



MEMORANDUM

VIA E-MAIL

TO: All WVHDF Participating Lenders

FROM: Kay Bowe
Underwriting and Post-Closing Manager

DATE: Thursday, June 6, 2024

SUBJECT: Recapture Notice Form Update and FAQ

Audit results recently evidenced many missing or incomplete Recapture Notices remitted in the closed loan package. These errors are an unresolvable finding as the form must be fully executed at, or before, closing. As you know, we take our tax-exempt bond compliance very seriously and accordingly, we are amending our Recapture Notice policy, as follows, effective with loans **registered and/or locked since our reopening (Friday, May 31, 2024)**, and thereafter:

- The revised Recapture Notice (version 5/2024) is now required at Underwriting for “Clear to Close”/CTC, and files will be conditioned for missing or incomplete forms.
 - Lenders with delegated underwriting status should ensure the revised, executed form is returned in the closed loan package.
 - If, by chance, you have a loan registered/locked on or after Friday, 5/31, that has received CTC without the executed Recapture Notice, please ensure the form is returned in the closed loan package.

As a reminder, the Recapture Notice is required on all Homeownership Program loans *regardless of Low Down Home Loan/DPA use*.

Additionally, because of newer Participating Lenders and increased volume, we have received an uptick in questions regarding recapture. To assist you and your customers, we have created a recapture FAQ. Please feel free to use and distribute as you deem necessary, but the FAQ is not a required form.

Both forms are available on our Lending Partners site. We appreciate your cooperation and partnership. Should you have any questions or concerns, please contact Single Family Lending staff for further information.