when submitted for purchase
- Flood Insurance must be escrowed
- A copy of the application/policy and paid receipt reflecting the first year premium paid is required. If refinance, the policy must evidence a minimum 60 days remaining on policy at time of purchase; otherwise they must be paid and evidence of payment must be included in package
- Buyer will not purchase any loan where the subject property is located in a flood zone that requires flood insurance, and insurance is NOT available due to non-participating community or the suspended status of the community.
- The insurance company must be acceptable to Fannie Mae/Freddie Mac, FHA or RD
- Sufficient prepaid escrow must be collected to ensure the renewal premium be paid when due if escrows are established.

**Hazard Insurance:**

- A copy of the hazard policy and paid receipt reflecting the first year premium paid is required. If refinance, the policy must evidence a minimum 60 days remaining on policy at time of purchase; otherwise they must be paid and evidence of payment must be included in package
- The insurance company must be acceptable to Fannie Mae/Freddie Mac, FHA or RD
- Sufficient prepaid escrow must be collected to ensure the renewal premium be paid when due if escrows are established.

**Private Mortgage Insurance:**

- Borrower Paid Monthly, Borrower Paid Single Premium and Lender Paid Single Premium Private Mortgage Insurance are acceptable
- Correspondent Lenders may use ARCH, Essent Guarantee, Genworth, MGIC, National MI, Radian and United Guarantee as their Private Mortgage Insurance Carriers
- A copy of the Loan Sale Notice must be in the file. The correspondent is responsible for activating the Private Mortgage Insurance Certification, paying any premiums and Notifying the mortgage insurance company when the loan is sold
- Evidence of payment to Insurer for Single Premium and Lender Paid Insurance is required to be included in file

**Surveys:**

- While buyer prefers that there be a current survey for all loans; a current survey is not required for purchase or refinance loans when the title policy does not take exception to survey related matters.

**Tax Certification Form:**

- For new construction, taxes need to be escrowed based on the improved property value used for qualifying the borrower
- For Existing properties taxes need to be escrowed based on the next estimate tax amount due as provided by the title company
- A fully completed Tax Certification Form must be in each file and must be signed by the settlement agent
- Any taxes due within 60 days of closing must be paid at closing and evidence of payment must be including in loan file (Unless borrower has waived taxes).

**Itemization of Amount Financed:**

- All Closing Packages must contain an Itemization of Amount Financed. Any credits NOT identified on the CD or on an addendum to the CD signed by borrower, seller and title agent will be applied towards NON-PREPAID items first to determine APR compliance.

**Funding Requirements:**

- Funding will be made by wire transfer
- Complete wiring instructions must be included in loan file
- Wiring instructions must be typed or computer generated. Handwritten wire instructions are not allowed
- All Correspondent loan closings will be charged the following Document Review Fee:
  - Delivery Fee: \$300
  - Tax Service Fee: \$75

**Ability to Repay and Qualified Mortgage:**

- Buyer only purchases loans that comply with the ATR/QM requirements
- Correspondents are responsible for providing evidence of compliance with ATR/QM rules
- A clear itemization of fees and application of credit that indicate paid by/to are required

**AUS Findings:**

- All conventional and Government loans must have automated approvals from Desktop Underwriter (DU), Loan Prospector (LP) or GUS. Manual underwriting is only permitted when indicated in the product manual. In all situations, the AUS findings must be in the Correspondent sellers name (or Buyer's name)
- The data submitted to the AUS system must reflect the loan as it was closed including occupancy type, product type, amortization, loan term, property type, loan purpose, sale price, interest rate and appraised value. The terms of the closed loan package must match the terms of the final loan casefile submission in DU, LP or GUS.

## Delivery Checklist and Stacking Order

### **Corr: Appraisal**

- Appraisal and (Appraisal log in for FHA) – in **COLOR.PDF**
- Value Supporting Documents, AVM, DESK REIVEW if applicable
- Copy of Appraiser License and E & O insurance
- SSR Successful for both Fannie and Freddie**
- Appraisal Disclosure Notice
- Purchase Agreement fully executed
- USPS to verify property address

#### **FHA/VA**

- FHA/VA PA Addendum (signed by all parties)

#### **FHA**

- Lead Base Paint Disclosure
- FHA Conditional Commitment

### **Corr: Credit Package: Uploaded to “Credit Package”**

- 1008/FHA 1008 Transmittal/RD Conditional Commitment/VA Loan Analysis
- DU/LP/GUS Findings (Must match how Loan was closed)
- 1003 Original Uniform Residential Mortgage Application

#### **FHA/VA**

- FHA Uniform Residential Mortgage Addendum

#### **FHA**

- FHA Case Number Assignment

#### **Credit:**

- Credit Report (tri-merged) - Must show OFAC clear
- Credit Explanation Letters
- CREDIT DISCLOSURE-NO NEW DEBT- EVIDENCE OF WHAT WAS USED TO VERIFY NO NEW DEBT**
- Fraud Guard or its equivalent
- Bankruptcy Papers/Discharge Papers (if applicable)

