



**A PROGRAM OF
THE HOUSING AUTHORITY
OF THE CITY OF CHEYENNE**

Administrator's Guidelines

Published July 1, 2014

Updates are shown on Page 3



TIME ZONES

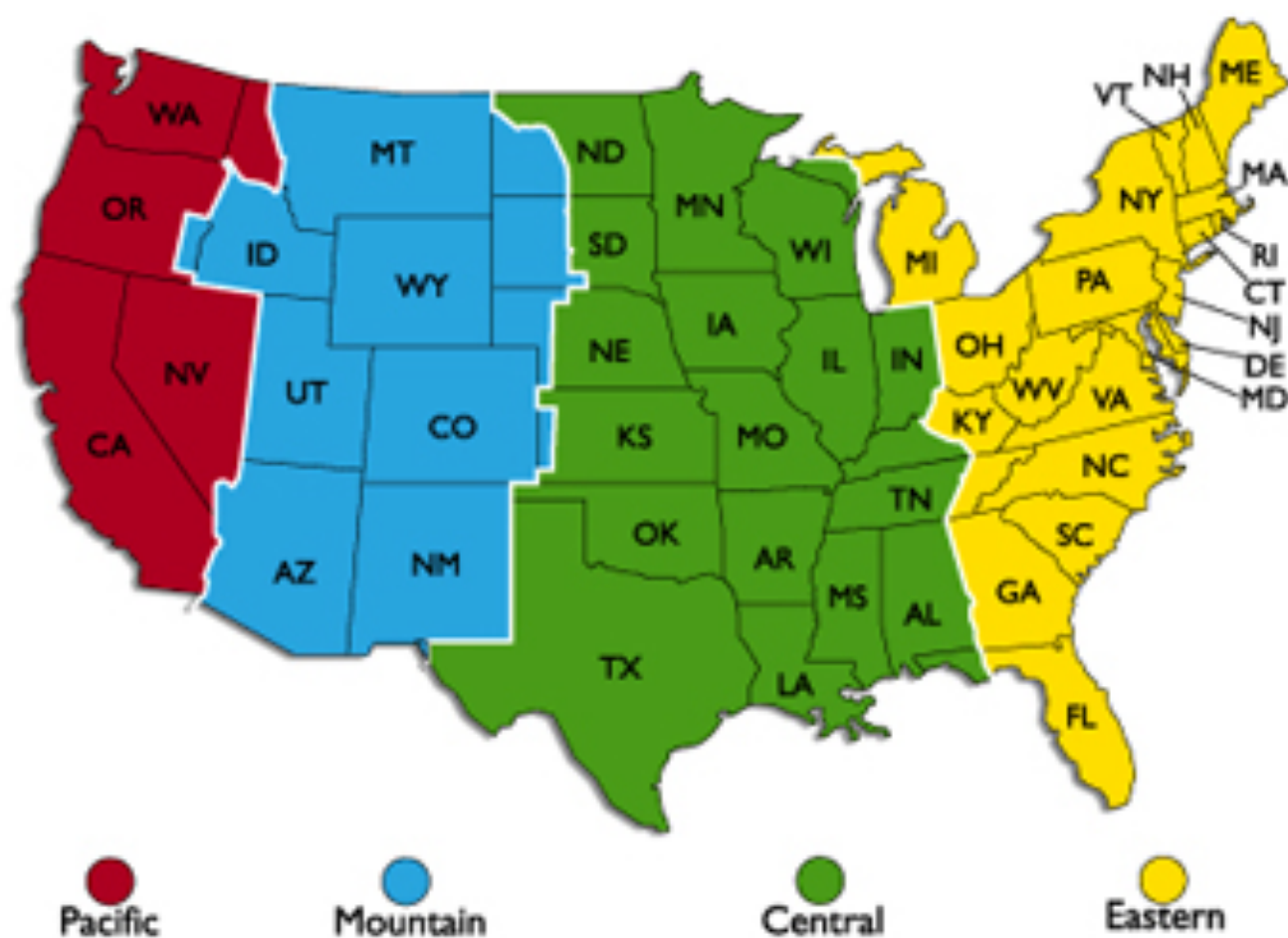


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UPDATES

[illegible]

THE ORIGATION AND FUNDING TEAM



Housing Authority of the City of Cheyenne

Sponsors the Welcome Home Wyoming Program, advises of rate, term and points, and assists with marketing the program.

