

MSHDA Audio Conference

April 2, 2008

Presented by:
Nancy Baker
Business Development Representative
Division of Homeownership
Michigan State Housing Development Authority

Sponsored by:



MSHDA's Homeownership Division

Our Mission

To develop, promote, and administer programs for participating lenders, homeownership counselors and homebuyers that provide low to moderate income Michigan residents opportunities for homeownership.



MSHDA's Homeownership Division

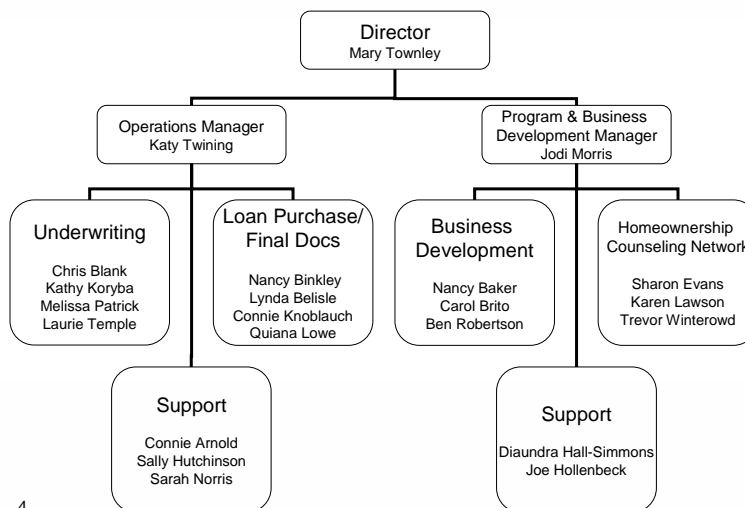
Our Goal

To become your **first** choice in affordable loan products

3



Organizational Structure



4



Business Development Team

- Recruits new lenders and builds relationships with current lenders
- Provides Continuing Education classes to REALTORS®
- Exhibits at lender and REALTOR® conferences and tradeshows
- Promotes MSHDA loan products at affordable housing fairs, non-profit events, homebuyer workshops

5



Homeownership Counseling Team

- Oversees the statewide network of homeownership counselors
- Conducts annual and new counselor training
- Provides oversight for HUD grant funds
- Works with the Michigan IDA Partnership
- Promotes HELP, HomeChoice, & Credit Repair programs

6



Underwriting Team

- Reviews loan applications for bond compliance
- Issues mortgage approval/purchase commitments
- Approves applications from new lenders
- Train and mentor participating lenders

7



Loan Purchase Team

- Reviews closing documents for purchase compliance
- Reviews final recorded documents
- Releases funds to participating lenders
- Reconciles bond fund accounts

8



Mortgage Programs

- 30-year fixed rate loans
- Conventional 95% - 103% LTV
- FHA, VA & USDA RD programs
- Below market interest rates (typically .75% - 1% less)
- Lower premiums for mortgage insurance (including job loss protection)
- Borrower eligibility based on sales price and income limits, recently increased to:
 - Sales prices limits \$195,000 - \$224,250 depending on County
 - Income limits \$60,500 - \$74,750 depending on family size and County

9



Down Payment Assistance

- Up to \$7,500 available to cover down payment, closing costs, and prepaids/escrows
- 0% interest – no monthly payments
- Income limits adjusted for family size (80% AMI)
- Can be used with MSHDA Conventional 97%, FHA, and Rural Development loans
- Due on sale, transfer, refinance, or repayment of first MSHDA mortgage

10



Proposed Refinance Programs

ARM Assist Refinance

- Helps individuals who currently have an ARM with an interest rate that has increased and/or is projected to increase, making the payments unaffordable
- 30 year fixed rate loan
- 100% LTV and can include closing costs and prepaid expenses

11



Proposed Refinance Programs

Rescue Refinance

- Assists individuals who have had late payments on their mortgage (no more than three 30-days late payments within the last 12 months and be current at time of application)
- 30 year fixed rate loan
- 100% LTV and can include closing costs and prepaid expenses

12



Proposed Recapture Tax Reimbursement

Recapture Tax Reimbursement

- Buyers may be required to pay the IRS a portion of the gain upon sale of a home purchased with a MSHDA loan.
- Senate Bill 950 proposes that MSHDA will create a Recapture Tax Fund that may be used to reimburse individual borrowers for any taxes the borrowers paid resulting from the sale, refinance, or disposition within 9 years of the mortgage loan closing date.

