

# IHDA Mortgage Operations

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*All items subject to change.  
Visit [ihdamortgage.org](http://ihdamortgage.org) for  
current information.*



IHDA Mortgage  
Team



877-456-2656



[Mortgage@ihda.org](mailto:Mortgage@ihda.org)



# About IHDA



IHDA was created by state legislation in 1967. At IHDA, we connect people with financing programs for their homes.

Our mission: To finance the creation and preservation of affordable housing in Illinois.

Today with your help, we assist 10% of all first-time homebuyers across the state purchase their first home.

We work with over 130 lenders statewide.

# Benefits of an IHDA Mortgage

## Down Payment Assistance

Up to  
\$10,000  
available

## All Loan Types Accepted

- FHA
- VA
- USDA
- FNMA & FHLMC

## Increase purchase accessibility

Helps low to  
moderate  
income  
households  
become  
homeowners

## Flexibility

Available to  
first and  
non-first  
time  
homebuyers







# Down Payment Assistance

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Available Programs





## All Programs Matrix - May 2021

	 <b>IHDA MORTGAGE</b>	 <b>IHDA Access Forgivable</b> 4% / \$6,000	 <b>IHDA Access Deferred</b> 5% / \$7,500	 <b>IHDA Access Repayable</b> 10% / \$10,000	 <b>OPENING DOORS</b> Abriendo Puertas \$6,000	 <b>SMARTBUY</b> 15% / \$40,000 +
<b>Purpose</b>	Purchase	Purchase	Purchase	Purchase	Purchase	Purchase / Student Debt Relief
<b>1<sup>st</sup> Mortgage Term</b>	30-Year Fixed Only	30-Year Fixed Only	30-Year Fixed Only	30-Year Fixed Only	30-Year Fixed Only	30-Year Fixed Only
<b>Form of Assistance</b>	10-Year Forgivable 2 <sup>nd</sup> Mortgage	30-Year Deferred 2 <sup>nd</sup> Mortgage	10-Year Repayable (Monthly) 2 <sup>nd</sup> Mortgage	5-Year Forgivable 2 <sup>nd</sup> Mortgage		<b>Debt Relief:</b> 3-Year Promissory Note <b>DPA:</b> 30-Year Deferred 2 <sup>nd</sup> Mortgage
<b>Assistance Amount</b>	4% of purchase price up to \$6,000	5% of purchase price up to \$7,500	10% of purchase price up to \$10,000	\$6,000 flat		Flat \$5,000 toward DPA 15% of purchase price, up to \$40,000, toward student loans <b>Debt Relief:</b> No repayment due, deed restriction / promissory note in place for 3-years <b>DPA:</b> Repayment, with 0% interest, due at maturity date, or when loan is paid in full, refinanced, or property is sold, whichever comes first
<b>Key Assistance Terms</b>	Forgiven monthly over 10-years	Repayment, with 0% interest, due at maturity date, or when loan is paid in full, refinanced, or property is sold, whichever comes first	Repaid monthly over 10-years with 0% interest	Forgiven monthly over 5-years		Greater of \$1,000 or 1% of purchase price
<b>Min. Borrower Contribution</b> <sup>8</sup>	Greater of \$1,000 or 1% of purchase price	Greater of \$1,000 or 1% of purchase price	Greater of \$1,000 or 1% of purchase price	Greater of \$1,000 or 1% of purchase price	Greater of \$1,000 or 1% of purchase price	Greater of \$1,000 or 1% of purchase price
<b>Minimum Credit Score</b>	640	640	640	640	640	640
<b>Maximum DTI</b>	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%
<b>IHDA 1<sup>st</sup> Mortgage Loan Type</b>	FHA / VA / USDA / FNMA HFA Preferred / FHLMC HFA Advantage	FHA / VA / USDA / FNMA HFA Preferred / FHLMC HFA Advantage	FHA / VA / USDA / FNMA HFA Preferred / FHLMC HFA Advantage	FHA / VA / USDA / FNMA HFA Preferred / FHLMC HFA Advantage	FHA / VA / USDA / FNMA HFA Preferred / FHLMC HFA Advantage	FNMA HFA Preferred or FHLMC HFA Advantage <sup>4</sup>
<b>Max LTV:</b>	1 unit: 96.5/100/100/97/97	1 unit: 96.5/100/100/97/97	1 unit: 96.5/100/100/97/97	1 unit: 96.5/100/100/97/97	1 unit: 96.5/100/100/97/97	1 unit: 97/97
<b>FHA/VA/USDA/FNMA/FHLMC</b> <sup>5</sup> *CLTV follow Agency guidelines	2 unit: 96.5/100/NA/95/NA	2 unit: 96.5/100/NA/95/NA	2 unit: 96.5/100/NA/95/NA	2 unit: 96.5/100/NA/95/NA	2 unit: 96.5/100/NA/95/NA	2 unit: 95/NA
<b>Key Borrower Eligibility</b>	First-Time <sup>1</sup> and Non First-Time Homebuyers	First-Time <sup>1</sup> and Non First-Time Homebuyers	First-Time <sup>1</sup> and Non First-Time Homebuyers	First-Time <sup>1</sup> and Non First-Time Homebuyers	First-Time <sup>1</sup> and Non First-Time Homebuyers	First-Time <sup>1</sup> and Non First-Time Homebuyers with a minimum of \$1,000 in student loans <sup>9,10</sup>
<b>1<sup>st</sup> Mortgage Max Allowable Fees</b> <sup>2,9</sup>	Origination: 1% + \$1200 plus all reasonable and customary fees	Origination: 1% + \$1200 plus all reasonable and customary fees	Origination: 1% + \$1200 plus all reasonable and customary fees	Origination: 1% + \$1200 plus all reasonable and customary fees	Origination: 1% + \$1200 plus all reasonable and customary fees	Origination: 1% + \$1200 plus all reasonable and customary fees
<b>2<sup>nd</sup> Mortgage Max Allowable Fees</b>	Recording fees only	Recording fees only	Recording fees only	Recording fees only	Recording fees only	Recording fees only
<b>Funds allowed to leave table</b> <sup>9</sup>	\$250 + plus any amount over the borrower's required minimum investment of 1% or \$1,000 (any additional should be principal reduction)	\$250 + plus any amount over the borrower's required minimum investment of 1% or \$1,000 (any additional should be principal reduction)	\$250 + plus any amount over the borrower's required minimum investment of 1% or \$1,000 (any additional should be principal reduction)	\$250 + plus any amount over the borrower's required minimum investment of 1% or \$1,000 (any additional should be principal reduction)	\$250 + plus any amount over the borrower's required minimum investment of 1% or \$1,000 (any additional should be principal reduction)	\$250 + plus any amount over the borrower's required minimum investment of 1% or \$1,000 (any additional should be principal reduction)
<b>Property type</b> <sup>3,6,7</sup>	Single Family (1 - 2 units, condo, townhouse) on less than 5 acres, No Manufactured	Single Family (1 - 2 units, condo, townhouse) on less than 5 acres, No Manufactured	Single Family (1 - 2 units, condo, townhouse) on less than 5 acres, No Manufactured	Single Family (1 - 2 units, condo, townhouse) on less than 5 acres, No Manufactured	Single Family (1 - 2 units, condo, townhouse) on less than 5 acres, No Manufactured	Single Family (1 - 2 units, condo, townhouse) on less than 5 acres, No Manufactured
<b>Housing Counseling</b> <sup>7</sup>	<b>Required Prior to Close</b>	<b>Required Prior to Close</b>	<b>Required Prior to Close</b>	<b>Required Prior to Close</b>	<b>Required Prior to Close</b>	<b>Required Prior to Close</b>
<b>Mortgage Insurance</b> <sup>5</sup>	Borrower Paid MI (Monthly, Single, or Split Premium)	Borrower Paid MI (Monthly, Single, or Split Premium)	Borrower Paid MI (Monthly, Single, or Split Premium)	Borrower Paid MI (Monthly, Single, or Split Premium)	Borrower Paid MI (Monthly, Single, or Split Premium)	Borrower Paid MI (Monthly, Single, or Split Premium)
<b>IHDA Approval</b>	Post Close	Post Close	Post Close	Post Close	Post Close	2 Stage: Pre-Close and Post Close Review

Income and Purchase Price Limits Apply ~~~~~ ALL properties must become the owner occupied principal residence of the borrower within 60 days after the closing of the IHDA loan ~~~~~ No Manufactured Housing on any programs! ~~~~~ All IHDA 2nd mortgages are subject to TRID! ~~~~~ FNMA HFA PREFERRED or FHLMC HFA ADVANTAGE ONLY ON CONVENTIONAL LOANS! ~~~~~ No Manual Underwrites ~~~~~ LPA allowed on FHLMC, VA, or FHA ~~~~~ No HOMEPATH, HOMEReady, or 203K

1. Veterans and those buying in a targeted area are exempt from the first-time homebuyer requirement. (Use the lookup tool at [IHDA Mortgage.org](https://IHDA Mortgage.org) to identify targeted properties.)