**Credit (continued):**

- Divorce Decree (if applicable)
- Lease Agreement/Copy of Taxes & Insurance of Properties Owned F&C/HUD 1 – Sale of Current Home
- Verification of Mortgage/Rent/Land Contract
- Child Support, Friend of the Court Letter
- Evidence all Exclusionary Lists checked (i.e.: CAIVRE, LDP/GSA, Appraiser, LO, etc..)
- Subordinate Financing Information

**Employment:**

- Income Worksheet
- Verification of Employment (VOE)
- Current Paystubs (30 days worth)
- W2's (last 2 years)
- Profit and Loss Statement (if applicable)
- 1040's (Federal Tax Returns Only) OR Business Returns w/ all Schedules
- Social Security Award Letters
- Pension Income Documentation
- Tax Transcripts from IRS Supporting Income docs used
- Verbal VOE / VOB's

**Assets:**

- Verification of Deposit (VOD)
- Bank Statements
- Gift Letter with Supporting Documentation
- CD on Sale of Old Home
- Evidence & Source of EMD (Earnest Money Deposit)
- 401k/Stocks/Bond Statements or Copies

**Disclosures:**

- Loan Estimates - Provide All w/Change of Circumstance (CofC)
- Intent to Proceed and all Changed Circumstance Disclosure
- Service Providers List
- Borrowers Certification and Authorization
- Financial Privacy Act/ECOA/Social Security Disclosure
- RESPA Servicing Disclosure
- 4506T fully executed
- Credit Score/Risk Based Pricing Disclosure**
- All Product Specific Disclosures
- Arm Disclosure if applicable**
- All other Federal/State specific origination disclosures**
- E-Disclosure
- PMI Certification

**Corr: Closing Package- Uploaded to “Closing Package”**

- Mortgage Note – Original endorsed to us
- Mortgage Deed of Trust (Must be MERS)
- Mortgage Riders
  - 1-4 Family/NOO
  - PUD Rider
  - Condo Rider
  - 2<sup>nd</sup> Home Rider
  - ARM Rider
- Final Signed 1003 Including HUD Addendum to Application (92900A) W/ULI
- Power of Attorney/Trust documentation if applicable
- Hazard Policy, (ISAOA verbiage) with proof paid
- Flood Insurance Policy with proof paid
- Flood Insurance letter transferring to our name
- Flood Cert (Life of Loan)

- Flood Determination Form signed by borrowers
- First Lien Letter**
- QM Closing Fee Worksheet**
- HIGH COST TESTS (QM, HPCT, HPML, state, Fannie/Freddie, federal, etc.)**
- Short Form/Final Title Policy (With ALTA 9 coverage) if available
- Title Commitment with 12 month chain of title (copy of all deeds) Alta 9
- Closing Protection Letter specific to loan transaction**
- Wiring Instructions
- Closing Instructions
- Initial CD with proof of delivery with ALL revised CD's
- Final CD Signed by all parties
- Post Consummated CD (if applicable)
- "Successful" Fannie Mae UCD w/Embedded CD
- "Satisfied" Freddie Mac Loan Closing Advisory w/Embedded CD
- Seller CD (if applicable)
- 1<sup>st</sup> Payment Letter
- Itemization of Amount Financed
- Initial Escrow Disclosure
- Tax Certification signed by title agent
- Agreement for Direct Payment of Taxes if Escrow Waiver
- Notice of Right to Cancel (refi on Owner OCC)
- Warranty/Transfer/Quit Claim Deed from seller to our borrowers
- ARM Disclosure (If Applicable)
- Agreement for Direct Payment of Taxes if Escrow Waiver
- IRS Form W9
- Closing IRS Form 4506T
- RESPA Servicing Disclosure/Notice of Transfer
- Name Affidavit
- Borrower Identification Form or Notarized Patriot Act
- Errors and Omissions

- Occupancy Affidavit (not required on NOO)
- Disbursement Checks/Ledger
- All Payoffs
- All State Specific **Closing** Disclosures

**Additional Docs for FHA Loans:**

- Termite Inspection (Property) if required signed by all parties
- Proof of Upfront MIP Payment Made
- FHA Insurance Application to show SUCCESS
- Proof that loan is insured
- Important Notice to Homebuyer (Disclosure)
- Notice to Homeowner (Disclosure)

**Additional Docs for VA Loans:**

- Termite Inspection signed by all parties (if applicable)
- Proof loan insured and VA Funding Fee Paid
- Federal Collection Policy
- Nearest Living Relative
- VA Funding Fee Certification
- Certificate of Loan Disbursement
- Counseling Checklist for Military (enlisted purchase only)
- Interest Rate / Disclosure notice (Refi)
- Old Vs New (Refi)

**Additional Documents for RD Loans:**

- 1980-21- Request for Loan Guarantee
- 1980-18- Conditional Commitment
- 1980-19- Guarantee Loan Closing Report
- Proof Funding Fee paid (copy of check acceptable)
- GUS –AUS- showing Eligible Accept
- RD- 1980-17 Original Note Guarantee from RD to show Insured if loan is already insured

**Additional Documents for New Construction Loans:**

- HUD approved 10 yr. warranty required - fully executed application and proof of payment
- Termite/Soil Treatment- fully completed HUD NPCA-99a and 99b
- FHA Builder Cert Form - Completed and signed by builder
- Initial Building Permit
- Final C of O

