



May 7, 2018

Summary of Changes

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

- User consent to collect and use contact information
- Specificity regarding CHFA Second Mortgage Loan subordination terms when utilizing a CHFA Refinance product
- Properties with cisterns are allowed
- Addition of CHFA requirements on how to change, transfer, or cancel loans
- Clarification on how to calculate Borrower income
- Clarification on first payment due dates
- Miscellaneous updates and technical corrections

User Consent and eNews Communications

CHFA has updated its terms and conditions for use of HomeConnectionsm, and its practices regarding CHFA Home Finance eNews registration. By accessing HomeConnection, you consent to receive CHFA Home Finance eNews email communications, which provide information about CHFA programs, guideline updates, trainings, and events.

See Section 109.F of the CHFA Seller's Guide for complete information.

Effective date: This change is already in effect.

Cisterns

Properties with cisterns as the only water source are now acceptable.

See Sections 202.B and 905.G.S of the CHFA Seller's Guide for complete information.

Effective date: This change is effective immediately.

CHFA Second Mortgage Loan Subordination Terms

CHFA may subordinate certain CHFA Second Mortgage Loans to a new CHFA Advantagesm Refinance, CHFA Preferredsm Refinance, or CHFA FHA Streamline Refinance First Mortgage Loan provided the loan being refinanced was closed after March 2009. CHFA may permit the subordination of any pre-existing deed of trust on the Property which secures a third-party mortgage loan and which is not paid off prior to or as part of the CHFA Refinance, provided: 1) all required steps have been taken to effectively subordinate the third-party mortgage to the new CHFA First Deed of Trust and to any CHFA Second Deed of Trust that remains; and 2) the subordination of the third-party mortgage is permitted by and meets all FHA, Fannie Mae, or Freddie Mac requirements, as applicable, as well as any other applicable legal and regulatory requirements.



chfa participating lender announcement 2018-01

See Sections 305.E, 306.E and 310.C of the CHFA Seller's Guide for complete information.

Effective date: These terms are effective immediately.

Interest Rates Availability

Interest rates are no longer available on the CHFA website. Interest rates are published on HomeConnectionSM and made available to subscribing Participating Lenders via a daily email.

See Section 401 of the Seller's Guide for complete information.

Effective date: This change is already in effect.

Reservation Changes, Transfers and Cancellations

CHFA reservations are tied to both a specific property and borrower. Should a borrower no longer be purchasing the property listed on the reservation, the lender must cancel the loan and make a new reservation. With this system change, property address errors or misspellings will be required to be updated using CHFA Form 704: Change or Cancellation of Reservation. Additionally, reservations are not transferable to a new lender or new borrower (except for adding a borrower or editing a borrower's name).

Loans can be canceled in HomeConnectionSM or by using CHFA Form 704. A new loan can be locked by submitting CHFA Form 707. New reservations will be locked at the current market rate.

See Sections 407 and 408 of the Seller's Guide.

Effective date: These requirements are already in effect.

Calculating Income

For CHFA FirstStepSM, CHFA HomeAccessSM, CHFA SectionEightSM Homeownership, and CHFA MCCSM program income requirements, the word "household" is being struck from the historically used term "Gross Annual Household Income." Except for the programs listed above, only the income utilized by the Participating Lender for purposes of credit qualifying the borrower(s) will be required for purposes of determining eligibility under CHFA's Income Limits.

See Section 501.B of the Seller's Guide for complete information.

Effective date: These changes are already in effect.

First Payment Due Date

The first monthly principal and interest payment of the First Mortgage Loan will typically be due on the first day of the second month following the month in which the First Mortgage Loan was closed.

If a Mortgage Loan closes and funds on the first day of the month, no interest is due, or if an interest credit is applied, the Borrower's monthly payments will be due on the first day of the first month following the month in which the First



chfa participating lender announcement 2018-01

Mortgage Loan was closed. In this scenario, the Participating Lender will be required to receive the first payment, as well as any other borrower payment received, prior to the loan being eligible for purchase.

See Section 601C of the Seller's Guide for complete information.

Effective date: These changes are already in effect.

Miscellaneous Updates

- **609.D.27, Tax Service Fee**

This fee may be charged to the Borrower if permitted by the applicable insurer/guarantor or Fannie Mae or Freddie Mac.

- **611.A, General Purchase Delivery Procedures**

In the event the Participating Lender has accepted four (4) or more payments from the Borrower, CHFA may charge a fee upon purchase.

- **700.A, Final Document Delivery**

- Mortgage Electronic Registration Systems (MERS) members must register the Mortgage Identification Number (MIN) in the MERS system prior to CHFA purchasing the loan.
- For FHA-insured loans, the Participating Lender is responsible for all Monthly Mortgage Insurance premiums for payments they accept, prior to the first payment due CHFA after purchase.

- **804, Payment of Property Taxes**

Updated language to reflect 2018 policies.

- **Various additional technical corrections throughout the Guide**

Effective date: These changes are effective immediately.