CORRESPONDENT LENDER APPLICATION GUIDELINES

The Correspondent Lender Application Guidelines are an expansion of the items listed in Section 2 (PAYMENT). This guideline will explain the full intent and give examples of the requirements to meet the items listed in this section. The West Virginia Housing Development Fund will instruct your institution in these procedures.

Section A.

1. Take information from the borrower and fill out a standard 1003 application: Use a standard three or four page Fannie Mae #1003 application form. Fill out all the sections of the application. On refinances, remember to fill out the refinance information in section II. In section V, if you do not have the information for proposed monthly payments, leave blank. Section VII, Details of Transaction, will usually be filled by the Fund's staff. Answer all the questions in the Declarations, Section VIII. Fill in the Information for Government Monitoring Purposes, Section X. Always have the borrower and/or borrowers sign and date at the Xs in Section IX.

2. Analyze the prospective borrower's income and debt to pre-qualify on the maximum mortgage: Since these loans are to be underwritten by Desktop Underwriting (DU), this pre-qualification stage will not be an exact science. Use the available accurate information to calculate the debt to income ratio. The Fund's staff will give you some parameters to use as a guide for various loan types.

3. Educate the prospective borrower in the home buying and financing process and the types of loans available: This step will vary greatly depending on the level of real estate knowledge of the borrower. Some may only need to be informed about the loan types available. Others will require further explanation of the entire process including defining real estate terms, such as APR, PMI, PITI payment, escrows, etc.

4. Collect financial information (tax returns, bank statements) and other related documents that are part of the application process:

   Tax Returns; We typically need the last years signed tax returns including the supporting forms like W-2's, 1099's, etc. If a Bond loan in one of the 19 Non-targeted, we need the last three years of tax returns.
   Bank Statements; We typically get a copy of the most recent two months worth of statements. If you only have a printout from the institution, it must have the institution's name and signed by an employee of that institution.

REMINDER: All applications and either a sales contract (purchase) or deed (refinance) MUST be faxed to our Charleston office within 24 hours.

Section B. (Must complete two of the three listed below)

1. Maintain regular contact with the borrower, realtor, and WVHDF between application and the closing to keep them informed on the status of the application and gather any additional information needed: Keep all parties informed of the progress of the loan as it moves through the various stages of loan process. An example would be, when an appraisal is ordered, inform all parties.

2. Order any inspections that may be required by the WVHDF including but not limited to pest, health department, structural, etc..

3. Participate in the closing: This could include setting the closing date, assuring some documents arrive at the closing like a deed, and/or being at closing to observe and give support.