MONTHLY LENDER NOTICE

October 1, 2014

NOTE TO LENDERS: *The purpose of the Monthly Lender Notice is to provide Lenders with important program information updates and reminders. Interest rate information is published each week in the "Availability of Funds and Notice of Terms Bulletin". A new Monthly Lender Notice is issued by SONYMA by the first calendar day of each month.*

UPDATES AND REMINDERS

HIGHER INCOME LIMITS FOR THE ACHIEVING THE DREAM PROGRAM

Effective for all reservations dated on or after **September 26, 2014,** SONYMA increased the income limits for the Achieving the Dream Program from 70% of AMI to 80% of AMI. Attached are the revised limits.

NEW SONYMA STAFF

The State of New York Mortgage Agency ("SONYMA") is very pleased to announce the hiring of three new team members: Sherri Eckles as Vice President of Single Family Programs, William (Bill) Teague as AVP Business Development Officer for the Albany, Hudson Valley and North Country Regions, and Evan Holownia as Management & Program Analyst supporting the SONYMA leadership team with Debt Issuance and Special Projects.

Many of you already know Sherri Eckles as she has been serving in an acting role since the beginning of 2014. Sherri brings to SONYMA over two decades of experience in the mortgage and finance industries, focusing primarily on affordable housing programs. She has experience in both retail originations and correspondent lending, having held positions in all phases of mortgage lending from processing to originations to sales management and upper management. She is a strong believer in the value of training. She developed comprehensive web-based training programs for several companies, and has authored several continuing education courses accredited by the National Association of Mortgage Bankers. Most recently, Sherri served as Vice President of Renovation Lending for a Pennsylvania based mortgage bank. Sherri came to SONYMA through the New York State Excelsior Fellowship Program, beginning in September 2013 as Special Assistant to the President of Finance and Development. Sherri was recently admitted to the NYS Bar after completing a 4-year program with dual concentrations at Albany Law School, graduating with honors, and also holds an MBA from SUNY Albany.

Bill Teague has 24 years' experience in the mortgage and finance industries; for 14 of those years he owned and operated Best Interest Mortgage Corp., a NYS licensed mortgage broker. Bill is well respected in the Capital District and has extensive experience in relationship development and management on both a business to business and consumer direct basis. He is well versed in our program guidelines and can readily identify the specialized market segments where SONYMA offers unique benefits to borrowers. Bill graduated from SUNY Albany with a BA in Economics and a minor in English.

Evan Holownia has more than three years of experience in the finance industry supporting senior management in Strategy and Risk Management as an Analyst and AVP at Citigroup. Evan brings a broad array of skills and experience in Strategic, Financial, and Operational analysis to support SONYMA on a variety of special projects. Evan graduated from Brown University in 2011 with a BA in History (Industrial & Economic) and Classics, along with significant coursework in Public Policy and Economics.

SONYMA UNIVERSITY

We resumed offering new webinars in September (see the attached schedule), and will also be repeating some of the most popular classes. For those who missed the class on Taking a SONYMA Loan Application the first time it was

offered, now is your chance to get the tips for a taking a successful application. We will be offering new classes that include Closing SONYMA Loans for Attorneys, and How SONYMA Loans Can Benefit Your Clients for Homeownership Counselors. We will also be re-running the New Remodel NY certification training classes. We look forward to seeing you there!!!

THE NEW REMODEL NY!!!

