

Utah Housing Corporation – Program Requirements Closing/Shipping/Insurance

All loans must comply with FHA, VA, Freddie Mac, Federal and State Requirements.	
Closing a Utah Housing Loan	
Utah Housing Selling Supplement: Section 11	
FIRSTHOME	
Closing Documents	• Borrower Certification of Income (UHC Form 190). • Borrower Affidavit (UHC Form 047b). • Seller Affidavit (UHC Form 047s). • Recapture Notice (UHC Form 048). • Utah Housing Tax-Exempt Rider to Deed of Trust (UHC Form 14b). • Rent Back credit is not permitted on FirstHome loans. • “Origination Charge” cannot exceed 1% of the Promissory Note amount. The itemization may be listed in the Loan Costs section of the Closing Disclosure or attached to the Closing Disclosure compliant with FHA/VA requirements.
Instructions	• Utah Housing Tax-Exempt Rider to Deed of Trust (UHC Form 14b) should be attached to and recorded with the FirstHome First Mortgage Deed of Trust. • A non-occupying co-signor: ○ <u>May NOT</u> sign or be listed as a mortgagor on the Deed of Trust nor take Title. ○ <u>May NOT</u> sign the Borrower Affidavit (UHC Form 047b). ○ Is required to sign the Note(s). ○ Can sign all other documents.
<u>ALL</u> First Mortgages	
Closing Documents	• Loan Application Disclosure (UHC Form 045). • Also Known As (AKA) Certification. Lenders form is acceptable. • Loan Documents used to close the First and Second loan must be MER’s documents and should include the MER’s number.
Instructions	• Applicable Riders such as Manufactured Home, Condominium, PUD, and Tax-Exempt should only be attached to and recorded with the First Mortgage Deed of Trust. DO NOT attach to and record with the Second DOT. • Borrower(s) name on Promissory Note should match borrower named on the Deed of Trust and Title Policy for both First and Second Loan.

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Permitted First Mortgage Fees	FIRST HOME: “Origination Charge” cannot exceed 1% of the Promissory Note amount. The itemization may be listed in the Loan Costs section of the Closing Disclosure or attached to the Closing Disclosure compliant with FHA/VA requirements. ALL LOANS: fees for the First Loan must be reflected on the Closing Disclosure. Utah Housing Selling Supplement: Section 10. - Lenders may charge customary fees associated with originating, processing, underwriting, and Closing an FHA, VA, or Conventional first mortgage. - Rent Back Credit is <u>not permitted on FirstHome loans</u>. Rent Back credit, not to exceed 59 days, is permitted on HomeAgain, Score, and HFA Advantage. The borrower should occupy the Residence within 60 days of closing.
Utah Housing Fees	\$83 Tax Service. \$35 Loan Delivery and Review Fee. - Lock extension and interest rate buydown fee in an amount equal to or less than the amount listed on the Utah Housing Lock Agreement (MPA).
Cash Back	The borrower cannot receive cashback. After applying the loan proceeds, if the Closing Discloser reflects cash over the Earnest Money, deposit, or funds paid outside of Closing, excess funds can be used to reduce the principal of the Loan. - Any principal reduction of the Loan must be reflected on the Closing Disclosure for the applicable Loan. - No portion of the loan may be disbursed to the borrower or any person on behalf of the borrower.
Utah Housing Subordinate (Second) Loan	
Closing Documents for Subordinate Loan	Subordinate MERS Deed of Trust (UHC Form 040A). Subordinate Note (UHC Form146).
Subordinate Loan Permitted Fees	- Second loan fees should be reflected on the Second Loan Closing Disclosure. - Utah Housing does not require a Title Policy on the Second Loan. - Borrower(s) may not be charged additional fees except as listed below: \$450 Title and Lender fees combined. - Actual Recording Fee not to exceed \$40. - Prepaid interest as listed on the Second CD.
Utah Housing Fees	None
Subordinate Loan Amount and Principal Reduction.	- The second loan amount listed on the Utah Housing Subordinate Note is the loan amount that should be shown on the second Closing Disclosure. The loan amount should not exceed the maximum amount as listed on the MPA. - A principal reduction credit is permitted on a Second Loan in instances when the second is calculated over the limit and/or would result in cash back to the borrower. No portion of the Loan may be disbursed to the borrower or any person on behalf of the borrower.

