




MEMORANDUM

VIA E-MAIL

TO: Participating Lenders

FROM: Kay Bowe 
Underwriting Manager

DATE: July 24, 2018

SUBJECT: Underwriting Guideline Changes

The Fund today is announcing several significant changes to our guidelines and procedures which are effective immediately. The Procedural guide, posted on our website, has been updated to reflect these changes.

- Power of Attorney (POA) reviews – The Fund no longer requires the POA for borrowers to be submitted for review by our legal department. The responsibility for ensuring the POA properly allows for the purchase of real estate and incurring debt on behalf of the party shall reside with the lender. On loans which the Fund is the underwriter, the POA should be provided as a prior to closing condition (PTC).
- For loans which the Fund underwrites, the Uniform Collateral Data Portal (UCDP) confirmation page should be provided at the time of appraisal submission rather than in the closed loan package. This may require communication with your AMC so that these are uploaded earlier in the process. To eliminate multiple uploads, our staff will strive to only require additional comments when the value or the adjustments are in question. Appraisers should be encouraged to explain the adjustments (especially condition and quality of construction).
- Income toward federal limits will continue to be determined by persons taking title to the property. However, family size will be determined by the number of persons expecting to occupy the subject property as their primary residence within 60 days of closing. In cases where there is shared custody of a dependent, the borrower must have 50% or greater custody for the dependent to be included. If the family size matches the information on the 1003, no further documentation is necessary. If the family size differs from the application, the additional household members should be identified and documented by a signed statement from borrower.

As previously mentioned, our upcoming paperless document management and delivery system, VirPack, is being configured for us by the vendor and we anticipate getting back to all lenders on its introduction into our procedures very soon.

Please contact the Fund with any questions or concerns you may have. Thank you for your continued business and support of our programs.