

New Compliance Procedures

Compliance Files will continue to be submitted to US Bank following closing. In an effort to meet challenges presented by changes in the mortgage markets and industry, the following changes to the **compliance requirements within the MFA Program will be Mandatory for all loans reserved on or after April 1, 2011.**

The final compliance approval package you send for review must now include more specific information for verification of income. Each person in the household, who earns income, (an exception would be for children under 18 years of age) must have an **“INCOME CALCULATION WORKSHEET”** and supporting income documentation to verify the income stated for the compliance review.

There is also a summary worksheet that serves as the new Income Affidavit. This new affidavit replaces the old one and must be signed at closing. The title of the new affidavit is the **NEW MEXICO “SUMMARY OF ALL ATTACHED INCOME CALCULATION WORKSHEETS”**.

To date, most of the loans in this program have 1 (80.7%) or 2 (19.1%) adult wage earners. Only one household had 3 wage earners.

With the elimination of the “Preliminary Household Composition Income Affidavit” The compliance documentation required by you will be very similar to what it is currently. Income information that you are required to copy and send with the forms, should be information you are already collecting for your underwriters to review.

As a result of these changes, we’ve revised the Compliance File Checklist. As explained below, the new forms are on the website: http://www.ehousing.cc/new_mexico.htm

Please remember to refresh your screen when you get to this website. This will ensure you will be viewing and be taken to the most current information and web links.

Then scroll down to **“What’s New in the MFA Program”** and click on this title. Even though these changes are not Mandatory until you register a loan on or after April 1, 2011, you may begin using the forms and utilizing the process now if you choose to.

The new forms are listed under the heading “Forms For Loans Reserved on or after 4-1-2011”. The **current forms are listed under the heading “Forms for Loans Reserved on or before 3-31-11”**.

We’ll be checking with you to see if you have questions. But please feel free to contact us when you do.