SONYMA announced changes to the Remodel NY program that will expand access of this product to all the Lenders in our network! This program enables a first-time homebuyer to purchase a home and finance the cost of any home improvements the home may need. The loan amount is based on the lesser of the purchase price plus repairs or the after-improved value of the house. Eligible repairs include: a new furnace, roof, flooring, remodeling kitchens and baths, installing new free-standing appliances into the mortgage, and much more. Including renovation in the mortgage allows borrowers to avoid charging up credit card debt, and makes it possible for them to save their cash for furniture, other household items, or a rainy day fund. Here are some highlights of the changes and program guidelines:

- We consolidated the Remodel NY with the Own It, Fix It! New York Program to create one program called Remodel NY program.
- This program will be an add-on to either the Achieving the Dream and Low Interest Rate Programs, enabling borrowers whose income qualifies them for ATD to receive the benefit of a purchase renovation mortgage at the lower interest rate (currently 3.875%).
- We eliminated the maximum dollar amount of repairs that can be completed and the % of after-improved value that can be dedicated to repairs. The only limitations you need to look for now are the purchase price limits by county (which would include the purchase price of the property plus the renovation and all associated financed fees), and the after-improved value.
- SONYMA is taking on the draw administration for you! Lenders who previously were unable to offer the Own It, Fix It! New York Program or Remodel NY due to the inability to process draws will now be able to originate Remodel NY loans knowing that SONYMA will pick up the process from loan purchase through the completion of the renovation process.
- 97% LTV based on the lesser of the after-improved value or the purchase price plus renovation and all associated financed fees
- 1- and 2-family properties, PUDs and Condos permitted
- Can be combined with the Homes for Veterans program!
- All Loan Officers must take the Remodel NY training in order to be eligible for participation. Please contact Sherri Eckles at sherri.eckles@nyshcr.org to schedule training if you did not attend the SONYMA University classes in July.

Stay tuned for a Lender Announcement listing all program guidelines and providing all updated forms.

CUSTOMIZED SONYMA TRAININGS TO MEET YOUR COMPANY'S NEEDS

Have you heard about SONYMA's exciting new improvements over the past few months? These include:

- **SONYMA Express**, our new automated underwriting system, has gone live with two pilot Lenders,
- **SONYMA University**, our monthly webinar training series, has had approximately 800 attendees since February 2014.
- Our **Homes for Veterans Program** is more competitive with a 3.875% interest rate for a purchase mortgage with down payment assistance, and
- We announced the NEW **Remodel NY Program** for properties that need rehab.

The best news is that there are more exciting changes to come and we want to share these changes with you!

Our Business Development Officers can now help train your staff on these SONYMA enhancements in two ways:

1. We can provide **live training sessions** in your offices, or
2. We can provide **customized web-based training sessions** for your company

Any of our classes can be adapted just for your company so your staff can participate conveniently from multiple locations. That's right -- we can tailor any training to meet the specific needs of your organization!

Contact one of our Business Development Officers to schedule your on-site or web-based training soon!

- Central and Western NY: Dawn Adams (**dawn.adams@nyshcr.org** • 646-539-8776)
- Downstate NY: Gail Kresge (**gail.kresge@nyshcr.org** • 848-218-2102)
- Hudson Valley, Capital District and north: Bill Teague (**william.teague@nyshcr.org** • 518-573-5936)

REVISED PURCHASE PRICE AND INCOME LIMITS – BOND PROGRAMS

Seller's Guide Bulletin #1-2014 announced revised purchase price and income limits for all of its bond financed programs. The revised limits are effective for all loan reservations made on or after June 18, 2014 and will continue until further notice. The new limits as well as revised Federal Recapture Tax limits have been posted on SONYMA's website.

***IT'S HERE!* - SONYMA *EXPRESS*® AUTOMATED UNDERWRITING AND IRS COMPLIANCE SYSTEM**

SONYMA *Express*® has been launched on a pilot basis with two of our Participating Lenders, M&T Bank and Continental Home Loans, Inc. This system provides automated decisions on SONYMA loan eligibility and eliminates the need for Lenders to send Pre-Closing compliance file submissions to SONYMA for review. We thank both M&T and Continental supporting us through this effort and for all of the time and assistance in making SONYMA *Express*® a reality. SONYMA is very proud to make this offering and will be making an announcement in the near future that will provide further details.

