

## SUBMISSION VOUCHER DETAILS

**Program:** Regular Bond and Setaside Program  
Corresponds to [Voucher dated 2.9.2016](#)

**General instructions:** Complete the voucher and upload to [Lender OnLine](#), following the voucher for document stacking order.

### **Line-by-line instructions:**

#### **1. Guarantee/MIC**

- a. **RD LOAN NOTE GUARANTEE**, Form 3555-17E (Rev 12-2014) is **required for loan purchase**. Must be completed to identify the loan, including the SFH Guaranteed Annual Fee Amortization Schedule
  - b. **FHA, VA and HUD-184** certificates can be 'to-follow' documents and are allowed 90 days from the purchase date to be received.
2. **Mortgage record change:** Proof the mortgage has been transferred to MBOH as the holder and servicer, as applicable
3. **The original NOTE** must be sent to MBOH before purchase can take place. It must contain signatures of each borrower, co-borrower and/or co-signer and be endorsed by the lender to **Montana Board of Housing, without recourse**. Property address on the Note must match that for which the loan is being made.
- a. For loans serviced by MBOH: NO INTERIM SERVICING
  - b. For loans serviced by originator: If payments have been made, lenders are required to include a loan history, breaking out principal and interest, and showing principal amount remaining after each payment.

#### **4. MERS or Assignment**

- a. Participating MERS lenders are required to provide a copy of the MERS ONLINE MIN SUMMARY showing the transfer of loan to Montana Board of Housing, and show the correct servicer. This summary must include the number assigned by MERS. MIN Summary pages are uploaded to Lender OnLine with the submission package.
  - b. For loans assigned to MBOH, the Assignment of Trust Indenture must be provided to MBOH with the Note. The Assignment is required to be either, the original recorded document or a Clerk & Recorder's certified recorded copy. Copies certified by title companies are not accepted. The Assignment has to clearly recite the loan recording information, and be properly signed and notarized.
5. **Deed of Trust/Trust Indenture.** A copy of the recorded Trust Indenture is required. The Trust Indenture **must include the [MBOH Uniform Rider](#)**, in addition to all other applicable riders. The Trust Indenture should clearly note which riders are attached under the 'Riders' section. Please verify proper names, loan amount, legal description, property address, signatures and notary acknowledgement. The **copy must clearly show recording information** from the Clerk and Recorder. Documents certified by title companies are not accepted without recording data on the face of the document.
- a. For loans serviced by Montana Board of Housing, the original Trust Indenture is to be forwarded to MBOH offices (when available).
  - b. Lenders who service loans on behalf of Montana Board of Housing retain the original recorded document.