2. No high cost mortgages permitted (lenders must follow U.S. Bank HFA Division requirements for High Price Mortgage Loans (HPML)).

3. FNMA Conventional loans ≥ 95.01% LTV - 1 unit only (for 2 units, max LTV=95%). **FHLMC Conventional does not allow 2 units.**

4. SmartBuy must be run through AUS as DU HFA Preferred or LPA as HFA Advantage (no manual underwrites allowed).

5. MI - see DU or LPA findings, conventional FNMA must be run as "HFA Preferred", conventional FHLMC must be run as "HFA Advantage (eligible users only)" \*\*\*NO LPMI ALLOWED\*\*\*

6. U.S. Bank Home Mortgage Condo Review REQUIRED unless the lender is delegated by U.S. Bank.

7. FNMA Conventional 2 unit properties - landlord education for purchase money mortgages secured by 2-unit properties that exceed the LTV required by the Selling Guide Eligibility Matrix.

8. FNMA Conventional 2 unit properties - requires 3% borrower's own funds (verified and included in DU)

9. For full details please see the IHDA Mortgage Procedural Guide

10. Borrowers must have a minimum of \$1,000 in student loans to be eligible. The assistance, or assistance in combination with borrower's own funds, must pay off the student loans in entirety at closing.

# IHDAccess *Forgivable*

## 4% up to \$6,000

### Assistance Amount:

- 4% of the Purchase Price, Up to \$6,000 Max

**Term: 10 Years Forgivable**

### Repayment:

- No Monthly Repayment
- Assistance is forgiven pro-rata on a monthly basis over 10 years



# IHDAccess *Deferred*

## 5% up to \$7,500

### Assistance Amount:

- 5% of the Purchase Price, Up to \$7,500 Max

Term: 30 years

### Repayment:

- 0% Interest
- Full Amount Due at maturity date or upon “repayment event” (refinance, sale of home, etc.)
- Can be prepaid at any time

# IHDAccess *Repayable*

## 10% up to \$10,000

### Assistance Amount:

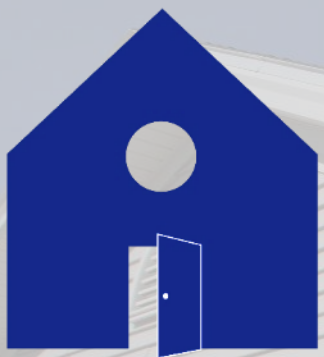
- 10% of the purchase price, Up to \$10,000 Max

Term: 10 years

### Repayment:

- 0% interest
- Monthly Payment = DPA Amount ÷ 120 months
- For example, if \$10,000, payable at \$83.33/month





## OPENING DOORS Abriendo Puertas

# \$6,000 Flat DPA

**1<sup>st</sup> Mortgage  
Term**

30-Year, same low, fixed  
rate, regardless of credit  
score/income *(as long as within  
IHDA credit/income limits)*

**Assistance  
Amount**

**\$6,000 flat**

**2<sup>nd</sup> Mortgage  
Term**

**5 Years**

**DPA  
Repayment**

No Repayment due after 5  
years



# All Programs



## Borrower

- 640 minimum FICO
- First-time or non-first time homebuyer
- Non First-Time Homebuyers can retain residence if
  - buying a new OWNER-OCCUPIED property and
  - allowed by Agency

## Limits

- Borrower's income must not exceed the applicable county limits
- Purchase Price cannot exceed the applicable county limits
- No County Restrictions
  - All Illinois counties are eligible across all IHDA Mortgage programs

## Financing

- All Loan Types
- Must be used with an IHDA 30-year, fixed-rate 1<sup>st</sup> Mortgage



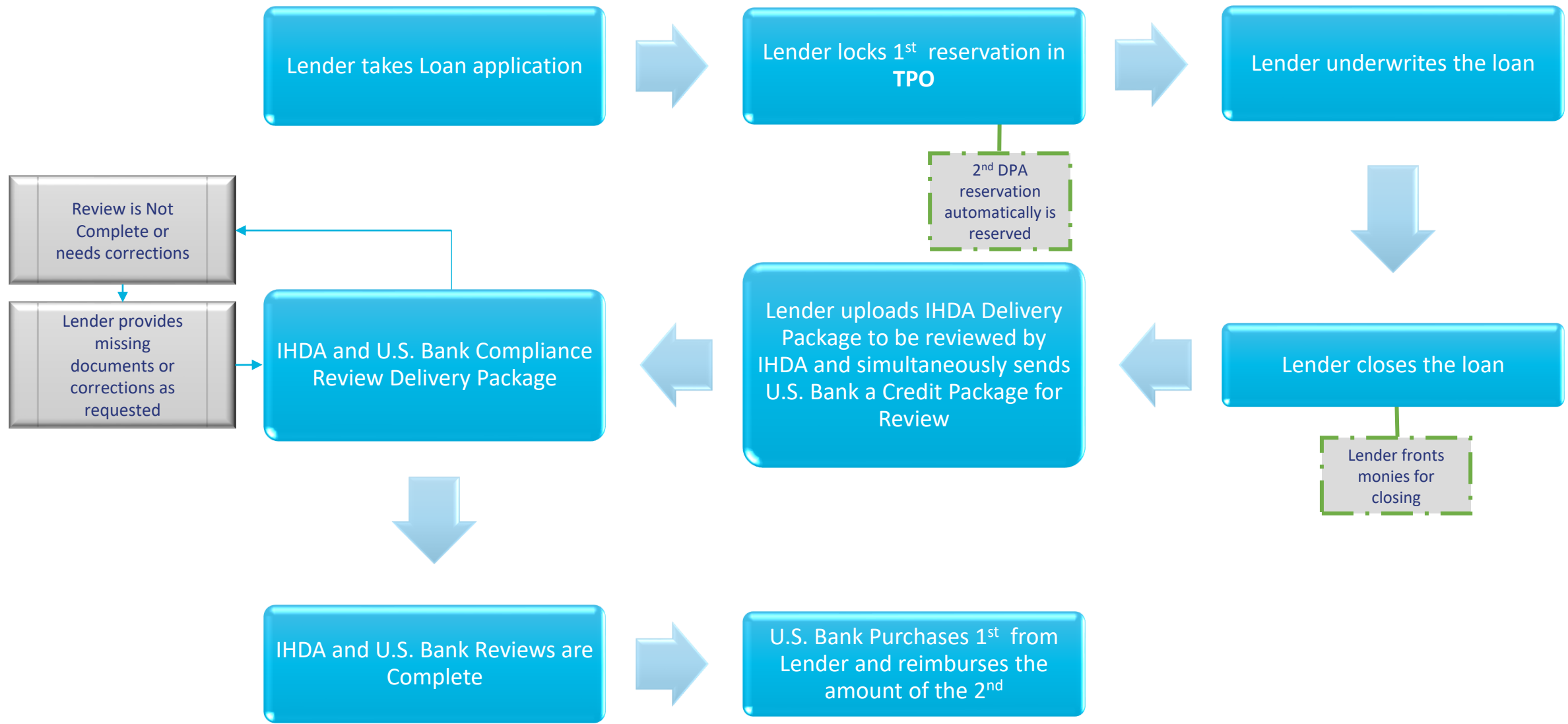


# IHDA Mortgage Process

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Important Tips







- Must meet Agency guidelines, U.S. Bank HFA guidelines, and IHDA compliance per the [IHDA Procedural Guide](#)
- U.S. Bank is the Master Servicer
- The Lender's Underwriter must approve the loan. IHDA does not review loan prior to closing
- NEW! IHDA only requires income for all those liable, or secondarily liable on the Note
- IHDA Mortgage's Down Payment Assistance (2<sup>nd</sup> Mortgage) requires using a traditional 1<sup>st</sup> mortgage, i.e. no Home Ready, 203K
- Lender is responsible for table funding and servicing both the first and second mortgage until purchased by U.S. Bank
- Must use IHDA Mortgage's interest rate
  - The rate is the rate is the rate
  - No Loan Level Price Adjustment, No Adverse Market Fees, No Buydowns


All lenders must be IHDA  
approved

[www.ihdamortgage.org/join](http://www.ihdamortgage.org/join)


# Partner Center

A directory of all IHDA Mortgage Resources


## Document Library

 A complete library of all IHDA Mortgage docs, calculators, and guides.