13



We Want to Help You do More Business

- By offering competitive loan programs for your members
- By offering down payment assistance programs
- By offering product specific training to you and your staff
- By partnering with you to schedule Continuing Education classes for Realtors ®

14



Call Us With Questions:

Western Michigan region:

Nancy Baker

(517) 373-1058

Central Michigan region:

Carol Brito

(517) 373-9866

Eastern Michigan region:

Ben Robertson

(313) 456-3323

15





STATE OF MICHIGAN

JENNIFER M. GRANHOLM
GOVERNOR

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
LANSING

MICHAEL R. DEVOS
EXECUTIVE DIRECTOR

NEW LENDER APPROVAL CHECKLIST

Eligible lenders must be one of the following:

- A state or federally chartered bank
- A state or federally chartered credit union
- Licensed or registered under the Michigan Mortgage Lenders and Servicers Licensing Act

Eligible lenders must meet ALL of the following criteria:

- Have a net worth of at least \$250,000
- Have Mortgagee Errors and Omissions insurance coverage of at least \$300,000
- Have Fidelity Bond insurance coverage of at least \$300,000

Eligible lenders must have one or more of the following designations:

- A FNMA, FHLMC, or Federal Home Loan Bank approved seller/servicer, if you intend to originate MSHDA Conventional loans.
- A FHA Direct Endorsement mortgage lender, if you intend to originate MSHDA FHA loans.
- A VA-Automatic approved mortgagee, if you intend to originate MSHDA VA loans.
- A USDA Rural Development Guaranteed mortgagee, if you intend to originate MSHDA RD loans.



MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

Application for Lender
Single-Family Mortgage Loans

Instructions: Please return this completed application to:

Mary Townley, Director
Homeownership Division
Michigan State Housing Development Authority
735 E. Michigan Avenue
P.O. Box 30044
Lansing, MI 48909
Tel: 517-373-6864 Fax: 517-373.2450
E-mail: townleym1@michigan.gov

Company Name: _____
Address: _____

Federal Identification Number: _____
Contact Person: _____
Title: _____
Phone / Fax / E-mail: _____

NAME OF PARENT COMPANY, IF DIFFERENT THAN ABOVE:

Company Name: _____
Address: _____

Federal Identification Number: _____
Contact Person: _____
Title: _____
Phone / Fax / E-mail: _____

PLEASE ANSWER THE FOLLOWING QUESTIONS:

1. The lending institution is (check all that apply)
- A state-chartered bank or national banking association
 - A federally chartered bank regulated by the Office of Thrift Supervision
 - An FHA Direct Endorsement approved mortgage lending institution
 - A FNMA or FHLMC approved seller/servicer
 - Approved by the Federal Home Loan Bank for sale of 1st residential mortgage loans
 - A VA-Automatic approved mortgagee
 - A RHS (formerly FmHA) approved mortgage
 - A state or federal chartered credit union

NOTE: Please include copies of any approvals

2. Please indicate the date mortgage lending operations began: _____

3. Does your company have the ability to close **AND** service loans in its own name? Yes No

4. In what exact name does your company:

- a. Originate Loans _____
- b. Underwrite Loans _____
- c. Close Loans _____
- d. Fund Loans _____
- e. Deliver Loans _____

5. List all branches that will be originating MSHDA loans in Michigan. (Attach a second page if necessary.)

- a. Name of Branch: _____
Address: _____

Manager: _____
Phone / Fax / E-mail: _____
- b. Name of Branch: _____
Address: _____

Manager: _____
Phone / Fax / E-mail: _____
- c. Name of Branch: _____
Address: _____

Manager: _____
Phone / Fax / E-mail: _____

6. Please indicate approximate annual originations:

FHA	\$	_____
VA	\$	_____
RHS	\$	_____
Conventional	\$	_____

7. Please provide the names and titles of the principal officers of your Michigan lending institution:

<u>Name</u>	<u>Title</u>
_____	_____
_____	_____
_____	_____

8. Does your company have a net worth of at least \$250,000? Yes No
Submit a copy of your most recent available audited financial statements.