**Additional Documents for Texas 50(a)(6)**

- Notice Concerning Extensions of Credit Defined by Section 50(a)(6)
- TX Home Equity Loan/HELOC Closing Instructions Addendum to Closing Instructions from Lender
- TX Home Equity Note (Fixed rate - First Lien)
- TX Home Equity Security Instrument (First Lien)
- TX Home Equity Affidavit and Agreement (First Lien)
- TX Home Equity Acknowledgement as to Fair Market Value of Homestead Property
- TX Home Equity Owner's Affidavit of Compliance, TX Home Equity Owner's Affidavit Acknowledging Lender's Compliance with Constitutional Requirements to Provide Owner Early Final Itemized Disclosure of Actual Fees and Charges, and HUD-1 01/01/10
- TX Home Equity Certificate from Originating Lender Regarding Compliance with Section 50(a)(6) Article XVI of the Texas Constitution
- Notice of Right to Cancel
- Certificate of Non-Cancellation of Loan
- TX Home Equity Discount Point Acknowledgment
- TX Home Equity Election Not to Rescind
- Acknowledgement of Receipt of Documents or Notice Concerning Extensions of Credit
- Survey or T 19 Endorsement





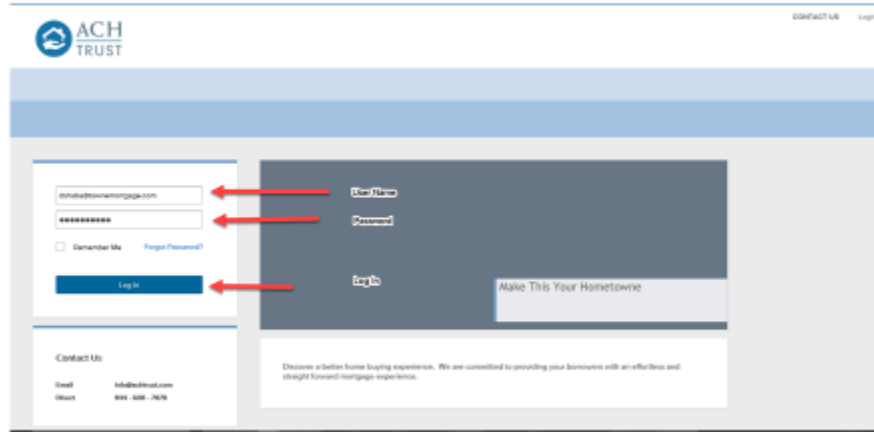
## TPO Connect Overview

- **Logging in**
- **Home Page**
- **Registering a New Loan**
- **Pricing and Locking a Loan**
- **Pipeline – Loan Summary**
- **1003**
- **Uploading Documents-Submitting**
- **Purchase Advices**

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## Logging In

- Enter User Name (email)
- Enter Password
- Click Login



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## Home Page

Home Page displays 4 tabs.

- Welcome Page
- Pipeline
- Add New Loan
- Scenarios
- Resources Center



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## Registering a New Loan

- When registering or adding a new loan in TPO Connect, you will have two choices.
  - Option 1 - Import a FNMA 3.2 File either by dragging and dropping the file or browse and add
  - Option 2 - Manually add the required 1003/loan information.
- Once the loan data is added, click on the “Register Loan” button below.

# Registering a New Loan

- When uploading your FNMA 3.2 file, please check the below data fields to make sure they flowed into TPO Connect correctly
  - Loan Term
  - LTV/CLTV
  - FICO
  - County
- Once all data fields are confirmed, please click on “Register Loan”
- **\*Please Note: If 3.2 file is imported or you manually enter loan information this counts as your date registered.**

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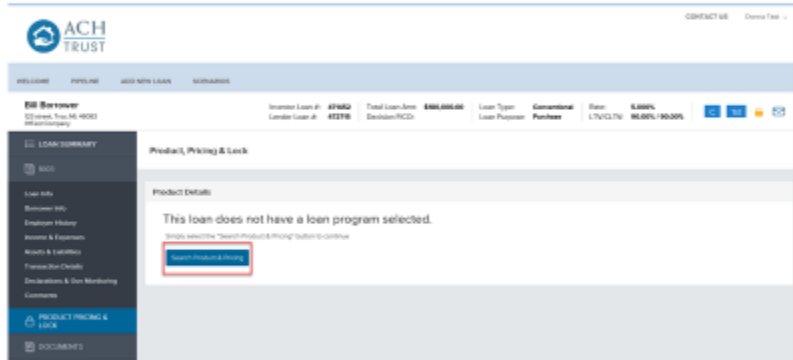


## Pricing and Locking a Loan

TPO Connect allows you to lock your loan with just a few clicks!

# Pricing and Locking a loan

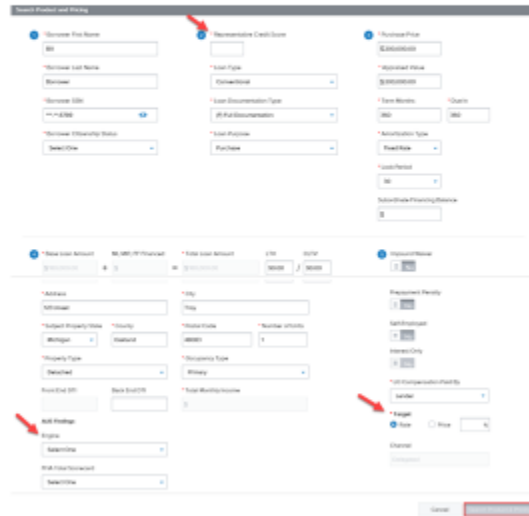
- Once loan is registered
- Click Product Pricing and Lock tab.
- Click Search Product & Pricing



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# Pricing and Locking a Loan (cont.)