## TPO Connect

 Access to the TPO Connect System. Required for all reservations 8/31 forward.


## TPO Training Portal

 Find guides, manuals, recorded trainings and upcoming webinars for using the TPO Connect System.


## Program Matrix

 A detailed comparison of all IHDA Mortgage Programs.


## Procedural Guide

 Comprehensive manual with guidelines, program rules, and more.


## MCC Center

 All things related to MCC's - documents, guidelines, and FAQs. *"currently suspended"*


## Partner FAQs

 Find frequently asked questions and UW scenarios here.

## Interest Rates

 View today's interest rates and turn times. *(for approved lenders only)*

## Targeted Areas

 Look up your subject property to see if it is in a targeted area.

# Important Notes

- All resources are online
  - [www.IHDAMortgage.org](http://www.IHDAMortgage.org)
    - Partner Center
      - All Lender tools in ONE spot:
        - Required Documents/Checklists
        - Procedural Manual
        - Interest Rates/Lender Dashboard
        - Detailed FAQs
        - Training Archive

CORRESPONDENT AND HOUSING FINANCE AGENCY LENDING

Choose a mortgage lender with staying power.

## Enjoy Housing Finance Agency services

Discover customized partnerships for Housing Finance Agency (HFA) lending through our dedicated HFA Division. We help bring home ownership opportunities to their local constituents and offer a full range of services, including:

- Product development
- Program administration and facilitation
- Loan administration

[Learn more →](#)

# Important Notes

- For all U.S. Bank questions
  - [www.usbank.com/correspondent](http://www.usbank.com/correspondent)
    - [Housing Finance Agency Services “Learn More”](#)
  - HFA Help Desk – Contact for general program questions.
    - [hfa.programs@usbank.com](mailto:hfa.programs@usbank.com) – E-mail box
    - 800-562-5165, option 2, (between 8:00 a.m. and 5:00 p.m. Eastern Time)





# IHDA Mortgage Guidelines

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Requirements





# Before you start

## Verify...

- ✓ the borrower(s) and the non-borrowing spouse is a first-time or non-first time homebuyer
- ✓ the home is in a targeted or non-targeted area
- ✓ the DTI is equal to or less than 45.00%
- ✓ the credit score 640 or greater
- ✓ *2020 U.S. Bank overlay FHA*
  - ✓ 640-659
  - ✓ 1-month reserve
  - ✓ Must be on current job minimum 6 months
- ✓ the borrower(s) can contribute the greater of \$1,000 or 1% of the purchase price
- ✓ the income and purchase price are under the IHDA income limits (must use the IHDA Income Calculator)





# ILLINOIS HOUSING DEVELOPMENT AUTHORITY

**NON-TARGETED** INCOME AND PURCHASE PRICE LIMITS – Effective 6/1/2021

## ~ MAXIMUM INCOME LIMITS ~

SUBJECT PROPERTY COUNTY	NON-MCC LOANS	LOANS WITH MCC	
	ANY HOUSEHOLD SIZE	HOUSEHOLD SIZE 1-2	HOUSEHOLD SIZE 3+
Cook, DuPage, Kane, Lake, McHenry, Will	\$111,840	\$93,200	\$107,180
DeKalb	\$105,120	\$87,600	\$100,740
Grundy	\$108,360	\$90,300	\$103,845
Kendall	\$128,760	\$107,300	\$123,395
McLean	\$114,360	\$95,300	\$109,595
Menard, Sangamon	\$102,600	\$85,500	\$98,325
Champaign, Ford, Piatt	\$103,680	\$86,400	\$99,360
*All Other Counties	\$102,000	\$85,000	\$97,750

## ~ MAXIMUM PURCHASE PRICE LIMITS ~

SUBJECT PROPERTY COUNTY	ALL NEW AND EXISTING NON-TARGETED PROPERTIES	
	ONE UNIT	TWO UNITS
Cook, DuPage, Kane, Lake, McHenry, Will	\$332,235	\$425,296
DeKalb	\$332,235	\$425,296
Grundy	\$332,235	\$425,296
Kendall	\$332,235	\$425,296
McLean	\$311,979	\$399,448
Menard, Sangamon	\$311,979	\$399,448
Champaign, Ford, Piatt	\$311,979	\$399,448
*All Other Counties	\$311,979	\$399,448

- Some of these limits have been determined by a Private Letter Ruling issued by the IRS to the Authority.
- These limits may be used only in connection with Authority Programs.
- Use of these limits in connection with other Bond Programs is prohibited.
- MCC is a Mortgage Credit Certificate, [please visit IHDAMortgage.org for details](http://please.visit.IHDAMortgage.org.for.details)

\*All other counties includes the following eighty-seven (87) counties: Adams, Alexander, Bond, Boone, Brown, Bureau, Calhoun, Carroll, Cass, Christian, Clark, Clay, Clinton, Coles, Crawford, Cumberland, De Witt, Douglas, Edgar, Edwards, Effingham, Fayette, Franklin, Fulton, Gallatin, Greene, Hamilton, Hancock, Hardin, Henderson, Henry, Iroquois, Jackson, Jasper, Jefferson, Jersey, Jo Daviess, Johnson, Kankakee, Knox, La Salle, Lawrence, Lee, Livingston, Logan, Macon, Macoupin, Madison, Marion, Marshall, Mason, Massac, McDonough, Mercer, Montgomery, Monroe, Morgan, Moultrie, Ogle, Peoria, Perry, Pike, Pope, Pulaski, Putnam, Randolph, Richland, Rock Island, Saline, Schuyler, Scott, Shelby, St. Clair, Stark, Stephenson, Tazewell, Union, Vermillion, Wabash, Warren, Washington, Wayne, White, Whiteside, Williamson, Winnebago, Woodford





# Income Docs Needed

**There are two (2) income calculation amount/types on every file:**

- 1. Qualifying, Credit Qualifying, IHDA has no input or overlays on, and**
- 2. IHDA income calculation, for IHDA income limit, which is separate and independent**

## **Documents Required**

### **Borrower(s) – 3 years tax transcripts (or signed tax returns)**

- ▶ Most recent year W-2s
- ▶ Current income docs (for example, 30 days most current paystubs from all jobs, disability awards letter, social security awards letter, YTD profit & loss for self-employment, etc.)
- ▶ VOEs from all W2 employers where they no longer work (can be verbal or Work Number).

### **Non-borrowing spouse – Must provide 3 years signed tax returns (or transcripts)**

**Please note that this is still required – most missed post close condition**

- ▶ Income docs such as paystubs, etc. no longer required



# Income Docs Needed

For IHDA income limits all sources of income at time of close is included, even if you are not using it for qualifying income

**IHDA Tax Affidavit:** If borrower or non-borrowing spouse are not Required to file tax returns in the past 3 years, must sign IHDA Tax Affidavit for those years. This can be found on our website, [www.ihdamortgage.org/docs](http://www.ihdamortgage.org/docs).

**IHDA Zero Income Certification:** If co-borrower currently has no source of income, they must complete and sign the IHDA Zero Income Certification, included in program Doc Sets.

**Child Support:** If a family situation shows there could be a possibility of child support being received by anyone in the household, provide the court order and include it in household income, or an LOX stating there is no court order and how much, if any, is being received monthly.





[illegible]

Total Calculated Other Income (Co-Borrower)		\$	-
Total Calculated Annual Income (Co-Borrower)		\$	-
Total Calculated Monthly Income (Co-Borrower)		\$	-
<b>Co-Borrower 2</b>	<b>Name:</b>		
YTD Gross	<b>Employment:</b>	\$	-
Start Date		00/00/0000	
Pay Date		00/00/0000	
Projected Annual Income		\$	-
<b>OT/Bonus/Comm./Unemployment/etc.</b>	<b>Start Date</b>	<b>End Date</b>	<b>Amount</b>
Current Year			\$ -
Past Year			\$ -
Projected Annual OT/Bonus/Commission/etc			\$ -
<b>Other Income Categories</b>	<b>Frequency</b>	<b>Amount</b>	<b>Annualized Amount</b>
Total Calculated Other Income (Other Income)		\$	-
Total Calculated Annual Income (Other Income)		\$	-
Total Calculated Monthly Income (Other Income)		\$	-
<b>Mandatory Field: Enter checking, savings, etc. to determine income rec'd from asset</b>	<b>Mortgagor</b>	<b>Amount</b>	<b>Amount</b>
Total Calculated Assets		\$	-
Less Funds used for Closing		\$	-
Net Assets		\$	-
HUD pass-book rate / % of Net Assets	2.00%	\$	-
Actual Income from Assets		\$	-
Greater of Actual Income and Dollar-value		\$	-
<b>Self Employment</b>	<b>Mths Worked</b>	<b>Amount</b>	
Current YTD			
Past Year			
Two Years Prior			

Average Self-Employed Income:	\$ -
Annualized Self-Employed Income:	\$ -
Total Annualized Household Income	\$ -
Total Monthly Household Income	\$ -

**Household Information (Mandatory Section) - Please complete entire section**

County	-
Number of Family Members living in Household	-
AMI% Limit	-
Non / Targeted Area	-
Borrower taking the MCC?	-
County Income Limits	\$ -

Household Occupants as of Closing. List	Age

**Signature Page**

Based on the Review of Source Documentation, the mortgage lender has completed an Income Eligibility Analysis and has determined that the household is Eligible for the Authority's Home Buyer Program.

