



chfa participating lender announcement 2021-01

May 10, 2021

summary of changes

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

- Signatures
- Third-party Originators
- CHFA Overlays
- Lender Self-service
- Expired Locks
- CHFA Program Compliance Review
- Purchase Reconciliations
- Repurchase Liability Period
- Miscellaneous Updates

signatures

CHFA only accepts electronic signatures for initial disclosures, the Initial Applicant Affidavit (CHFA Form 401), initial loan applications, letters of explanation, purchase contracts, and now also includes the Condo Project Approval Certification (CHFA Form 770) and Affordable Housing Restrictions Approval Certification (CHFA Form 780), provided they are obtained in compliance with the E-Sign Act, the Uniform Electronic Transactions Act, and any other applicable requirements.

Additionally, CHFA's requirement for all other Mortgage Loan documents to be wet-signed, and if applicable sent in hard copy form, applies notwithstanding any electronic document transmittal and/or electronic signature system's automatically generated disclosures or consents that may provide otherwise. (See Section 105.K).

Effective date: These changes are already effective.

third-party originators

Lenders that utilize TPOs in the origination of loans for sale to CHFA must notify CHFA of their intent to do so. All loans originated using a TPO must close in the name of the CHFA Participating Lender or otherwise must be owned by the Participating Lender prior to sale of the loan to CHFA. (See Section 114)

Effective date: These changes are already in effect.

chfa overlays

Unless specifically stated in the Mortgage Purchase Agreement, Seller's Guide, eNews, and/or applicable Program Matrix, no additional overlays exist. CHFA relies on its Participating Lenders to determine whether borrowers are eligible under the guidelines of the insurer, guarantor, Fannie Mae, Freddie Mac, or the IRS, as applicable. Additionally, Participating Lenders remain responsible for compliance with all other applicable legal and regulatory requirements and



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guidelines, as updated from time to time, including IRS requirements for qualified mortgage revenue bonds. (See Section 310)

Effective date: These changes are already in effect.

lender self-service

While the loan is in reserved status, Participating Lenders can update all First Mortgage and Second Mortgage Loan information, other than Borrower(s); Interest Rate; Property Address; and cancel the Lock. In addition, Participating Lenders can extend a Lock, reinstate a Lock and re-lock a canceled Lock for the same Borrower and Property. (See Section 403)

Any Lock in reserved status may be canceled by the Participating Lender using HomeConnection. Once the Mortgage Loan has been submitted for Program Compliance Review and/or Prefunding Review, the Lock may be canceled by submitting a completed CHFA Form 704, Change or Cancellation of Lock. (See Section 408.B)

Effective date: These changes are already in effect.

expired locks

If a Mortgage Loan is not delivered to CHFA by the end of the Loan Delivery Extension, the Lock will expire and be canceled, and CHFA may not Purchase the Mortgage Loan. The Mortgage Loan may also be subject to a Cancellation Penalty. (Section 405.C)

Effective date: These changes are already in effect.

chfa program compliance review

Participating Lenders should make sure CHFA FirstStepsm and CHFA HomeAccesssm Mortgage Loans receive a CHFA Program Compliance Review approval prior to proceeding with closing to help ensure eligibility of purchase by CHFA. These Mortgage Loans require specific CHFA documents to be signed at closing. These documents only become available to the Participating Lender upon CHFA Program Compliance Review approval. (See Section 501)

Effective date: These changes are already in effect.

purchase reconciliations

CHFA will not work to reconcile any monthly mortgage insurance premiums paid in error by the Participating Lender to the insurer or guarantor. The Participating Lender should contact the payee directly to request reimbursement. (See Section 709 and Section 902)

Effective date: These changes are already in effect.



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repurchase liability period

The repurchase liability period for the Participating Lender has changed from 180 days to 120 days after Purchase, subject to exceptions. (See Section 712.D.3)

Effective date: These changes are already in effect.

miscellaneous updates

- **Section 702.B, Form Numbers**
Form numbers updated on Down Payment Assistance Grant Award Letters.
- **Various additional technical corrections throughout the Guide.**

Effective date: These changes are already in effect.