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Shipping and Required Documents	
Utah Housing Selling Supplement: Section 13	
Delivery	The documents should be uploaded through Utah Housing Lender Restricted Document Delivery Portal on Utah Housing’s website.
Shipping	The Loan Submission Checklist contains the required documents that processors and underwriters will need to obtain and review for each loan program before closing. The 144 form lists the loan documents in the order they should be delivered. - FHA/VA Loans (FirstHome, HomeAgain, Score) Loan documents, as listed on Utah Housing Loan Submission Checklist (UHC Form 144a). Deliver to Utah Housing before the Final Mortgage Delivery Date listed on the MPA. - Freddie Mac FHA Advantage (Conventional) Loan documents, as listed on Utah Housing Loan Submission Checklist (UHC Form 144c). Deliver to Utah Housing before the Final Mortgage Delivery Date listed on the MPA.
Utah Housing ID #'s	- FHA seller ID: 52167 (Transfer MIC to Utah Housing). - EIN: 87-0332029 (For FHA form 92900-LT, when a loan has secondary financing). - Utah Housing MERS Organization ID: 1001029 (Transfer MERS to Utah Housing)
FHA Mortgage Insurance Shipping	To avoid audit compliance findings, for all FHA loans with down payment assistance (Utah Housings Second Mortgage) the following documents should be included in the FHA mortgage insuring package. - Page 2 of the MPA (includes the FHA required verbiage when providing DPA from a government entity). Utah Housing Legal Opinion Letter (<i>Operating in a Government Capacity</i>).
Late Fees	A loan delivered after the Delivery Due Date listed on the MPA will be charged a Late Fee. Late fees are listed in the UHC Selling Supplement: Exhibit A .
Note Endorsement	Each First and Second Promissory Note must include an endorsement, executed and signed by a person on file with Utah Housing as an authorized signer of the Lender. A Power of Attorney is not accepted. The endorsement must be worded as follows: “Pay to the order of Utah Housing Corporation its successors and/or assigns without recourse”.
Property Insurance Requirements (Section 8, Utah Housing Selling Supplement)	
Mortgagee Clause	All required insurance policies and Flood Certificates must be assigned to Utah Housing Corporation, its successors, and/or assigns PO Box 70569, Salt Lake City, UT 84170.
Maximum Deductible & Supplemental High Deductible Policy	- Policy deductible cannot exceed \$2,500 - A deductible exceeding \$2500 on a Condo or PUD HOA requires a supplemental policy (HO6) with a deductible not to exceed \$2500. - The insurance premium for a policy should be included as a charge on the Closing Disclosure.

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Homeowners Dwelling/Residence Coverage	- The loan delivered to Utah Housing must be covered by a valid Hazard Insurance Policy issued by a company lawfully doing business in Utah - Follow Conventional requirements in determining minimum coverage requirements for Utah Housing loans. - The expiration date of the Homeowners and any Supplemental policy should not exceed nine months after closing the loan.
Condo / PUD Insurance Policy	- For properties in an HOA, a copy of the current HOA Condo/PUD Policy is required. The policy should not be expired. - The HOA hazard insurance and certificate of liability insurance should guarantee 100% replacement cost of the project improvements. When possible the policy should include the borrower and mortgaged address and unit in the project. If the insurer will not include the property in the policy, the lender must provide written documentation, such as email correspondence. - Utah Housing may not purchase any loan where an HOA Policy is insufficient to cover past or present expenses or the association is in a legal dispute with unit owners.
Life-Time Flood Certification	- A Life-Time Flood Certification showing the borrower's name and the property address is required. - If it is determined that any portion of the Residence is located in a Flood Zone, as evidenced by the appraisal report or Life-Time Flood Certification, a copy of a flood insurance policy is required. If the deductible is limited by the insuring company Utah Housing will allow for a higher deductible, not to exceed the insuring company minimum deductible.
Flood & HOA Flood Insurance	If it is determined the Condo/PUD unit is located in a Special Flood Hazard Zone, as evidenced by the appraisal report or Life-Time Flood Certification, an HOA Policy including flood insurance, or a separate HOA flood insurance policy, is required. The policy must include Utah Housing's mortgagee clause.