I further Certify that the Information contained in this certification is true and accurate to the best of my knowledge.

Signature of Reviewer: \_\_\_\_\_

Print Name: \_\_\_\_\_ Date: 00/00/0000

**Reviewer's Notes / Comments (If Applicable)**

**\*Note: Attach Source Documents used for the Review. Maintain a copy in the Borrower's file.**

- Do not complete by hand
- Complete all fields (dates, county, number in HH, names of all HH occupants, etc.)
- Must be signed by preparer and dated prior to close



# IHDA Mortgage Guidelines

All borrowers must occupy the property within 60 days of close

Non-occupant borrowers are prohibited

Both the 1<sup>st</sup> and 2<sup>nd</sup> mortgage should follow TRID

Must be disclosed using the Loan Estimate (LE) and the Closing Disclosure (CD)

The 2<sup>nd</sup> mortgage can only have recording fees charged

The property must be a qualified single-family dwelling

Includes single family, condo\*, townhouse, and 2 unit\*\* properties (on less than 5 acres of land)

- If you are not delegated to do condo reviews through US BANK, you must have the review done by the U.S. Bank HFA Division
- 2 units have specific agency guidelines and need landlord counseling

No manufactured homes or mobile homes permitted

*Pro TIP: Approved Mortgage Insurance Companies include: Arch, Essent, Genworth, MGIC, National MI, Radian*







# Pre-Purchase Homebuyer Education

IHDA requires **ALL** borrowers to attend a Pre-Purchase Education course: Effective with reservations/locks starting 10/15/2020, courses must meet standards defined by:

- ▶ **HUD or The National Industry Standards for Homeownership Education and Counseling**
  - Check NIS Homeownership Education and Counseling: <https://www.homeownershipstandards.org/Home/Home.aspx>
  - Check HUD approved agency: <https://apps.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?&webListAction=search&searchstate=IL>
  
- ▶ **These are a few that are currently approved** (*Visit [www.ihdamortgage.org/edu](http://www.ihdamortgage.org/edu) for full info*)
  - Essent Homebuyer Education: <https://www.essent.us/tools-resources/homebuyer-education>
  - Fannie Mae Framework: <https://educate.frameworkhomeownership.org/>
  - Freddie Mac CreditSmart Homebuyer U: <https://sf.freddiemac.com/working-with-us/creditsmart/courses>

*Currently MGIC, Genworth, Arch MI, and Radian do not meet the requirements*





# Minimum Investment

## ✓ For Purchase Programs,

- ✓ Borrowers must contribute a minimum investment for the greater of \$1,000 or 1% of the purchase price.
- ✓ Borrowers can leave the table with \$250 plus anything above and beyond the borrower's minimum investment of 1% or \$1,000, whichever is greater (all other funds should be used for principal reduction).

Borrower Contributions (appraisal fees paid by borrower, EM deposit, Borrower POC, etc.)

– Minimum Required Investment (greater of 1% or \$1000)

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= Allowable Cash Back to Borrower

+ \$250

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= Maximum Cash Back to Borrower

Any amount greater than the Maximum Cash Back to Borrower (including tax proration, seller credit, etc.) that may be due to the borrower, must be applied to principal reduction.

\* Tax proration does not count towards the borrower's required minimum



- Manual Underwrite – **NOT ALLOWED**
- Approve/Eligible
  - Freddie Mac HFA Advantage (LPA) or FNMA HFA Preferred (DU)
- Delivery Requirements
  - All IHDA Mortgage conventional loans must be run through
    - DU “HFA PREFERRED” or LPA as “HFA Advantage (eligible users only)”
  - You must show the subordinate financing, which is considered a community second

Please note the following important information for FHLMC/Freddie:

- HFA Advantage
  - Select HFA Advantage in the “Offering identifier” field in “Mortgage Type and Loan Terms” section of LPA (shown as Offering Identifier 251 in some LOS)
  - Only 1-unit properties allowed
- Follow DU and LPA for PMI Coverage



# Reserving an IHDA Mortgage

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Steps to Take



# Credentials to Log-In to TPO Connect

- ▶ To get your login credentials to TPO Connect, you will request them from the system admin at your company
- ▶ If you need a list of your system admins at your company, please contact IHDA at [mortgage@ihda.org](mailto:mortgage@ihda.org)
- ▶ There are videos and training manuals located at [ihdamortgage.org/tpotraining](http://ihdamortgage.org/tpotraining)



- There are no “hard stops” in TPO connect such as over income limits, over purchase price limits, incorrect subordination amount (DPA amount), etc.
- Save your loan file as a FNMA 3.2 file and upload it to the TPO Connect system to save time
- You must enter a FICO score
- Make sure you have subordinate financing selected as “Yes” and your subordinate financing amount (DPA) is correct
- Update estimated closing date
- For government loans —
  - On the loan information screen, next to MI coverage, click the calculator.
  - Make sure the MIP/Funding/Guaranteed amount is the correct percentage rate. If not, update it, and hit done. This is how you update your total loan amount (and adjusting base loan amount), as the total loan amount cannot be manually adjusted.

# Important Notes

- ▶ **Remember with TPO Connect, registering a loan and locking the rate are separate processes.**
  - ▶ You can verify if a loan is locked by looking at your pipeline and see if the loan is “locked” or “unlocked”.
- ▶ **Once in product pricing, you must select “60 days” as lock period.**
- ▶ **You must put in a target interest rate if there is one not in there.**
  - ▶ The target rate is not the rate the loan will be locked at.
- ▶ **Lender paid MI is not a current option on any IHDA loans.**

# Important Notes

- ▶ To print lock confirmation – click on “product pricing and lock” and click on printer icon in upper right-hand side.
- ▶ Verify your subordinate financing amount is listed on lock confirmation, as there is no separate 2<sup>nd</sup> lock confirmation.
- ▶ There is a single loan file with a single loan number in TPO Connect.
  - ▶ The 2<sup>nd</sup> loan numbers will be auto-assigned on the back end by adding “dpa” at end of 1st loan number. *Example: If first loan is 3117907, 2<sup>nd</sup> loan number will be 3117907dpa.*
- ▶ To update any changes on lock confirmation that were updated to loan in TPO Connect, between 9:30 – 5:00 CST, click re-price lock, choose same program, and re-price the lock again and print new confirmation.
  - ▶ Re-pricing does not change the reservation in any way (if same program is chosen) other than updating lock confirmation.



# TPO Lock Extension

- ▶ To extend your lock, “click on product pricing & lock”, click on “extend lock”, select 30 days, Service Release Premium paid by U.S. Bank will be shown, but actual SRP reductions are calculated from the actual purchase date back to lock date.
  - ▶ You can then print new confirmation showing extension.
- ▶ If the loan is already expired, you will not be able to extend it through TPO Connect and will have to request an exception be made by emailing [mortgage@ihda.org](mailto:mortgage@ihda.org).



# IHDA Mortgage Documents

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Requirements



# Where to find the documents

One stop for ALL documents:

- Document sets
- Income Calculator
- Checklist
- Guides
- Marketing Materials

- Descriptions
- Previews
- Searchable

**\*All IHDA docs  
can be  
e-signed except  
the Mortgage  
and Note\***

[www.ihdamortgage.org/docs](http://www.ihdamortgage.org/docs)

## Document Library

All IHDA documents, guides, and manuals in one place.