Participating Lenders

Take applications, reserve in their own systems, process, underwrite, approve, fund first mortgage and DPA, close and sell qualified loans to the program. Lenders are responsible for servicing program loans in accordance with Agency (FHA, etc) requirements until they're purchased by the Master Servicer.

US Bank

Master Servicer

Provides information on acceptable loan products, delivery and funding, receives all first mortgage files, reviews first mortgage files, notifies lenders of first mortgage file exceptions, approves first mortgage files, purchases pools and delivers loans, delivers certificate.

eHousingPlus

Program Administration

Maintains the program reservation system, websites, email directory for notices, and posts Administrator's guide, forms, training materials, provides program and system training, answers program and system questions, receives compliance files, reviews, posts and notifies of exceptions and approves compliance file.

PROGRAM PRODUCTS

PLEASE NOTE THAT RATES AND ASSISTANCE GRANT AMOUNTS ARE SUBJECT TO CHANGE AT ANY TIME. With respect to reserved loans, the rate and assistance will not change as long as loans are delivered according to the timetable included in this Guide.

Assisted Rate Loan with 4.00% Assistance Grant

All loans in this program are Assisted Rate Loans.

The borrower receives a 30-year, fixed rate, fully amortizing first mortgage loan with 360 level monthly payments as well as an assistance payment equal to 4.00% of the note amount to apply toward down payment or closing costs. Current rates are available online within the system. Income limits apply.

Funds are available in a first-come, first-served revolving pool that **provides continuous funding.**

Daily Rate Lock Reservation Availability

Reservations in this program are available Monday - Friday 8:00 a.m. - 6:00 p.m. Mountain Time excluding holidays.

Assistance

The Assistance is calculated on the Note amount. Lenders funds the Assistance at closing and are reimbursed at loan purchase by U.S. Bank. The Assistance may be used for down payment or closing costs and pre-pays. While there is no cash back in this program, the borrower may be reimbursed for any overpayment of escrow. Because the Assistance is a fixed percentage, any remaining Assistance must be applied as a principal reduction. Assistance is in the form of a non-repayable grant. It is not repayable under any circumstances. When you reserve the first mortgage, the Assistance is automatically reserved. There is no additional reservation necessary. When you close the loan, there are no second mortgages, second notes, deed restrictions or liens. Borrowers do not repay assistance.

THE REQUIREMENTS

All loans in this program must be FHA, VA or USDA:RD loans.

Follow FHA, VA or USDA:RD guidelines unless otherwise noted.

Eligible Borrowers

- There is no first-time homebuyer requirement in this program.
- Regarding non-permanent residents, follow Agency (FHA, VA, RD) guidelines.
- Buyers must occupy the property within 60 days of closing.
- Applicants must be considered irrespective of sex, age, race, color, religion or national origin

Minimum FICO Score and DTI Ratio

Buyers must have a minimum FICO credit score of 640 (mid score must be 640 or above). For buyers with NO FICO credit score alternative credit sources may be used that are acceptable to the product for a manual underwrite to be performed by the underwriter. The maximum DTI (debt-to-income ratio) must not exceed 45%. If an Agency (FHA, VA, RD etc) or participating lender has stricter guidelines follow Agency or internal procedures. Automated underwriting options are DU, LP or GUS. Manual underwriting is permitted and underwriters must follow guidelines for the product (FHA,VA,RD, etc.)

Homebuyer Education

All borrowers (any primary borrower on the Note/Warranty Deed) must complete a homebuyer education course. **The ONLY approved course is offered by MGIC: <http://www.mgichome.com>.** The Borrower must receive a certificate of completion.

Eligible Area

State of Wyoming

Purchase Price Limits

There are no purchase price limits in this program

Property Requirements

- Single family, owner-occupied, principal residences that are detached structures, or condominiums, town homes/PUDs, subject to the applicable FHA, VA or RHS/RD guidelines
- Homes are considered new if never previously occupied.
- Manufactured homes, are permitted but lenders must follow Agency and specific U.S. Bank requirements; mobile homes, recreational, seasonal or other types of vacation or non-permanent homes are not permitted.

