

INSTRUCTIONS FOR TITLE COMPANY

(THIS PAGE MUST BE PROVIDED TO TITLE COMPANY)

THIS TRANSACTION INCLUDES A SUBORDINATE HPAP SECOND MORTGAGE

THE HPAP LOAN IS A SUBORDINATE SECOND LIEN THAT REQUIRES RECORDATION & TITLE INSURANCE (LENDER'S COVERAGE ONLY)

IT IS NOT A GRANT

WE REQUIRE A SEPARATE ICL/CPL, AND THE SECOND MUST BE LISTED ON BOTH SCHEDULE A & B

THE MORTGAGEE CLAUSE IS:

**DC Dept of Housing & Community Development c/o DCHFA
ISAOA, ATIMA
815 Florida Avenue, NW
Washington DC 20001**

HPAP DOES NOT CHARGE FEES, HOWEVER THE LOAN MUST BE RECORDED AND TITLE INSURANCE (LENDER'S COVERAGE) IS REQUIRED

OF THE TOTAL HPAP LOAN AMOUNT, UP TO \$4000 COVERS CLOSING COSTS ONLY AND THE REMAINDER GOES TOWARDS DOWN PAYMENT ALONE.

THE FINAL HPAP LOAN AMOUNT MAY BE REDUCED DEPENDING ON FINAL CLOSING COSTS/TOTAL CREDITS AND THE BORROWER'S MINIMUM REQUIRED CONTRIBUTION

2022 LENDERS CHECKLIST FOR HPAP SUBMISSIONS		LENDER <input type="checkbox"/> and include or "N/A" if not applicable
FILES WILL ONLY BE LOGGED IN TO UNDERWRITING ONCE ALL ITEMS FOR INITIAL SUBMISSIONS ARE RECEIVED, INCOMPLETE FILES WILL NOT BE REVIEWED		
1.	LENDER'S COMMITMENT / APPROVAL FROM UNDERWRITING (Loan must be Approved)	
2.	CORRESPONDING 1008 or FHA Transmittal /AUS / 1003	
3.	ARM LOANS must include ARM DISCLOSURE verifying Rate / Cap / Terms	
4.	FHA LOANS must include initial completed/signed 92900A and FHA Identity of Interest Disclosure	
5.	FHA LOANS must include FHA Case # Validation	
6.	COPY OF HPAP NOTICE OF ELIGIBILITY Signed by Borrower(s)	
7.	HOMEBUYER EDUCATION CERTIFICATE	
8.	APPRAISAL & FLOOD CERTIFICATE	
9.	CREDIT REPORT (Tri-Merge) and SIGNED INQUIRY LETTER FOR INQUIRIES IN MOST RECENT 120 DAYS	
10.	SUPPORTING DOCUMENTATION FOR ANY OMITTED LOANS, including Student Loans, debts paid by Non-Borrower(s) (need 12 month documentation)	
11.	PORTFOLIO LOANS MUST INCLUDE SATISFACTORY 12 MONTH VOR	
12.	SEPARATION AGREEMENT / DIVORCE DECREE AS APPLICABLE	
13.	MOST RECENT FULL MONTH'S PAYSTUBS FOR ALL FT & PT INCOME	
14.	FULL COMPLETED WRITTEN VOE FOR ALL CURRENT EMPLOYMENT THAT INCLUDES OVERTIME/BONUS/COMMISSION OR ADDITIONAL PAY, VERIFYING BREAK OUT OF PAY FOR CURRENT & PREVIOUS 2 YEARS (OR END OF YEAR PAYSTUBS)	
15.	CHILD SUPPORT AND/OR ALIMONY DOCUMENTATION including COPY OF COURT ORDER OR EQUIVALENT, WITH DOCUMENTATION OF RECEIPT	
16.	W2s AND 1099s, OR W2/1099 TRANSCRIPTS FOR PREVIOUS TWO YEARS	
17.	SIGNED PROFIT & LOSS THROUGH MOST RECENT QUARTER FOR ANY SELF-EMPLOYMENT / 1099 / SCHEDULE C INCOME	
18.	VERBAL VOE VERIFYING DATE(S) OF EMPLOYMENT FOR ANY FT OR PT JOB(S) THAT IS NOT CURRENT BUT WAS HELD IN CURRENT AND/OR PREVIOUS TAX YEAR	
19.	UNDERWRITER'S INCOME WORKSHEET FOR ALL SELF-EMPLOYED BORROWERS	
20.	ALL INCOME FOR ALL HOUSEHOLD MEMBERS MUST BE DOCUMENTED	
21.	DOCUMENTATION VERIFYNG FULL-TIME ENROLLMENT IN SCHOOL FOR ANY HH MEMBERS 18 OR OLDER ATTENDING SCHOOL	
22.	FOR ANY HH MEMBERS OVER 18 NOT ATTENDING SCHOOL FULL TIME, ONE OF THE FOLLOWING MUST BE PROVIDED: 1) DOCUMENTION OF CURRENT INCOME (Paystubs/W2s/Tax Returns/Social Security Earnings Statement) 2) DOCUMENTATION VERIFYING NO INCOME (Social Security Earnings Statement, W2/1099 Transcripts) with Zero Income Statement	
23.	CURRENT 2 MONTHS STATEMENTS FOR ALL NON-RETIREMENT ASSETS (including Checking, Savings, CD, Brokerage, Mutual Funds, Stocks) THAT ARE OWNED EITHER INDIVIDUALLY OR JOINTLY with ANY OTHER PERSON INCLUDING NON-BORROWERS	