Pick a category or click the magnifying glass to search



[Document Sets](#) [Income Calculators](#) [I-Refi \(currently suspended\)](#) [Guides, Manuals, and Program Matrix](#) [Lender Awards](#)  
[Flyers and Marketing](#) [Checklists](#) [Program Fact Sheets](#) [Standalone Documents](#) [Current Income Limits](#)  
[Historical Income Limits](#) [IHDA Advantage Subsidy](#) [Lender Communications](#)

Access Forgivable - 4%



Access Deferred - 5%



Access Repayable - 10%







# IHDA Required Documents

## At Application

- (HO-001) Submission Cover
- Signed Income Calculator
- (HO-012) Borrower Affidavit
- (HO-034) MRB Initial Recapture
- (HO-024) MCC Opt-out  
*(as needed)*
- (HO-007) Signed Income Certificate
- (HO-002) U.S. Bank Authorization
- (HO-004) Tax Code Compliance Certificate

## At or After Close

- 2<sup>nd</sup> Mortgage Note
- Certified copy of 2nd Mortgage
- (HO-008) IHDA Rider to 1st Mortgage  
(record w/ 1st)
- Signed Servicing Letter
- (RP-016) Second Payment Letter
- (HO-054) Assistance Impact Letter
- (HO-035) MRB Final Recapture



# Documents

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Application Docs



# Submission Cover

- Complete in its entirety
- Keep as part of the document set
- If completed correctly it will autofill all the documents required for IHDA
- To use the doc sets with fillable fields, download and open with Adobe Reader



**IHDA MORTGAGE**

**INSTRUCTIONS**

1. Review your file against the IHDA Loan Delivery Checklist
2. Upload two packages to the IHDA LOS - reference the checklist on how to split:  
a. IHDA Delivery File - Only documentation specific to IHDA programs (i.e., Affidavits, Notes, and Mortgages). The IHDA Mortgage rider must be recorded with the 1st mortgage.  
b. Investor Delivery File - All other file documentation
3. Upload to U.S. Bank - Upload to U.S. Bank via DocVelocity. Monitor the lender contact email, address any conditions immediately.

1<sup>st</sup> Loan # \_\_\_\_\_  
2<sup>nd</sup> Loan # \_\_\_\_\_

**Data Submission Cover**

**BORROWER DATA**

**Borrower #1**  
Full Name..... SSN: \_\_\_\_\_  
Email Address.....

**Borrower #2**  
Full Name..... SSN: \_\_\_\_\_  
Email Address.....

**Borrower #3**  
Full Name..... SSN: \_\_\_\_\_  
Email Address.....

First Time Homebuyers?..... YES \_\_\_\_ NO \_\_\_\_

**HOUSEHOLD DATA**

1. Borrower Marital Status.....  
2. Non-Borrowing Spouse (full name).....  
3. Total Household Members.....  
4. Total Household Income.....  
5. Are/Were any borrowers exempt from filing federal income taxes?.....  
6. If question 5 is yes, what years were not filed? YEAR 1 YEAR 2 YEAR 3

HH Occupant 1 - Full Name	Age	Relationship
		Primary Borrower
HH Occupant 2 - Full Name		
HH Occupant 3 - Full Name		
HH Occupant 4 - Full Name		
HH Occupant 5 - Full Name		
HH Occupant 6 - Full Name		

**TRANSACTION DATA**

IHDA Program.....  
Loan Type.....  
Final Sale Price.....  
1<sup>st</sup> Loan Amount.....  
2nd Loan Amount.....  
MCC Utilized.....  
Closing Date.....

**PROPERTY DATA**

Street Address.....  
City.....  
ZIP.....  
County.....  
Seller Name.....  
Add'l Seller Name.....  
Entity Name (if seller is corp. or org.).....  
Entity Representative.....  
Entity Rep Title.....  
Number of Units.....  
Appraised Value.....  
New Const?.....  
PIN.....  
Targeted Area?

**LENDER DATA**

Lender Name..... Loan Officer Name..... Loan Officer NMLS ID.....  
Lender NMLS ID Number..... Lender Email: File Point of Contact.....

**HO-001.3**

*This box MUST be complete for the forms to auto populate and calculate correctly*



# Borrower Affidavit

- Be sure that the spouse also signs this document, even if non-borrowing
- If signed with a wet signature, please be sure it is also notarized

## Illinois Housing Development Authority BORROWER AFFIDAVIT

### INSTRUCTIONS:

Complete item #1. The remaining items must be reviewed, investigated and evaluated by the lender to whom you submitted your mortgage loan application (the "Lender") and its respective agents. The Borrower Affidavit must be executed by the Borrower(s) (and non-borrowing spouse, as applicable) and duly notarized as required.

### BORROWER AFFIDAVIT

This Borrower Affidavit shall be considered part of the application for the loan, and is incorporated therein. If any statement made by you in this affidavit is false, the mortgage loan made to you will not be eligible for the single family mortgage purchase program of the Illinois Housing Development Authority ("IHDA") and in such event the outstanding principal balance of the mortgage loan may be declared immediately due and payable.

It may be a federal offense punishable by a maximum of a \$5,000 fine, two years imprisonment, or both, to knowingly make a false statement in this affidavit (Title 18 United States Code, Section 1014). Read this affidavit carefully to be sure the information in it is true and complete before signing this form. All questions must be answered completely. If any question is not applicable, answer "N/A." The information provided in this affidavit is subject to verification by IHDA, the Lender, and their respective agents.

The undersigned, hereinafter collectively referred to as "the Borrower," affirms as follows:

1. The Borrower is purchasing the property located at:

Street Address: \_\_\_\_\_

City: \_\_\_\_\_

Zip Code: \_\_\_\_\_

County: \_\_\_\_\_

State: **Illinois**

### BORROWER SIGNATURES NOTARY MUST EXECUTE PAGE FOLLOWING

Borrower Signature \_\_\_\_\_

Date \_\_\_\_\_

Co-Borrower Signature \_\_\_\_\_

Date \_\_\_\_\_

Print Borrower Name \_\_\_\_\_

Print Co-Borrower Name \_\_\_\_\_

Non-Borrowing Spouse Signature \_\_\_\_\_

Date \_\_\_\_\_

Co-Borrower Signature \_\_\_\_\_

Date \_\_\_\_\_

Print Non-Borrowing Spouse Name \_\_\_\_\_

Print Co-Borrower Name \_\_\_\_\_

HO-012.1

5 of 6

HO-012.1

1 of 6

# MRB Initial Recapture

- Be sure the Initial Recapture is included in the file and signed
- Please note that this is a separate form from the Final Recapture

## Illinois Housing Development Authority NOTICE OF RECAPTURE TAX ON SALE OF HOME - MRB -

To: Prospective homebuyers who may be planning to apply for a mortgage loan under the Illinois Housing Development Authority's First Time Homebuyer Program.

The Illinois Housing Development Authority's First Time Homebuyer Program is made possible by provisions of the Internal Revenue Code that allow the Authority to issue what are customarily referred to as "tax-exempt bonds." By issuing bonds, the Authority can provide financing for mortgage loans.

The Internal Revenue Code includes a restriction relating to such mortgage loans. The Federal government treats homebuyers who purchase a residence with mortgage loans financed with proceeds of tax-exempt bonds as having received a "subsidy". This means that, subject to certain exceptions, if a homebuyer who has received a loan financed with proceeds of tax-exempt bonds sells the residence within nine (9) years of purchase this subsidy may be "recaptured".

The recapture is accomplished by an increase in your federal income tax for the year in which you sell your home. The recapture only applies, however if you sell your home at a gain and if your income increases above specified levels.

The Authority will provide you with additional information reflecting the calculation of the recapture tax at closing or shortly after closing on the purchase of your residence.

**IF YOU DO NOT UNDERSTAND THIS NOTICE, OR IF YOU HAVE ADDITIONAL QUESTIONS ABOUT RECAPTURE, YOU MAY WANT TO CONSULT YOUR ATTORNEY, A TAX ADVISER OR THE LOCAL OFFICE OF THE INTERNAL REVENUE SERVICE.**

I (We) have read this Notice to Homebuyers, and I (We) have received a signed copy of this Notice for my (our) records.

Buyer Signature

Date

Buyer Print Name

Buyer Signature

Date

Buyer Print Name

# MCC Opt-Out

- Required if borrower is opting out
  - Must be signed by the LO and the borrower

## Illinois Housing Development Authority

Mortgage Credit Certificate Program

### OPT OUT FORM

Primary Borrower Name: \_\_\_\_\_

Co-Borrower(s) name(s): \_\_\_\_\_

Subject Property

Street Address: \_\_\_\_\_

City, State: \_\_\_\_\_, ILLINOIS

ZIP: \_\_\_\_\_

County: \_\_\_\_\_

To Illinois Housing Development Authority:

I/We hereby acknowledge and understand that IF I/we are A FIRST TIME HOME BUYER, I am/we are eligible for an optional Mortgage Credit Certificate ("MCC") but I/we am/are selecting to opt out of the MCC Program.

☐ OPT OUT

We are OPTING OUT of obtaining the MCC for the following reason(s):

☐ MCC is not available with loan program chosen.

☐ Cost of participation is too high.

☐ I/We will not benefit from a MCC.