Income Limits

For all household sizes, use ONLY 1003 Qualifying Income that cannot exceed the following:

| COUNTY | LIMIT |
|-------------|---------|
| Albany | 85,000 |
| Big Horn | 82,000 |
| Campbell | 102,000 |
| Carbon | 82,000 |
| Converse | 84,000 |
| Crook | 82,000 |
| Fremont | 82,000 |
| Goshen | 82,000 |
| Hot Springs | 82,000 |
| Johnson | 82,000 |
| Laramie | 82,000 |
| Lincoln | 82,000 |
| Natrona | 82,000 |
| Niobrara | 82,000 |
| Park | 82,000 |
| Platte | 82,000 |
| Sheridan | 82,000 |
| Sublette | 87,000 |
| Sweetwater | 95,000 |
| Teton | 134,000 |
| Uinta | 82,000 |
| Washakie | 82,000 |
| Weston | 82,000 |

FINANCING FACTS

It's expected that lenders have reviewed some **preliminary documentation and believe that applicants will also qualify for credit. Excessive cancellations will be reviewed** to assure that program funds are not being utilized **inappropriately**.

Appraisal

The appraisal must indicate that the home has at least a 30 year remaining useful life.

Buydowns

Not permitted in this program.

Cash Back

Cash back to the borrower is not permitted. However, borrowers are permitted a reimbursement of prepaids and overage of earnest money deposit as permitted by Agency guidelines and to the extent any minimum contribution, if any, has been satisfied.

Construction to Perm

Not permitted in this program.

Cosigners

Cosigners are permitted to the extent permitted by applicable Agency (FHA, VA, USDA:RD). Treat cosigner/income as directed by the Agency. A cosigner cannot have any ownership interest in the property (they cannot be on the Mortgage/DOT/WarrantyDeed).

Minimum Loan Amount

There is no minimum loan amount in this program.

Prepayments

The first mortgage may be prepaid at anytime without penalty.

Recapture Tax

There is NO RECAPTURE TAX IN THIS PROGRAM.

Refinances

This program is intended for the financing of new mortgage loans. Refinancing of existing mortgage loans is not permitted.

THE PROCESS SUMMARY

Lender training provided by the Administrator. For programmatic information and program and system training — eHousingPlus, click here <http://www.ehousingplus.com> See *Training* tab on eHousingPlus website. (offered 24/7 -- username and passwords, added to email notice directory once weekly on Wednesdays).

USERNAME AND PASSWORD

Following eHPUniversity training, Lenders apply for username and password on the ehousingplus website with instructions received in an email the Wednesday following training.

QUALIFY

Lenders qualify applicants for the program. Buyers must present an executed sales agreement before being entered into the program reservation system.

RESERVE FIRST MORTGAGE FUNDS

To reserve funds in program's online system go to <http://www.ehousingplus.com/>. Log in and reserve the first mortgage. You will receive a loan number and a message that you've completed the reservation successfully. Available M-F 8am-6pm Mountain Time. Excluding Holidays.

RESERVE GRANT FUNDS

After the first mortgage funds are reserved in the eHousingPlus Lender Portal, click on the Additional Loan tab (this is NOT a loan - this truly is a grant) and reserve the grant funds in this area.

PROCESS

Lenders process the loan as they would normally keeping in mind the program timelines.

UNDERWRITE AND CERTIFY

Lenders underwrite and are responsible for credit decisions of the loans in the program. Servicer does not re-underwrite loans. Following credit approval **AND WITHIN 25 DAYS OF LOAN RESERVATION**, Underwriter completes the online Underwriter Certification Form. Access system on the ehousingplus website.

CLOSE

It's important to provide accurate closing instructions to closing agents. All program docs must be returned to you. **AT CLOSING, BORROWERS MUST SIGN THE 2013-14 LETTER.** Original remains with Lender, copy to borrower, US Bank (with USB002) and in FHA Case Binder. Find all forms behind security at the eHousingPlus web site.

SHIP / SUBMIT

Use the Compliance Checklist to assemble the compliance file. The Compliance File is submitted to eHousingPlus.

The first mortgage file and credit package are submitted to US Bank.

IT'S IMPORTANT that lenders have the borrower(s) sign the letter that meets requirements of 2013-14 and provide them with a copy. Also, provide the Lender Commitment letter. Both appear in the auto-fill Forms available for closing labeled as 2013-14. In both cases Lenders retain original with copies to U.S. Bank and a copy in FHA Case Binder.

EXCEPTIONS

Lenders are notified by eHousingPlus and US 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 submitted to U.S. Bank.

PROGRAM TIMETABLE

BUYERS MUST HAVE A FULLY- EXECUTED SALES CONTRACT FOR A SPECIFIC PROPERTY in order to have funds reserved or to 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. This is particularly important with respect to new construction, foreclosures and short sales. Please wait to reserve funds. Loans not purchased within the time frame below, cannot be purchased.