6. **Title Insurance.** The complete Mortgagee Title Insurance policy must be received within 90 days of funding. The **policy must name Montana Board of Housing as the Insured** (or MERS, as Nominee for the originating lender). The policy must insure coverage in the full amount of the mortgage loan, show the property address and correct borrower names. All policies must provide extended coverage and all applicable endorsements (9.3, 22-06 or 22.2-06 and 8.1)
  - a. Loans on Manufactured homes require Form 7 or 7.1 **and** MV 72 Statement of Intent to Declare a Manufactured Home as Improvement to Real Property.
  - b. Loans on Leasehold estates require a copy of the recorded Lease.
  - c. Loans under HUD-184 program on trust land require the updated Title Status Report be provided within 90 days of funding.
  - d. If final policy not available at time of funding, a copy of the Title Commitment must be provided with the submission package, committing all above required coverage amounts and endorsements.
7. **Mortgage Loan Estimate.** Final H-24(B), properly completed, is required
8. **Closing Disclosure.** Final H-25(B) Closing Disclosure, properly completed, is required (both buyer and seller side of the transaction.) The Closing Disclosure is used to check figures relating to the loan calculations. These figures include the amount of: title insurance, mortgage/guarantee fees, loan origination fees/costs, hazard insurance and acquisition costs. The Disclosure is also used to help determine if RD loans have the required \$1,500 or \$500 investment by the borrower. Both the borrower & seller sides of the transaction are needed except in the case of a rollover of a construction loan. **NOTE: Be sure NO CASH BACK to the borrower is generated on the borrower's disclosure.**
9. **Settlement Statement** prepared by the title company is required, including borrower, seller and settlement agent's signature. If the title company does not collect signatures on this document, provide clarification from closing agent with the document. There can be NO CASH BACK to the borrower.
10. **Mortgagor's Affidavit.** The Mortgagor's Affidavit must be completed, signed by borrower(s) and lender, and notarized. Check for correct interest rate, mortgagor(s) name, property address, legal description and whether the property is in a 'targeted' or 'non-targeted' area. **Complete all fields to reflect true and accurate statements of the transaction:**
  - a. #6 for household income and family size. ANNUAL Income reported in this section must be calculated according to the Income Determination Guide (usually does not match income calculations for underwriting)
  - b. #8 for previous ownership (select either 'a' or 'b')
  - c. #9 whether property is or is not in a targeted area;
  - d. #10 for acquisition cost (Purchase price, plus any needed repairs)
  - e. #14 is or is not the mortgagor an employee or related to an employee
11. **Seller's Affidavit.** The Seller's Affidavit must be completed, signed by seller(s) and properly notarized. **Complete all fields to reflect true and accurate statements of the transaction:**
  - a. #1 – definition of seller (select one option ---- a, b, c or d)
  - b. #7 - Acquisition Cost (usually matches Mortgagor's Affidavit, unless repairs are made by purchaser under 203K or similar program); and
  - c. #9 whether seller is or is not an employee or related to an employee
12. **Final Loan Application.** The copy of the loan application included in the purchase package should be the final application signed at closing. Any applicable HUD form 92900 or VA form 26-1802a addendums must be completely filled in and signed by lender and borrower(s).

- a. In case of VA loan, a copy of the VA Disclosure Statement signed by the veteran/borrower must be supplied
  - b. In case of an FHA loan, a copy of the FHA Disclosure to Buyer, signed by borrower(s) must be provided
13. **Income verification.** Include information for all household members 18 years and older. Acceptable verification of income includes:
- a. Current VOE from employer (**MBOH does not accept verbal verifications of income**)
  - b. Self-employed borrowers must provide Profit/Loss statements and/or two years federal tax returns (**signed copies**)
  - c. Proof of child support, benefit letters from Social Security, Veteran's Administration, or Pension income, as appropriate to the source.
  - d. Adult household members not contributing to household income need to provide signed statement to this fact.
- NOTE: [Income Determination Guide](#) contains complete information, requirements and formulas to calculate income.
14. **Federal Tax Returns.** If property is located in a Non-targeted area, copies of Federal Tax Returns for previous three years are required to prove no prior homeownership. **Tax returns must be signed.** State tax returns are NOT required. For purposes of determining which tax returns are required, the three years are established by closing date. For example: A loan closing on February 1, 2016, would require 2013, 2014 and 2015 tax returns be supplied. The 2015 tax return can be a 'final document', provided by April 15 in year of loan closing. Full instructions for this requirement are located on the Mortgagor's Affidavit.
15. **Recapture Notice.** A copy of the Recapture Notice which was presented and signed at the time of the initial application
16. **Recapture Tax Notice to Compute.** A completed, signed copy of the Notice to Mortgagor of Maximum Recapture Tax form is required in the purchase package. Check for mortgagor(s) name, correct address, loan closing date, loan amount at closing. Item #3 is the MBOH current Maximum Income limits found on the website. Under the table section, the recapture figures must be completed. These figures increase by .05 each year. MBOH provides an auto-fill document on the website which will populate the entire table, including populating Item B on page 2.
17. **Buy/Sell Agreement.** A copy of the completed Buy-Sell Agreement, containing signatures and initials on all appropriate pages. Include any counter offers and/or addendums. The agreement must show:
- a. Correct property address
  - b. Purchase price and terms of sale are clearly defined
  - c. Legal description. If multiple lots or parcels are included in the transaction, lenders are required to provide proof the house/structures encumber all lots, or that no parcel can be sold separately from the property supporting the residence.
  - d. Personal property (if any), is listed, and given a value in the transaction. If substantial personal property is present (hot tub, storage shed), supply the Personal Property Statement provided by MBOH signed by buyer(s)
18. **Hazard Insurance.** Evidence of Hazard insurance is required to purchase the loan. Provide copy of the binder showing adequate coverage to rebuild or replace with at least 120% contingency. With this verbiage included in the binder, we deduct land value from the loan amount to verify replacement cost. All-peril deductible is not allowed to exceed \$1,500 or 1% of the dwelling coverage (borrower choice). MBOH must be named as 'First Mortgagee' on the binder. If