☐ Other: \_\_\_\_\_

(One reason must be selected above.)

BORROWER SIGNATURE

CO-BORROWER SIGNATURE

DATE

DATE

BORROWER PRINTED NAME

CO-BORROWER PRINTED NAME

CO-BORROWER SIGNATURE

LOAN ORIGINATOR SIGNATURE

DATE

DATE

CO-BORROWER PRINTED NAME

LOAN ORIGINATOR PRINTED NAME



# Income Certification

- Complete in its entirety
- **MUST** include everyone who will reside in the subject property for occupancy purposes
- #3 must be completed
  - should be the annual income NOT the monthly for those on the Note
- **MUST** be signed

## Illinois Housing Development Authority CERTIFICATION OF INCOME

This SIGNED form is to be submitted to the Illinois Housing Development Authority ("Authority"); original must be retained by lender.

Borrower Name..... Street Address.....  
Co-Borrower Name..... City.....  
Program Name..... ZIP Code.....

The undersigned certifies that:

- 1) This Certification of Income is being delivered in connection with the undersigned's application for funds in connection with the above referenced Program.
- 2) The following individuals, including those liable or secondarily liable on the Note, will occupy the property/unit/home listed above:

	OCCUPANT	RELATIONSHIP	AGE
A.		Primary Borrower	
B.			
C.			
D.			
E.			
F.			
G.			
H.			

- 3) The total ANNUAL Household Income (counting only the income of those in the household that are liable, or secondarily liable, on the Note) as of the date of application is as follows:

***This should be annual income, not monthly***

If this Certification of Income is executed more than 90 days prior to the Closing Date of the purchase of the property/unit/home, I agree to update and recertify the accuracy of the information in this Certificate within 90 days prior to such Closing Date.

Borrower Signature \_\_\_\_\_ Date \_\_\_\_\_  
Co-Borrower Signature \_\_\_\_\_ Date \_\_\_\_\_  
Co-Borrower Signature \_\_\_\_\_ Date \_\_\_\_\_

# U.S. Bank Authorization

- Complete page 2 in its entirety
  - signatures, address, loan numbers, etc.



usbank.com

## **Borrower Authorization of Release of Private Information**

The undersigned Borrower and Co-Borrower, if any, (individually and collectively, "Borrower" or "I") authorize U.S. Bank National Association, and its successors and assigns ("U.S. Bank"), to disclose, share, release, communicate, and provide to and with Illinois Housing Development Authority ("Third Party") private information and documentation (collectively, "Information") contained in or related to my mortgage loan, which is identified below. This Information may include, but is not limited to, my name, address, telephone number, social security number, FICO score, loan data, credit report, income, government monitoring information, loss mitigation application status, account balances, program eligibility, reports, and payment activity, including delinquencies. I understand that some or all of the Information is classified as private information with regard to an individual. I understand that it may be necessary for Third Party to have access to my Information in order to effectively manage Third Party's loan programs.

I have read and understand U.S. Bank's Privacy Pledge which is attached to this Authorization. I am aware that U.S. Bank is committed to compliance with its Privacy Pledge and with the Privacy of Consumer Financial Information (Regulation P) Gramm-Leach-Bliley Act (GLBA), the Fair Credit Reporting Act (FCRA) and other legal requirements relating to the privacy and security of my Information.

I understand that U.S. Bank will take reasonable steps to verify the identity of Third Party before releasing my Information to Third Party, but U.S. Bank has no responsibility or liability to verify the identity of Third Party or what Third Party will do with my Information provided by U.S. Bank. I agree to indemnify and hold U.S. Bank harmless in the event Third Party misuses my Information provided to Third Party by U.S. Bank.

This authorization will not be valid unless I sign the authorization and will remain in effect until I revoke it in writing and deliver my revocation to U.S. Bank.

Loan No.:	Property Address:
_____	_____
	_____, Illinois
Borrower Name:	Co-Borrower Name:
_____	_____
Borrower Signature:	Co-Borrower Signature:
_____	_____
Date: _____	Date: _____

# Tax Code Compliance Certificate

- MUST be included
- MUST be signed by the lender

## Illinois Housing Development Authority LENDER TAX CODE COMPLIANCE CERTIFICATION

LENDER CERTIFICATION:

I certify that I, \_\_\_\_\_ (lender) have reviewed pertinent documentation for:

*Borrower* \_\_\_\_\_ *Co-borrower* \_\_\_\_\_

Borrower(s) and have determined that total household income is below applicable county limit, purchase price is below applicable county limit, property is a qualified dwelling meeting Illinois Housing Development Authority's (IHDA) requirements, and where applicable, buyer (and spouse if applicable) is a first time home buyer (or exempt).

I hereby acknowledge that the checklist provided by IHDA was utilized in part to determine eligibility and approval of buyer(s) for IHDA's program, and that the checklist is not the sole source of information in determining program eligibility. Signing this certification does not negate the need to read and understand the IHDA procedural guide.

Reviewed by: \_\_\_\_\_ on \_\_\_\_\_  
*Lender Authorized signature* *Date*

\_\_\_\_\_  
*Print Signee's Name*





# Documents

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At or After Closing



# 2<sup>nd</sup> Mortgage & 2<sup>nd</sup> Mortgage Note

---

- Each program has a different
  - Mortgage and
  - Note
- Be sure you are using the correct one
- Check all fields (address, amounts, names) to be sure they are accurate

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
MORTGAGE RIDER

NOTICE TO MORTGAGOR

THE PROVISIONS OF THIS RIDER SUBSTANTIALLY MODIFY THE TERMS OF THE LOAN. DO NOT SIGN THE NOTE OR THE SECURITY INSTRUMENT UNLESS YOU READ AND UNDERSTAND THESE PROVISIONS.

RIDER TO MORTGAGE BY AND BETWEEN THE

\_\_\_\_\_  
\_\_\_\_\_  
(THE "MORTGAGOR(S)")

AND  
\_\_\_\_\_  
(THE "LENDER")

The Mortgagor is executing simultaneously herewith that certain mortgage, dated

**Must be Dated**

(the "Security Instrument") to secure a loan (the "Loan") made by  
\_\_\_\_\_  
(The "LENDER")

in the amount of **1<sup>st</sup> Mtg. Amt.** to the Mortgagor, evidenced by a note (the "NOTE") of even date herewith. It is expected that the Loan will be purchased or securitized by the Illinois Housing Development Authority (the "Authority"). It is a condition of the making of the Loan that the Mortgagor execute this Rider. In consideration of the respective covenants of the parties contained in the Security Instrument, and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are acknowledged, Mortgagor and Lender further mutually agree as follows:

1. The rights and obligations of the parties to the Security Instrument and the Note are expressly made subject to this Rider. In the event of any conflict between the provisions of this Rider and the provisions of the Security Instrument and the Note, the provisions of this Rider shall control.

HO-008.1

pg. 1 of 2

# IHDA Rider to 1<sup>st</sup> Mortgage

- Must be recorded with the 1<sup>st</sup> Mortgage, NOT the 2<sup>nd</sup>
- The loan amount used must be the 1<sup>st</sup> mortgage amount
- Be sure the date is included





111 E. Wacker Drive  
Suite 1000  
Chicago, IL 60601  
312.836.5200

Dear Borrower,

Thank you for participating in the IHDA Mortgage Access Program! The Illinois Housing Development Authority (the "Authority") is committed to the financing of single family housing and as a new customer we want to take this opportunity to welcome you to the Authority. We recognize the need to work closely with our borrowers and hope you will find the information provided herein helpful to you.

Your second loan was financed to assist you with your down payment needs and the Note made by you in connection with the second loan is secured by a Second Mortgage. Please review your Note carefully and understand the payment terms you are obligated to.

A second letter will soon follow that will provide you with further direction regarding the servicing of your second loan. If you have any questions or any changes that may impact notices you will receive during the term of your second loan, please contact us at:

**Illinois Housing Development Authority**

111 E. Wacker Dr. Suite 1000 Chicago, Illinois 60601

Attention: Homeownership Department

We may also be contacted directly at [Mortgage@ihda.org](mailto:Mortgage@ihda.org). Or call us at (877) 456-2656. Thank you in advance for your cooperation and we look forward to servicing your future needs.

Sincerely,

Tara Pavik  
Managing Director of Homeownership

Acknowledged this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

Borrower _____	Co-Borrower _____
Co-Borrower _____	

# Servicing Letter

- Must be signed
- Varies by program





111 E. Wacker Drive  
Suite 1000  
Chicago, IL 60601  
312.836.5200

Dear Borrower:

Thank you for participating in the IHDA Mortgage Access Program! Congratulations on the purchase of your new home!