- This is the TPO Product & Pricing screen, please make sure the required info (red \*) is transferred to this screen
- You will need to re-input the following fields:
  - Credit Score
  - AUS Engine
  - Total Monthly Income (Only if you Manually input a loan)
- Total Monthly Income – this field needs to flow from the 1003 screen under income and assets. (Please see next slide)
- Once all required fields are entered, please click on Search Product and Pricing.



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# Pricing and Locking a Loan (cont.)

- If a 3.2 File is uploaded, the income should flow through.
- If you manually enter the loan then it has to be plugged in. Either way it's a good idea to go check if its filled out on the income and expenses page within the 1003.

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# Pricing and Locking a Loan (Cont.)

- This is the Optimal Blue product and pricing page.
- Again, the required items should flow from the product and pricing fields, please confirm these are correct.
- Once confirmed, please click the submit button
  - Please Note – two data fields - **Reserves and AUS**, will not flow and need to be confirmed here.

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## Pricing and Locking a Loan (Cont.)

- Please choose the eligible product and rate for your loan
- Click on the lock button to lock your loan.

Eligible Product	Rate	Price	Margin	Lock	PMI	Detail	Compare
ACH Trust - FHLMC Conforming 30 Yr Fixed	4.000	102.816	0.000	30	\$630	Show	<input type="checkbox"/>
ACH Trust - FHLMC Conforming 30 Yr Fixed	4.000	102.815	0.000	30	\$630	Show	<input type="checkbox"/>
ACH Trust - HomeReady 30 Yr Fixed	4.000	102.715	0.000	30	\$630	Hide	<input type="checkbox"/>

View Pricing for lock period: 15 30 45 60 | Expiration: 08/18/17

Pricing Last Updated: 08/18/17 10:51 AM  
Search Timestamp: 08/18/17 5:10 PM

Rate	Price	Lock Period	PMI	Select
3.375	99.101	30	\$594	<input type="button" value="lock"/>
3.500	100.096	30	\$593	<input type="button" value="lock"/>
3.625	100.799	30	\$602	<input type="button" value="lock"/>
3.750	101.496	30	\$611	<input type="button" value="lock"/>
3.875	102.047	30	\$621	<input type="button" value="lock"/>
4.000	102.715	30	\$630	<input type="button" value="lock"/>
4.125	103.341	30	\$640	<input type="button" value="lock"/>
4.250	103.919	30	\$649	<input type="button" value="lock"/>
4.375	104.456	30	\$659	<input type="button" value="lock"/>
4.500	104.830	30	\$669	<input type="button" value="lock"/>

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## Pricing and Locking a Loan (Cont.)

- Click on the Request Lock button

Search Product and Pricing

Pipeline | Lock Terms | New Search | RateSheet

Selected Loan: Loan 21 (201) | Status: Registered | Process: Homeowner

Printer Friendly Version | Update Encumbrance | **Request Lock** | Show As Changed

**Borrower Information**

Borrower First Name: John | Borrower Last Name: Homeowner | Borrower SSN: 333-45-0000  
 Phone: 788 | 810 Radio: 12,345 | Self Employed: No | Citizenship: U.S. Citizen  
 Encumbrance Loan Number: 456789 | Application Date: | Lock Expiration: |

**Property Information**

Property Type: FWD | Occupancy: Primary Residence | Number of units: 1 Unit | Number of stories: 1  
 2000 E Green St. | Property Address: |  
 Property Title: Fee | State: Michigan (MI) | Property Zip: 48101 | County: Oakland

**Loan Information**

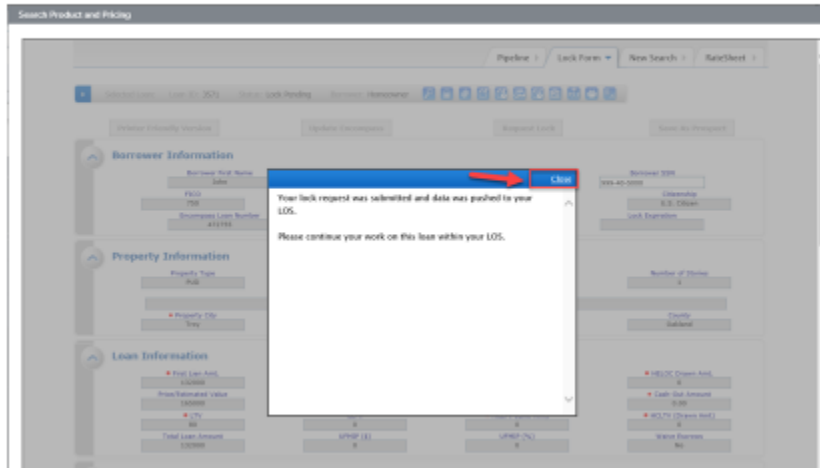
First Loan Amt: 100000 | Closed End Second: | Hybrid (30-yr) | HSA/VA (Down Amt):  
 Price Estimated Value: 400000 | Appraised Amount: 440000 | Loan Purpose: Purchase | Loan To Term: 30-yr  
 LTV: 80% | CLTV: 90% | HSA/VA (30-yr Amt): 0 | HSA/VA (Down Amt): 0  
 Total Loan Amount: 100000 | Lender: 30 | Lender (VA): | Wildcat Services: No

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# Pricing and Locking a Loan (Cont.)