24.	CURRENT 2 MONTHS STATEMENTS FOR ALL NON-RETIREMENT ASSETS (including Checking, Savings, CD, Brokerage, Mutual Funds, Stocks) FOR ALL HOUSEHOLD MEMBERS	
25.	EXPLANATION AND SUPPORTING DOCUMENTATION FOR ANY LARGE DEPOSIT OR RECURRING TRANSFER(S) THAT ARE NOT FROM PAYROLL	
26.	ANY GIFTS MUST BE DOCUMENTED WITH FULLY COMPLETED / SIGNED GIFT LETTER. TRANSFER AND RECEIPT DOCUMENTATION MAY BE UPLOADED PRIOR TO FINAL APPROVAL	
27.	EMD MUST BE DOCUMENTED WITH COPY OF CHECK AND CORRESPONDING BANK STATEMENT VERIFYING SOURCE AND CLEARANCE OF FUNDS	

FOLLOW-UP ITEMS REQUIRED FOR CLEAR TO CLOSE

28.	HO3/HO6/CONDO MASTER CERT, W/DCHFA HPAP MORTGAGEE CLAUSE, Max Deductible \$1500	
29.	WIRE INSTRUCTIONS, ICL AND TITLE BINDER WITH DCHFA MORTGAGEE CLAUSE	
30.	Wire Instructions and Title Work <u>MUST</u> be received by DCHFA Underwriting at least 3 business days prior to Settlement, or settlement may need to be rescheduled	
31.	SATISFACTORY TERMITE REPORT, REQUIRED FOR SINGLE FAMILY HOMES, TOWNHOMES, AND CONDOMINIUMS BELOW 4TH FLOOR	
32.	FINAL UNDERWRITING APPROVAL SIGNED 1008 /FINAL 1003/ AUS	
33.	FHA LOANS MUST INCLUDE FHA TRANSMITTAL AND FINAL 92900A WITH PAGE 3 COMPLETED AND SIGNED BY UNDERWRITER	

DCHFA HPAP MORTGAGEE CLAUSE FOR INSURANCE AND TITLE WORK

DC DEPT OF HOUSING AND COMMUNITY DEVELOPMENT c/o DCHFA ISAOA, ATIMA

OR

**DC DHCD c/o DCHFA
ISAOA/ATIMA**

815 FLORIDA AVE, NW WASHINGTON, DC 20001

HPAP GUIDELINE SUMMARY

- **MAX DTI 40/45 FOR APPROVE/ELIGIBLE DU AND ACCEPT LP LOANS**
(MANUAL/PORTFOLIO LOANS AND ARM PRODUCTS ARE SUBJECT TO STRICTER RATIO REQUIREMENTS)
- **AN EXCEPTION REQUEST (SEE ATTACHED) MUST BE COMPLETED FOR ANY LOANS WITH DTI > 40/45 RATIOS. LOANS WITH DTI > 40/45 WILL ONLY BE APPROVED ON AN EXCEPTION BASIS.**
- **MINIMUM CREDIT SCORE OF 600**
- **MINIMUM BORROWER CONTRIBUTION IS GREATER OF \$500 or ½ OF ASSETS EXCEEDING \$3,000**
- **UP TO \$4,000 CLOSING COST ASSISTANCE IS INCLUDED IN TOTAL HPAP LOAN AND MAY NOT BE USED TOWARDS DOWN PAYMENT**
- **HPAP LOAN AMOUNT IS BASED UPON HOUSEHOLD SIZE AND INCOME AT THE TIME OF PURCHASE AND IS SUBJECT TO CHANGE**
- **HPAP LOAN SHOULD REPRESENT 'GAP' FINANCING', FIRST TRUST SHOULD BE STRUCTURED FOR MINIMUM 28% FRONT RATIO, WHICH MAY REDUCE HPAP BELOW THE MAXIMUM ELIGIBILITY/LOAN AMOUNT ON THE NOTICE OF ELIGIBILITY, with some exceptions for IZ Units or if DTI > 45% with a 28% Front Ratio**

Please contact the applicable HPAP administrator listed on your client's Notice of Eligibility (DCHFA OR GWUL) for additional guidance if needed.

EXCEPTION REQUEST FOR BACK RATIO > 45

Loan Type Conventional FHA Portfolio

Loan Product FIX30 ARM

DTI ____ / ____

Qualifying Credit Score _____

Current Monthly Housing Payment \$ _____

Proposed Monthly Housing Payment \$ _____

Compensating Factors:

COMPENSATING FACTORS EXAMPLES:

- Reduction in Housing Payment (Proposed Payment is lower than Current Documented Payment) - must be documented with satisfactory 12-month VOR
- Documented Overtime/Bonus received in current year and likely to continue but not used for qualifying
- Documented savings history with fully available 6 months liquid reserves after settlement
- Documented Household/Spouse income that is not included for qualifying