Please be aware that until you receive notification that your loan has been purchased and transferred to our Master Servicer U.S. Bank Home Mortgage (HFA division), submit each monthly payment to your originating lender.

Once the loan is transferred, you will receive separate billing statements from U.S. Bank Home Mortgage for your first mortgage and for the Down Payment Assistance second mortgage. You may use the following address in the event your have not received your billing statement:

U.S. Bank Home Mortgage

Loan Number:

P.O. Box 790415

St. Louis, MO 63179-0415

The toll free phone number for the U.S. Bank Home Mortgage customer service department (HFA division) is (800) 365-7772. You will not be assessed any late charge or penalty during the transfer period.

Sincerely,

Illinois Housing Development Authority

Borrower Signature:

Print Borrower Name:

Co-borrower Signature:

Print Co-borrower Name:

Co-borrower Signature:

Print Co-borrower Name:

ACKNOWLEDGEMENT

RP-016.2

# 2<sup>nd</sup> Payment Letter

- Currently only required on the Access Repayable Program
- Details where the payments for the DPA 2<sup>nd</sup> should be sent



Illinois Housing Development Authority  
ASSISTANCE IMPACT LETTER

Date.....

Borrower.....

Co-Borrower.....

Address....., Illinois.....

**Were you helped by this program? Help us get the word out!**  
Tell us how this program will improve your life :

***IHDA Opt-In – Help us help others!***

I/We,

- ☐ 1. Consent to having this statement use in the promotion of these types of programs to other homeowners in need of assistance.
- ☐ 2. Agree to be contacted via information provided in this document for future marketing opportunities or testimonials.
- ☐ 3. Consent to photos taken at closing to be used in the promotion of IHDA programs.

How did you learn of IHDA's programs?

- ☐ 1. Visited IHDA's website
- ☐ 2. Housing/Community Event
- ☐ 3. Email from IHDA
- ☐ 4. Printed Ad/Flyer
- ☐ 5. Housing Counselor
- ☐ 6. Real Estate Agent
- ☐ 7. Friend/Family
- ☐ 8. Other \_\_\_\_\_

\_\_\_\_\_  
Borrower Signature

\_\_\_\_\_  
Borrower E-mail

\_\_\_\_\_  
Borrower Phone Number

\_\_\_\_\_  
Co-borrower Signature

HO - 054

# Assistance Impact Letter

- Must be completed by every household



Illinois Housing Development Authority  
RECAPTURE NOTICE

NOTICE TO MORTGAGOR OF MAXIMUM RECAPTURE TAX AND OF METHOD TO COMPUTE  
RECAPTURE TAX ON SALE OF HOME - MRB

The Illinois Housing Development Authority (the "Authority"), through provisions of the Internal Revenue Code, has the ability to issue what are customarily referred to as "tax-exempt bonds." By issuing these bonds, the Authority can provide financing for mortgage loans. The Authority's First Time Homebuyer Program is an example of financing that is possible through such bond issuance.

**A. INTRODUCTION:** As a recipient of a mortgage loan from the proceeds of a tax-exempt bond, you may be subject to a recapture tax if you sell your home during the next nine years. The recapture is accomplished by an increase in your federal income tax for the year in which you sell your home. The recapture only applies, however, if you sell your home at a gain and if your income increases more than 5% per year. The recapture tax may also apply if you dispose of your home in some other way. Any references in this notice to the "sale" of your home also include other ways of disposing of your home. For instance, you may owe the recapture tax if you give your home to a relative.

**B. MAXIMUM RECAPTURE TAX & CALCULATION OF TAX DUE, if any:**

**NO RECAPTURE TAX DUE:** In the following situations, no recapture tax is due and you do not need to do the calculations listed below:

1. You sell your home more than nine years after settlement.
2. Your home is disposed of as a result of your death.
3. You transfer your home either to your spouse or to your former spouse in connection with a divorce and you have no gain or loss included in your income under section 1041 of the Internal Revenue Code, or
4. You dispose of your home at a loss.

**MAXIMUM RECAPTURE TAX:**

The maximum recapture tax that you may have to pay is ? \$ 0.00.

This amount is 6.25% of the highest principal amount of your mortgage loan and is your federally subsidized amount with respect to the loan.

Total 1st mortgage loan amount: \_\_\_\_\_.

# MRB Final Recapture

- 5-page document
- Be sure you are using the 1<sup>st</sup> loan amount
- Be sure it is signed
- Be sure it is *IN ADDITION* to the Initial Recapture

## - IHDA DELIVERY CHECKLIST -

PROGRAM: \_\_\_\_\_ AMI: \_\_\_\_\_ LOAN TYPE: \_\_\_\_\_ HH SIZE: \_\_\_\_\_ CLOSING DATE: \_\_\_\_\_ BORROWER NAME: \_\_\_\_\_ IHDA FILE #: \_\_\_\_\_

## AGENCY COMPLIANCE

1. ☐ TRID Initial LE(s) for 1<sup>st</sup> and 2<sup>nd</sup> Mortgages within 3 days of Application
2. ☐ TRID Compliance:
  - ☐ a) Written List of Providers
  - ☐ b) All revised LE disclosures & supporting docs.
  - ☐ c) Initial CD (for 1<sup>st</sup> & 2<sup>nd</sup>) 3 days
  - ☐ d) All revised CD(s) w/final CD signed & dated for closing date, if DPA is used source must be disclosed
  - ☐ e) CD's dated post close (if applicable) if DPA is used source must be disclosed
  - ☐ f) CFPB Toolkit/Acknowledgement
3. ☐ Intent to Proceed
4. ☐ Certified copy of Assignment of Mortgage to U.S. Bank (if mortgage is not on MOM doc)
5. ☐ 1<sup>st</sup> Mortgage Note
6. ☐ Certified copy of 1<sup>st</sup> Mortgage with attached legal description & Riders (if MERS must be on MOM docs)  
Loan Amt: \_\_\_\_\_ Rate: \_\_\_\_\_ %
7. ☐ Certified copy of Power of Attorney
8. ☐ Notarized Name Affidavits
9. ☐ Initial Payment Letter/First Payment Letter
10. ☐ Title Commitment/Binder
11. ☐ Tax Certification Sheet
12. ☐ IEAD (Initial Escrow Account Disclosure)
13. ☐ Initial URLA/1003 fully executed
14. ☐ Final URLA/1003 fully executed
15. ☐ 1008 (FNMA) or 1077 (FHLMC)
16. ☐ Signed PMI Certificate (if over 80% LTV)
17. ☐ PMI Disclosure
18. ☐ Evidence of payment to MI company
19. ☐ Amortization Schedule (Conv. loans)
20. ☐ Copy of check & pay history (if principal reduct.)
21. ☐ AUS - DU, LPA, GUS \_\_\_\_\_
22. ☐ FFIEC Rate Spread Calc & lock if HPML
23. ☐ Pre-Purchase Counseling Cert dated PTC & signed (as needed) by: ☐ Borrower ☐ Coborrower/SP
24. ☐ Non-HFA/Gift Letter(s) & proof of transfer
25. ☐ Compliance/ E&O agreement
26. ☐ Customer ID & Notice - Patriot Act
27. ☐ Other Compliance Disclosures to borrower
28. ☐ Credit Report: FICO \_\_\_\_\_
29. ☐ OFAC Search with no matches found
30. ☐ List of Housing Counseling Orgs.

## IHDA DISCLOSURE COMPLIANCE

1. ☐ (HO-001.3) Submission Cover PTC
2. ☐ (HO-012.1) Borrower Affidavit Dated PTC
3. ☐ (HO-034.1) MRB Initial Recapture PTC
4. ☐ (HO-007.1) Signed Income Cert PTC
5. ☐ (HO-053) Zero Inc. Cert. (as needed) PTC
6. ☐ (HO-002.1) U.S. Bank Authorization PTC
7. ☐ (HO-004.1) Tax Code Comp. Certificate PTC
8. ☐ 2<sup>nd</sup> Mortgage Note AC
9. ☐ Certified copy of 2<sup>nd</sup> Mortgage AC  
Loan Amt: \_\_\_\_\_
10. ☐ (HO-008.1) IHDA Rider to 1<sup>st</sup> Mortgage (recorded with 1<sup>st</sup>) AC
11. ☐ Signed Servicing Letter<sup>1,2,3,5</sup> AC
12. ☐ (RP-016.2)<sup>4</sup> Second Payment Letter AC
13. ☐ (HO-054.1) Assist. Impact Letter AC
14. ☐ (HO-035.1) MRB Final Recapture AC
15. ☐
16. ☐

Required on: 1. SmartBuy 2. Access FG 3. Access DF 4. Access RP loans  
5. Opening Doors