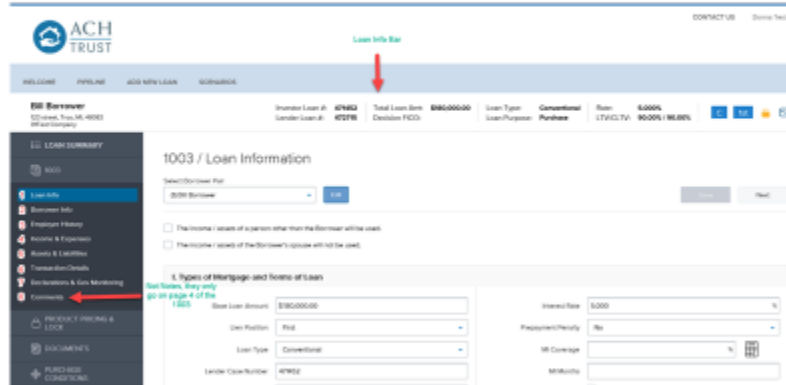
- After you Request Lock, you will receive this pop up, just click close at the top right hand corner.



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# 1003

- The 1003 flow is Loan Info through Declarations & Gov Monitoring.
- This should all flow in from the 3.2 file and if you enter the information manually then you will have to enter the info page by page.
- (see next slide for info that does not flow through on a 3.2 import.)



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# 1003 (Con't)

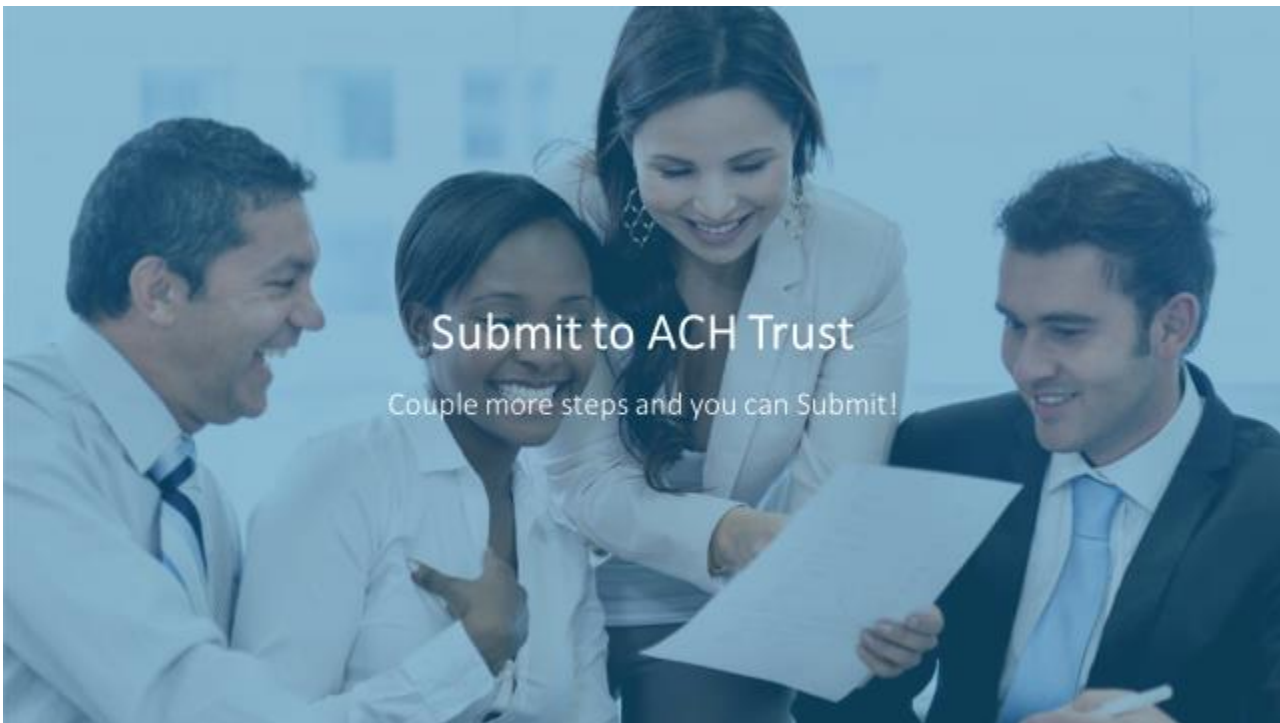
## Fields needed to Submit

- Borrower Info- Copy from Present Address (top image)
- Interviewer Information- Company Name, NMLS, Address, City, ST, Zip, Phone # and Fax #. (bottom image)

