



chfa participating lender announcement 2019-01

March 4, 2019

summary of changes

The CHFA Seller's Guide was updated to reflect the following changes:

- Term Reservation now referenced as Lock throughout the Seller's Guide
- Marketing Materials must comply with all applicable laws, rules, regulations, and requirements
- Deletion of references to CHFA's Statewide Mortgage Credit Certificate (CHFA MCCsm) Program that are no longer applicable
- Loan and Purchase Price Limits clarification
- CHFA HomeAccesssm and CHFA SectionEightsm Homeownership Programs updates
- Options for relocking a loan after a cancelation
- Errors to Mortgage Loan documents must be corrected and addressed
- Acceptance of Mortgage Loan payments prior to and after Servicing Transfers Deadlines

reservation now referenced as lock

Reservation is an outdated term. Currently, Participating Lenders lock a loan at a specific interest rate on a specific date for a specific property and product. Therefore, all references to making a reservation or reserving a loan are updated to locking a loan or an making a Lock. Lock, Lock Expiration, and Lock Period are defined terms under Chapter 10, Definitions. (Updated throughout the Seller's Guide)

Effective date: These changes are effective immediately.

marketing materials

Participating Lender's marketing, informational, commercial or consumer-related publications and materials which refer or relate to CHFA including CHFA programs, products, services or co-branding with CHFA, regardless of form and the manner or means by which such materials are distributed must fully comply with all applicable federal, state and local legal and regulatory laws, rules, regulations and requirements. (See Section 112 for complete details.)

Effective date: These changes are in effect immediately.

mortgage credit certificates (mcc)

CHFA does not currently have funds available for the CHFA Statewide Mortgage Credit Certificate (CHFA MCCsm) Program. When appropriate, references to the CHFA MCC Program have been struck from the Seller's Guide. Information on CHFA's and Participating Lenders' reporting requirements and the ability to have a certificate reissued remain in the Seller's Guide. (Deleted Sections include 901, 903-912)

Effective date: These changes are in effect immediately.



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loan and purchase price limits

Unless otherwise stated in the applicable Program matrix, the maximum loan limit for all Mortgage Loans is the lower of the Fannie Mae conforming loan limit or the amount determined by the applicable insurer, guarantor, Fannie Mae, or Freddie Mac. Not all Programs have Purchase Price limits. However, when a Program has Purchase Price limits, under no circumstances may a loan amount or acquisition cost of a Property exceed the Purchase Price available on CHFA's website at www.chfainfo.com. (See Sections 201.F)

Effective date: These changes are already in effect.

CHFA HomeAccesssm and CHFA SectionEight Homeownershipsm Programs updates

New language has been added regarding the roles and responsibilities of Participating Lenders approved to offer the CHFA HomeAccess and CHFA SectionEight Homeownership Programs. (See Sections 310.B and 311.B)

In addition, CHFA will no longer be performing the credit review as described under Sections 310.B and 502.A. (Referenced Sections have been deleted)

Effective date: These changes are effective immediately.

relocking loans

If a Participating Lender would like to re-reserve a canceled Lock, for the same Borrower and Property, the following options are available:

1. The Participating Lender may have the canceled Lock reinstated. All terms including Interest Rate and Lock Expiration Date of the canceled Lock apply.
2. The Participating Lender may make a new Lock at current market rate 31 calendar days from the Lock cancellation date.
3. If relocking within 10 calendar days, of the original Lock Date, the Participating Lender may request a new Lock subject to worst case pricing and a relock fee of \$250.00. A new Lock Expiration Date will be established.
4. If relocking after 10 calendar days, of the original Lock date, but within 30 calendar days of the Lock cancellation date, the Participating Lender may request a new Lock subject to worst case pricing and a cost of 0.35 percent of the First Mortgage Loan amount original principal balance. A new Lock Expiration Date will be established.

Relock fees may be paid by the Borrower, Participating Lender, builder or seller, provided all such fees and payments comply with all applicable state and federal laws, regulatory requirements and applicable FHA, VA, USDA-RD, Fannie Mae, and Freddie Mac requirements. The fee will be debited against the funded loan balance as illustrated on the CHFA Purchase Advice. (See Section 408.C)



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Effective date: These changes are already in effect.

document errors

Any errors relating to the Mortgage Loan documents must be corrected and addressed in accordance with all applicable legal and regulatory requirements as required by the insurer, the guarantor, or Fannie Mae, or Freddie Mac and/or Ginnie Mae. A Participating Lender acknowledges that corrections are its sole responsibility and any efforts by CHFA or any other party to assist with such corrections or in addressing such errors in no way affects or diminishes the Participating Lender's obligation or liability. (See Section 700.B)

Effective date: These changes are effective immediately.

funding and servicing transfers timelines

Clarification has been provided on the acceptance of mortgage payments prior to or after the Servicing Transfer Deadline.

1. If the Participating Lender intends to have CHFA accept the first payment on the Mortgage Loan, the Participating Lender must submit the Mortgage Loan to CHFA and the Mortgage Loan must be Purchased before the applicable Servicing Transfer Deadline.
2. Otherwise, CHFA will Purchase Mortgage Loans from a Participating Lender and accept the next month's Mortgage Loan payments, following the Participating Lender's submittal and CHFA's Purchase of the Mortgage Loan by the applicable Servicing Transfer Deadline. Until then, the Participating Lender will be responsible for continuing to service the Mortgage Loan, including accepting the current Mortgage Loan payment due. (See Section 800.A)

Effective date: These changes are effective immediately.

miscellaneous updates

- **Section 201.I, Homebuyer Education**
Borrowers are strongly encouraged to complete the homebuyer education course early in the home buying process. CHFA will not purchase a loan until this requirement is met.
- **Section 304.A and 304.B, Ineligible Downpayment Assistance (DPA) Uses**
CHFA DPA may not be used to fund the Borrower's Minimum Financial Investment, pay off debt, or any additional real estate broker or agent fees.
- **Section 310.A, MCCs and HomeAccesssm**
The CHFA HomeAccess Program may not be combined with any Mortgage Credit Certificate (MCC) program.
- **Section 405, Extensions, Fees and Penalties**
Clarifying language was added that further explains and/or outlines the various penalties surrounding suspensions, cancellations, extensions, and delayed loan delivery.



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- Various additional technical corrections throughout the Guide

Effective date: These changes are effective immediately.