## INCOME COMPLIANCE

1. ☐ VOE: (all borrowers) within 10 business days
2. ☐ Prior VVOE
3. ☐ IRS W-9
4. ☐ IRS 4506T signed
5. ☐ IRS 8821 (self-employed)
6. ☐ IRS W2's  
☐ B ☐ CB
7. ☐ Signed Tax Returns ☐ Transcripts  
☐ Yr. 1 B ☐ Yr. 2 B ☐ Yr. 3 B  
☐ Yr. 1 CB ☐ Yr. 2 CB ☐ Yr. 3 CB
8. ☐ (HO-027) Tax Affidavit for year(s) PTC
9. ☐ Paystubs: 30 days  
☐ B ☐ CB ☐ 18YO
10. ☐ 2 months Bank stmts. (per AUS)
11. ☐ Signed Income Calculator
12. ☐ SSI, Pension, VA, VA Benefits
13. ☐ LOX for Discrepancies
14. ☐ Divorce Decree/Property Settlement, Marriage Certificate, Birth Certificate

## PROPERTY COMPLIANCE

1. ☐ Appraisal Delivery Acknowledgement
2. ☐ HOI (hazard policy with paid receipt to include mortgagee clause (ISAOA ATIMA))
3. ☐ Standard Flood Hazard determination
4. ☐ Flood Policy with paid receipt to include mortgagee clause to U.S. Bank (if applicable)
5. ☐ Notice to Borrower in Special Flood Hazard Area
6. ☐ Appraisal (all pages) < 5 acres
7. ☐ USBHM Condo Review if LTV > 95%
8. ☐ FHA/FNMA/FHLMC UCDD/SSR Submission
9. ☐ Final Inspection (if appraisal is subject to repairs)
10. ☐ Work completion Escrow Agreement
11. ☐ Final Purchase Contract Price

## FHA COMPLIANCE

1. ☐ HUD-92000-A Initial (with pages 1&2 fully completed)
2. ☐ HUD-92000-A Final (with pages 1-4 fully completed by borrower and underwriter)
3. ☐ HUD-92900-B Important Notice to Homebuyer
4. ☐ Real Estate Cert & Amendatory Clause fully executed
5. ☐ Informed Consumer Choices Notification
6. ☐ FHA Case Query reflecting UFMIP as received
7. ☐ FHA Case No. Assignment
8. ☐ LUTS 929000-LT w/ CAIVRS/LDP/GSA "marked no"
9. ☐ Award & Commit. Letter(s) for NON-HFA/Gifts/Grants
10. ☐ Conditional Commitment with all requirements
11. ☐ Loan MUST be FHA insured if > 90 days from close
12. ☐ Lender Unit Certification Form (if condominium)
13. ☐ HUD-92561 (Hotel/Transient Use - required if 2+Units)
14. ☐ DPA Award & Commitment letters signed by borrowers
15. ☐ Builder's Certificate (new const. only)
16. ☐ Builder's Warranty of Completion (HUD- 92544, new const. only)
17. ☐ Final Inspection (HUD-92051 or 1004D, if applicable, new const. only)
18. ☐ Evidence of 10 year warranty, or in lieu of warranty Builder's Permit & Certificate of Occupancy (if new construction)
19. ☐ For Your Protection Get A Home Inspection
20. ☐ Settlement Certification

## VA COMPLIANCE

1. ☐ VA-26-1802a to include pages 1 & 2
2. ☐ VA-26-1820 Report & Certification of Loan Disbursement
3. ☐ COE for Veteran borrower
4. ☐ VA funding Fee Receipt reflecting settled/processed
5. ☐ VA 26-6393 Loan Analysis
6. ☐ CAIVRS Authorization of all borrowers
7. ☐ VA Notice of Value with all conditions
8. ☐ Borrower Certificate & Authorization
9. ☐ VA Rider to Security Instrument (or 5 clauses)
10. ☐ Escape Clause/ Amendatory Clause
11. ☐ VA-26-592 Counseling Checklist (Active duty only)
12. ☐ VA HUD-1/CD Itemization
13. ☐ Loan Quality Certification (Title 38 USC)
14. ☐ VA 26-1866 Commitment Cert (if prior approval from VA)
15. ☐ VA Guaranty Certificate (if > 90 days from close)
16. ☐ NPMA-33 Termite/Wood Destroying Insect/Soil Treatment

## USDA COMPLIANCE

1. ☐ RD 3555-18 Conditional Commitment
2. ☐ GUS Findings
3. ☐ 1008 Underwriting Transmittal RD 3555-21
4. ☐ Request for Single Family Housing Loan Guarantee
5. ☐ RD 3555-17 Loan Note Guarantee (if > 90 days from close)

## MCC COMPLIANCE

All documents required for the MCC are listed on the submission cover of the MCC document set and must be included with every MCC.

## LENDER CONTACT

LENDER NAME: \_\_\_\_\_

POST CLOSE CONTACT NAME: \_\_\_\_\_

POST CLOSE CONTACT EMAIL: \_\_\_\_\_

**Remember!** - Split your upload:**1. IHDA Delivery File- ALL IHDA DOCS****2. INVESTOR Delivery File-Everything else**Document Completion/Execution Guide  
PTC = Prior to Closing AC = At Closing

## NOTES

For fewer conditions, complete the file using this list (included in every document set) and stack it in this order

CLEAR THIS FORM

# Avoid Errors



NEED SIGNED YEAR-TO-DATE PROFIT AND LOSS FOR ANY SELF-EMPLOYMENT INCOME

INCLUDE SIGNED STATEMENT INDICATING WHETHER CHILD SUPPORT IS/IS NOT RECEIVED WITH COPY OF COURT ORDER, IF APPLICABLE

DON'T FORGET 3 YEARS SIGNED TAX RETURNS FROM NON-BORROWING SPOUSE, IF FILED SEPARATELY

FOLLOW AGENCY GUIDELINES ON SPOUSE BEING ON TITLE AND PURCHASE CONTRACT



DON'T FORGET THE NON-BORROWING SPOUSE'S SIGNATURE ON THE BORROWER AFFIDAVIT

BE SURE TO INCLUDE SIGNED FEDERAL TAX RETURN FOR MOST RECENT FILING YEAR WHEN LOAN CLOSED AFTER 4/15 – NO EXTENSIONS ARE ALLOWED BY IHDA MORTGAGE

REMEMBER VOE'S FOR ANY EMPLOYMENT TERMINATED IN MOST RECENT TAX FILING YEAR

INCLUDE THE SIGNED, COMPLETED MCC OPT-OUT LETTER FOR ALL LOANS WITH NO MCC

IHDA DOC SET AND IHDA INCOME CALCULATOR MUST BE DOWNLOADED EACH TIME FROM [WWW.IHDAMORTGAGE.ORG/DOCS](http://WWW.IHDAMORTGAGE.ORG/DOCS)



# Lender Fees and Compensation

- ▶ **Service Release Premium (SRP) payable to participating lenders = 2.00% of the principal loan amount paid at time of purchase by U.S. Bank HFA division**
- ▶ **Sale/purchase of loan must occur within 60 days or SRP reduced by 25 bps**
  - ▶ if not sold by the 90th day IHDA Mortgage reserves the right to not purchase the loans and loan is subject to additional SRP reduction(s)
- ▶ **If there is an origination fee, not to exceed 1% Plus \$1,200**

*Fees paid to third parties (i.e. courier fees, appraisal and title policy fees) are allowed and are not included in the \$1,200 in allowable fees*





# Final Tips

- ▶ Read the [IHDA Mortgage Procedural Manual](#)
- ▶ Review the website FAQ page  
<https://www.ihdamortgage.org/lenderfaqs>
- ▶ Sign-up for our lender dashboard: [www.ihdamortgage.org/rates](http://www.ihdamortgage.org/rates)
- ▶ All documents must be found on [www.ihdamortgage.org/docs](http://www.ihdamortgage.org/docs) and downloaded for each individual use
- ▶ Reach out to IHDA Mortgage team members with questions



*Questions can be directed to*  
[mortgage@ihda.org](mailto:mortgage@ihda.org)  
*877-456-2656*





# Account Managers



Racheal Falzone



[RFalzone@ihda.org](mailto:RFalzone@ihda.org)  
(312) 914-5023

John Maksim



[JMaksim@ihda.org](mailto:JMaksim@ihda.org)  
(312) 802-1894

Rosie Verdin



[RVerdin@ihda.org](mailto:RVerdin@ihda.org)  
(312) 438-3538





# Thank you!

We appreciate your partnership!

IHDA Mortgage



877-456-2656



[mortgage@ihda.org](mailto:mortgage@ihda.org)