The revolving pool of funds assures continuous funding. Fund availability makes it unnecessary to rush to reserve funds.

Loan Processing, Delivery and Purchase Timetable

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 25 days of loan reservation
- (2) purchased by the Master Servicer within 70 days of loan reservation.

Loan Purchase Extension Fee

Any loan not purchased within 70 days is ineligible for purchase unless the lender chooses a one-time only 30-day extension. The cost of the extension is \$375. The \$375 extension fee is due whether or not loans are ultimately delivered and/or purchased. The \$375 will be netted by the Servicer when loans are purchased. If an extension is permitted, but the loan is not purchased, the originating lender will be billed for the extension fee of \$375. Any outstanding fees owed by the Lender may result in that Lender becoming ineligible to participate in the program.

At 101 days, a loan that hasn't been delivered is cancelled and cannot be reinstated. A new rate lock for the same borrower cannot be made until sixty (60) days after expiration of the prior Rate Lock period (including extensions).

Again, the extension is offered once per loan and no further extensions will be allowed. Furthermore, regardless of choosing an extension, any loan not purchased within the approved timeframe will become the liability of the originating lender, including any down payment assistance provided at closing.

An extension request is available online on the eHousing Plus website. Program Docs hold the Extension Request Form that is completed and submitted online. Remember that the form must be submitted **BEFORE** the 70th day.

PROGRAM FEES

First Mortgage Fees

A 1.00% fee to be retained by the lender as Origination OR Discount fee OR combo (but not more than 1.00%) may be paid by buyer or seller as allowable. No additional Origination or Discount fees may be charged.

The program includes a **Compliance Fee of \$250**. The fee is payable at closing and remitted to eHousingPlus with the Compliance File. The fee must be disclosed on the HUD-1 as being paid to eHousingPlus and can't be financed.

Chronically deficient files will be charged a fee of \$100 per file.

Funding Fee

US Bank fees of **\$85 Tax Service Fee** and **\$300 Funding Fee** are payable at closing. Both must be disclosed on the HUD-1 as being paid to US Bank. They will be **netted** at loan closing and can't be financed.

Lenders are permitted to charge reasonable and customary charges for out of pocket expenses and costs. Other financing costs such as legal fees and underwriting fees may be charged and courier fees may be charged if such fees are normally charged. Lenders may charge the usual and reasonable settlement costs. Settlement costs include titling and transfer costs, title insurance, survey fees or other similar costs. Other allowable fees include doc prep fees, notary fees, hazard, mortgage and life insurance premiums, recording or registration charges, prepaid escrow deposits and other similar charges allowable by the insurer/guarantor. "Junk" fees are not a defined term and may not be charged. Excessive fees are not permitted in the program.

Lender Compensation

On each loan, the lender collects the 1.00% origination or discount fee as explained above from buyer or seller (follow Agency guidelines). In addition, Lenders will receive 1.00% upon purchase of the loan by the Master Servicer. VA loans will be purchased at a 0.50% discount and, therefore, a maximum net income of 1.50%.

| Loan Type | Origination OR Discount | Master Servicer Pays At Loan Purchase | Total Lender Payment |
|-----------|----------------------------|--|-------------------------|
| FHA | 1% | 1.00% | 2.00% |
| VA | 1% | 0.50% | 1.50% |
| USDA | 1% | 1.00% | 2.00% |

DOCUMENTS REQUIRED FOR COMPLIANCE FILE

Program forms are available online on the eHousingPlus website. Forms will autofill with borrower information.

1. Compliance File Checklist

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.

3. HUD-1 Settlement Statement (copy)

Buyer, seller and closing agent must fully execute the HUD-1. Borrowers on the HUD-1 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 HUD-1. The Application Fee must be shown as being payable to eHousingPlus. Please do not bundle charges. Itemize all charges to the transaction. Payoffs of other debt must appear on Page 1 under Section 100 of the HUD-1 as part of "Settlement Costs".

4. Warranty Deed (copy)

A copy of the Warranty Deed is required.

5. Homebuyer Education Certificate (copy)

A copy of the Homebuyer Education Certificate must be in the Compliance File. All primary borrowers on the Note/Warranty Deed must complete homebuyer education.

US BANK WEB SITE INFORMATION

For information on how to locate the US Bank delivery checklists, bulletins, lending manual, form USB 002 and online training, please see below.

Click on this link: 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**

Click on **Wyoming**

Then click **Cheyenne**