9. Does your company have errors and omissions insurance coverage of at least \$300,000?
 Yes No **Submit most recent copy of errors and omissions insurance coverage.**
10. Does your company have fidelity bond insurance coverage of at least \$300,000?
 Yes No **Submit most recent copy of fidelity bond insurance coverage.**
11. Are you presently licensed or registered under the Michigan Mortgage Brokers, Lenders, and Servicers Licensing Act (MCLA 445.1651 *et seq.*)? Yes No
 If Yes, please submit a copy of your license or registration.
 If No, please describe the exemption that applies to you: _____
12. Is your company a Michigan Corporation? Yes No
 If Yes, include an original certified copy of your filed articles of incorporation, together with an original good standing certificate, both dated within thirty (30) days of the date of this application.

 If No, attach an original certified copy of your articles of incorporation filed in the state of your incorporation, together with an original certified copy of your Certificate of Authority to Transact Business in Michigan, both dated within thirty (30) days of the date of this application **OR** an original certified copy of your articles of incorporation filed in the state of your incorporation together **with evidence from the primary federal regulator with whom you are approved.**
13. The MSHDA single-family mortgage program is placing special emphasis on covering smaller out-state and Upper Peninsula communities. If you have the capability to serve the smaller communities and are willing to do so, please state specifically what your capability is in this regard and what areas you propose to cover.



PLEASE INCLUDE THE FOLLOWING DOCUMENTS WITH THIS APPLICATION:

- A COPY OF YOUR COMPANY'S MOST RECENT AUDITED FINANCIAL STATEMENTS
- A COPY OF CURRENT ERRORS AND OMISSIONS INSURANCE COVERAGE
- A COPY OF CURRENT FIDELITY BOND INSURANCE COVERAGE
- COPIES OF YOUR FHA DIRECT ENDORSEMENT APPROVAL, VA AUTOMATIC APPROVAL, FHLBI APPROVAL FOR SALE OF 1ST RESIDENTIAL MORTGAGES AND/OR FNMA/FHLMC APPROVALS
- COPY OF LICENSE OR REGISTRATION UNDER THE MICHIGAN MORTGAGE BROKERS, LENDERS, AND SERVICERS LICENSING ACT (MCLA 445.1651 *et. seq.*)
- FOR MICHIGAN CORPORATIONS, INCLUDE AN ORIGINAL CERTIFIED COPY OF YOUR ARTICLES OF INCORPORATION, TOGETHER WITH AN ORIGINAL GOOD STANDING CERTIFICATE, BOTH DATED WITHIN 30 DAYS OF THIS APPLICATION **OR**
- IF THE COMPANY IS **NOT** A MICHIGAN CORPORATION, INCLUDE AN ORIGINAL CERTIFIED COPY OF YOUR ARTICLES OF INCORPORATION FILED IN THE STATE OF INCORPORATION, TOGETHER WITH AN ORIGINAL CERTIFIED COPY OF YOUR CERTIFICATE OF AUTHORITY TO TRANSACT BUSINESS IN MICHIGAN AND **EVIDENCE YOUR CORPORATION IS IN GOOD STANDING WITH THE PRIMARY FEDERAL REGULATOR FOR YOUR INDUSTRY, ALL DATED WITHIN 30 DAYS OF THE DATE OF THIS APPLICATION.**

Application Submitted By:

Company: _____

By: _____

Title: _____

Date: _____

Phone / Fax / E-mail: _____

Do Not Write Below This Line, For MSHDA Use Only

**

Application Review Date: _____

Application Remarks: _____

Financial Statement Review: _____

Agency Approvals: _____

Status: _____ Date: _____ MSHDA #: _____

By: _____