The screenshot shows a 1003 form with several sections. Red boxes highlight the following fields:

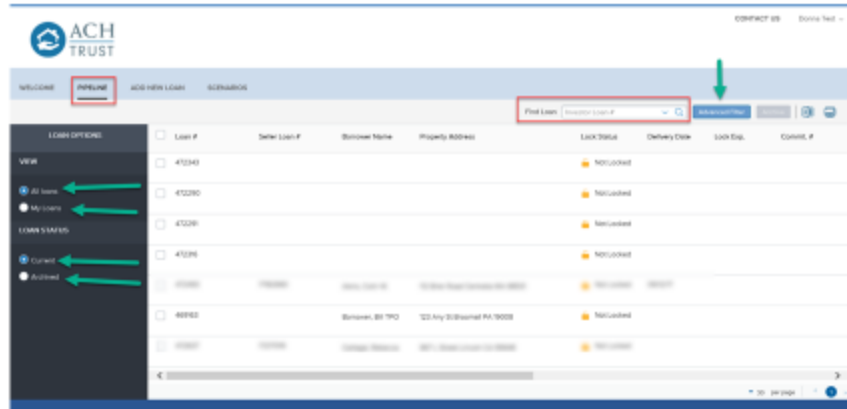
- Borrower Info:** Borrower First Name, Borrower Middle Name, Borrower Last Name, Title, Social Security Number, Date of Birth, and Marital Status.
- Borrower Present Address:** Address, City, State, and Zip.
- Borrower Mailing Address:** Address, City, State, and Zip.
- Interviewer Information:** Interviewer Provided By, Loan Originator's Name, NMLS Loan Originator ID, Loan Originator's Phone, and Interviewer Email.
- Company Information:** Company Name, Company NMLS ID, Company State License Number, Address, City, State, Zip, and Company Fax.

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# Pipeline Views

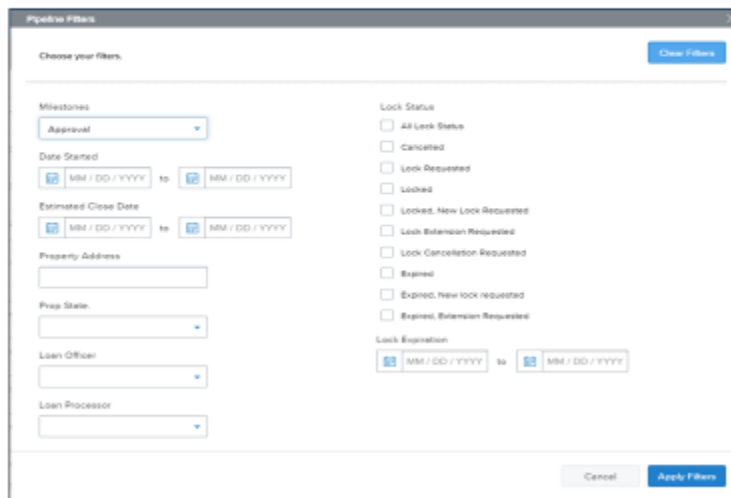
- The TPO Connect Pipeline views will display all of your loans
- You will be able to view all the loans you have access to.
- You will be able to view and search by loan number, Investor loan number and Borrower name.
- The Advanced Filter allows you to filter by certain criteria (see next slide)
- To view a loan, please click on the loan number and you will be taken to the Loan Summary page (See Slide 16).



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# Advanced Filter

- Advanced Filter allows for you to filter by Milestones, Lock Status etc.
- Filters can be cleared as well.



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# Loan Summary

- Loan Summary page lists the detailed info of your loan.
- The Documents Tab on the left is where you upload the documents and conditions (see slide 19)
- The Key Dates are the most recent status updates of your loan (See Slide 22)

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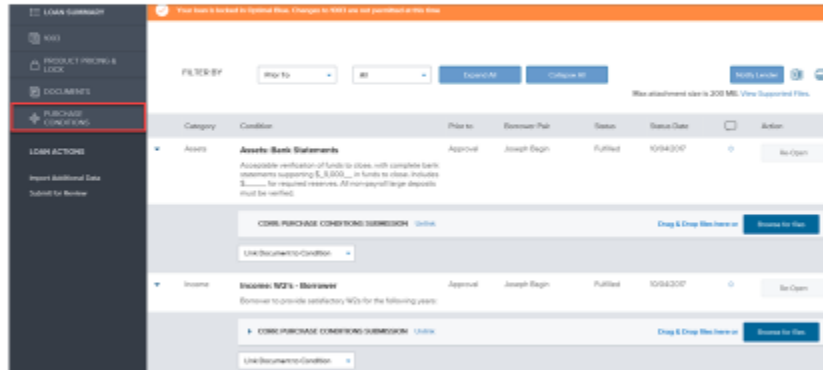
# Document Delivery/Uploads

- After you click on the Loan Summary Page > Documents Tab, you will see the following three documents that are required to be uploaded in order to submit for initial review.
  - Corr: Appraisal
  - Corr: Closing Package
  - Corr: Credit Package
- Uploading documents can be done the following two ways:
  - Drag and Drop, or
  - Browse and attach
- \*Please Note\* - each upload is limited to 200MB

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# Purchase Conditions Document Delivery/Uploads