not already named, lender must include a copy of the request for change of mortgagee clause in the submission package.

19. **Flood Insurance Certificate.** Provide a copy of the Certificate identifying the accurate zone of the subject property. The certificate must be "life of loan".
20. **Flood Insurance binder.** Evidence of Flood Insurance is required if property is located in a special flood area or FEMA Zone A as evidenced by a flood certificate or by the appraisal under the "site" section. Deductible is not allowed to exceed \$1,500 or 1% of dwelling coverage (borrower choice). MBOH must be named as First Mortgagee on the binder. If not already named, lender must include a copy of the request for change of mortgagee clause in the submission package.
21. **Appraisal.** The Uniform Residential Appraisal Report and all attached addendums (form 1004, 1004C or 1073). Land limitations and possible rental situations are checked through the appraisal. If multiple lots or parcels are included in the transaction, appraisers can be requested to clarify whether any lot or parcel could be severed and sold separately from the property supporting the residence and appurtenances.
  - a. In cases of new construction, the 35% rule must be reviewed as it pertains to individual or community water/septic systems. Site Value is divided by the appraised value to obtain the 'loan to value'. If over 35%, provide proof that said systems do not have any violations.
  - b. Any property that is "subject to completion. . ." or "subject to repair . . ." must have a certificate of completion signed by the appraiser.
22. **Photograph.** One clear and/or colored photograph of the mortgaged property is required. This can be the photo from appraisal, if clearly shows the property.
23. **Early Delinquency Counseling Form.** The Early Delinquency counseling form is required to be signed by all borrower(s) for all loans
24. **Setasides** The following documents are required only for loans benefitting from the MBOH Setaside Program:
  - a. Approval letter from the Sponsoring agency
  - b. Release of Financial Information form accurately naming the sponsoring agency (the down payment provider). This document must be signed by the borrower(s)
  - c. Homebuyer Education Certificate from an MBOH-approved provider. MBOH approved providers are members of the Montana HomeOwnership Network (MHN) found on [www.nwmt.org](http://www.nwmt.org) Classes are generally required to be eight (8) hour face-to-face. The only online alternative is one approved by the local MHN partner.

**MBOH Servicing docs:** If MBOH is the Servicer for the subject loan, the following documents must also be submitted:

25. **Check for escrows.** Must be mailed to MBOH with the original Note
26. **Check for Tax Service Fee.** The Tax Service Fee in the amount of \$65.00 must be mailed to MBOH as a separate check, and not combined with escrow funds.
27. **Property tax information**
28. **First Payment Letter.** First Payment letter must name MBOH as the recipient (no interim servicing)
29. **Mailing Address certification.** Certification of correct mailing address for borrower(s)
30. **All documentation used for underwriting.**
31. **Copy any Gift Docs, 2<sup>nd</sup> lien docs, W-9, 4506T and Power of Attorney, if applicable.**

June 1, 2016