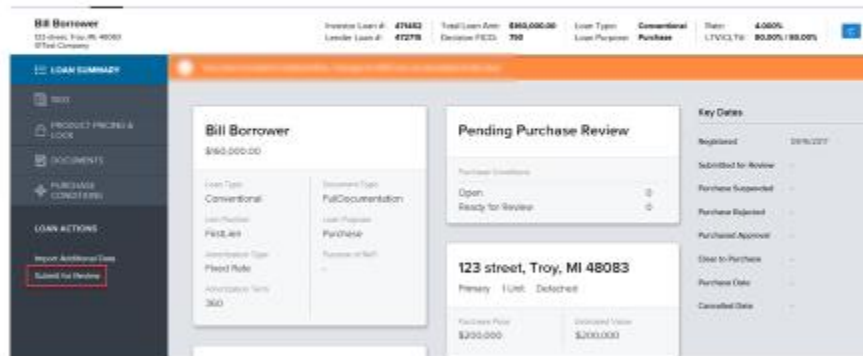
- Purchase Conditions will be added by ACH Trust.
- Go to the Purchase Conditions tab to view.
- Key Date/ Purchase Suspended will be in the Loan Summary and an email will go out stating the loan is approved with conditions. (Job Aid)



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# Submit for review

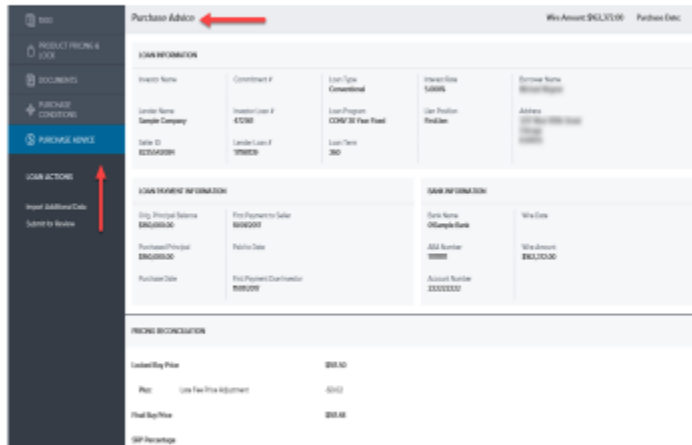
- Click Submit for Review
- \*Loan will go to ACH Trust to review and U/W.**



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# Viewing Your Purchase Advice

- After the file is purchased, you will be notified of the status via email. The date will be provided on the Loan Summary as well.



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## Loan Summary – Key Dates

### Key Dates

- **Registered** - loan has been created in TPO connect (either via the 3.2 file being imported or manually entered)
- **Submitted for Review** - Loan file is ready for initial review. At this point, the file is registered, locked and the Three (see Uploading Documents slide) main uploads have been submitted via the TPO Connect portal
- **Purchase Suspended** - This is the date that the loan is Reviewed and has been conditioned for additional steps.
- **Purchase Approval/ Clear to Purchase** – This is the date ACH Trust clears your loan for purchase.
- **Purchase Date** – This is the date we funded your loan and issued the Purchase Advice
- **Purchase Rejected** – This is the date a loan is rejected and will not be purchased by ACH Trust.
- **Cancelled Date**- The date the Correspondent withdraws their loan with ACH Trust.

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## Correspondent Loan Purchase Transfer Information

<p><b><u>Original Note Delivery:</u></b>                  Deutsche Bank National Trust Company                  1761 East. St. Andrew Place                  Santa Ana, CA 92705                  Attn: Towne Mortgage Correspondent</p>
<p><b><u>Final Docs:</u></b>                  Towne Mortgage Company                  2170 E. Big Beaver Road, Suite A                  Troy, MI 48083</p>
<p><b><u>Payments and Tax Notices:</u></b>                  Towne Mortgage Company                  PO Box 7054                  Troy, MI 48007                  800-979-9977 is our toll free servicing number</p>
<p><b><u>Hazard/Flood Insurance Clause:</u></b>                  Towne Mortgage Company, ISAOA, ATIMA                  P.O. BOX 7063                  Troy, MI 48007-7063                  Attn: Insurance Dept</p>
<p><b><u>Endorsement to Note:</u></b></p> <p>Pay to the order of: "Towne Mortgage Company"                  Without recourse                  this ____ day of _____ 20__</p> <p>_____</p> <p>Name:                  Title:</p>
<p><b><u>Goodbye Letters should contain:</u></b>                  Towne Mortgage Company                  PO Box 7054                  Troy, MI 48007                  Customer Service Phone Number: 800-979-9977                  Hours: 8am - 7pm EST Monday thru Friday</p>
<p><b>FHA ID for Transfer: 217990</b>  <b>MERS Org ID number for Transfer: 1000637</b>  <b>RD Lender Tax ID: 38-2434249</b></p>

## Mortgagee Clause and Additional Hazard Insurance Requirements

Home Owners Insurance Mortgagee Clause should read as follows:

**Towne Mortgage Company  
ISAOA, ATIMA  
P.O. BOX 7063  
Troy, MI 48007-7063**

**Attn: Insurance Department "*Insert Loan Number*"  
Loan #'s are to be included in the mortgagee  
clause**

- 
- **Purchase** - All purchase transactions require a one-year homeowner's policy. Homeowners policy must at least cover the mortgage amount or 100% replacement cost.
  - **Refinance** - Towne requires that borrowers have at least 60 days remaining on the current policy as of the closing date. If less than 60 days remain, the borrower must prepay at least enough to meet the 60-day requirement.
  - All borrowers on the loan must be listed on policy.
  - Must be a full Homeowners policy (no applications, binders or quotes accepted)
  - The policy must contain the proper deductible for the program
  - **Conventional:** Mortgage deductible cannot exceed 5% of the face amount of insurance policy or \$5000.
  - **Condominiums:** Unless the master hazard includes "walls-in" coverage, minimum amount of "walls-in" (HO-6) coverage will be the lesser of 20% OR maximum allowed by the insurer. A letter from the insurer confirming the maximum amount allowed will be required if the HO-6 coverage falls below the 20% guideline.

## FLOOD INSURANCE REQUIREMENTS

**IMPORTANT:** If the flood maps indicate the property is located in an SFHA and there is a dispute, the lender must obtain:

A final Letter of Map Amendment (LOMA) or a final Letter of Map Revision (LOMR) from FEMA that removes the property from the SFHA

### 1. Flood Insurance Requirements

**An escrow account is required for all flood insurance policy premiums, regardless of whether escrow is waivable for other escrowed items.**

#### \_\_\_\_\_ Acceptable Flood Insurance Policies:

- Flood insurance should be under a standard policy issued under NFIP (National Flood Insurance Program)
- A SFIP (Standard Flood Insurance Policy) policy written by one of the approved Write Your Own property and casualty insurance companies. Company lists can be found at: [https://www.fema.gov/wyo\\_company](https://www.fema.gov/wyo_company)
- A private insurance policy based on the following requirements:
  - Insurance company must meet licensure requirements
  - Coverage must be at least as broad as NFIP, evidenced by a letter from the insurance company stating that the coverage is “at least as broad” as the coverage of an NFIP policy.
  - The policy must include 45-day cancellation/nonrenewal notice, information about NFIP coverage, mortgage interest clause similar to FEMA’s Standard Flood Insurance Policy (SFIP), 1-year legal recourse Clause, and cancellation provisions as restrictive as SFIP.

#### \_\_\_\_\_ Dwelling Coverage:

Minimum coverage is the LESSOR of: 100% of the Insurable Value of Improvements as determined by the amount of insurance listed on the hazard policy (includes master hazard for condos) for dwelling coverage; OR the NFIP maximum for the particular type of building

- 1) Single Family 1-4 Unit = \$250,000
- 2) Attached Condos and PUDs with master insurance policies (\$250k multiplied by number of units in the building)

#### \_\_\_\_\_ Outbuildings:

Flood insurance is not required on any structure that (1) is part of a residential property, (2) is detached from the primary residential structure, **and** (3) does not serve as a residence.

\_\_\_\_\_ (Y/N) Has the borrower indicated that the structure will be used as a Residence; does the structure have bathroom, kitchen, and sleeping facilities; or is the structure traditionally used as a residence (e.g., guest house)?

- i. If the answer is yes, for any of the above questions, flood insurance is necessary on the detached piece of property.



If detached property is used as a residence and its value is over \$5,000, it will require separate coverage.

OR

\_\_\_\_\_(Y/N) Is the structure traditionally used for some purpose other than a residence (e.g., green house, horse barn, tool shed)?

- i. If the answer is yes to the above question, flood insurance is not required on the detached portion of the property.

\_\_\_\_\_**Deductible**

Maximum is \$5,000 on Conventional and \$1000 on Gov't Insured Loans (FHA, VA, USDA) \*\*\* or the maximum allowed by NFIP as follows:

a. Full risk Policy

i. If building coverage does not exceed \$100,000, then minimum deductible is \$1000; however for coverage in excess of \$100,000, the minimum is \$1,250. b. Pre-Firm Subsidized Policy

- i. If building coverage does not exceed \$100,000, then minimum deductible is \$1500; however for coverage in excess of \$100,000, the minimum is \$2,000.

\_\_\_\_\_**Flood Zone**

Must be identified on policy (must match Flood Cert)

\_\_\_\_\_**Other Requirements**

- \_\_\_\_ Borrower name is correctly reflected
- \_\_\_\_ Property address matches USPS, Appraisal and System
- \_\_\_\_ Policy number is shown
- \_\_\_\_ Correct Loan Number is shown
- \_\_\_\_ Correct Mortgage Clause
- \_\_\_\_ Effective date is closing date (can be a few days prior)
- \_\_\_\_ Expiration date – 1 year policy paid needed (refinances need 60 days coverage at closing)
- \_\_\_\_ Premium – does not exceed amount used to qualify borrower
- \_\_\_\_ Paid receipt (evidence of policy being paid is also needed for refinances)
- \_\_\_\_ For Flood Insurance ONLY- Can have the application rather than policy/dec page



## Disclaimer

### Assignment of Loan Acquisition

You are hereby notified that all the rights and obligations of ACH Trust with respect to the mortgage loan that is the subject of this document may be assigned in whole or in part to Towne Mortgage Company without further notice to you.