GOVERNOR CUOMO ANNOUNCES A $50 MILLION COMMITMENT FROM SONYMA TO HELP PROVIDE AFFORDABLE MORTGAGES TO VETERANS AND MILITARY FAMILIES

In March, Governor Cuomo announced that SONYMA would make available $50 million for the Homes for Veterans Program at an interest rate of 3.875%. This rate will remain available until Veterans Day 2014, or until all available funds are used, whichever occurs first. Eligible applicants are as follows:

- U.S. military veterans. Federal law enables SONYMA to waive the first-time homebuyer requirement for any veteran (and their spouse or co-borrower) who:
  - Served in active military, naval, or air service; and
  - Discharged or released from their military duties under conditions other than dishonorable.
- Active duty U.S. military personnel stationed in New York State;
- Active or honorably discharged National Guardsmen and reservists.

See our "**Programs**" section of this notice for more information on Homes for Veterans or click on this link to learn more about the program:

http://www.nyshcr.org/Topics/Home/Buyers/SONYMA/HomesforVeteransProgram.htm.

SONYMA EXEMPT FROM FEDERAL ABILITY-TO-REPAY RULES

In late May, the Consumer Financial Protection Bureau (CFPB) released its **final concurrent rule** to supplement the final Ability-to-Repay/Qualified Mortgage (QM) rule it published in January. The final rule exempts all loans originated under state housing finance agency programs. SONYMA is a state housing finance agency. In addition, the final concurrent rule also includes language clarifying that the exemption applies to loans originated by other creditors (i.e., SONYMA participating Lenders) pursuant to HFA programs.

As a result of this ruling, SONYMA will continue to make available the same underwriting guidelines it offers today (97% financing, maximum debt ratios of 45%, etc.).

IMPACT OF NEW YORK STATE HIGH-COST AND SUBPRIME LOAN LAWS AND FEDERAL HIGHER PRICED MORTGAGE LOANS AND HOEPA LOANS REGULATIONS ON SONYMA MORTGAGES

Our **Lender Letter dated December 5, 2013** provides details on the impact of New York State high-cost and subprime loan laws and federal higher priced mortgage loans and HOEPA loans regulations on SONYMA mortgages. In short, SONYMA loans are exempt from New York State High-Cost and Subprime Loan laws. SONYMA loans are not exempt from the Federally-mandated "higher priced mortgage loans" (or HPMLs) and HOEPA requirements. However, Section 1026.32(b)(1)(i)(B) of the ATR/QM mortgage rule, in describing what items are excluded from the definition of "points and fees", states: "(B) Any premium or other charge imposed in connection with any Federal or State agency program for any guaranty or insurance that protects the creditor against the consumer's default or other credit loss." Thus, the entire amount of the mortgage insurance premium charged in connection with SONYMA loans is excluded from points and fees (including non-refundable premiums) when performing high-cost loan calculations. As a result, we believe that SONYMA loans comply with HPML rules and the December 5th letter provides a remedy for loans not complying with the HOEPA rules.

SONYMA LOAN EXTENSION AND RATE RE-LOCK POLICY

Requests for a loan extension, accompanied by appropriate supporting documentation in an upward rate market*, must be made by completing and submitting the **Loan Extension and Rate Re-Lock Request Form (Form #235/8-11)** ***on or before*** the initial rate expires for any loan not expected to close with the initial rate lock period. Send this request to the attention of Sylvia Roberts, SONYMA Team Leader. The re-locked interest rate will be determined on the date SONYMA receives Form 235 and all acceptable supporting documentation. SONYMA will review the request and, if approved, will process the extension by modifying the expiration date of the loan and, if applicable, will change the interest rate on Lender Online (LOL) to the re-locked rate. Upon approval of the request, the loan will be extended and the interest rate re-locked for a period of **45 days** in accordance with the policy outlined in **Seller's Guide Bulletin #5-2011**. Lenders will be able to view the revised expiration date and re-locked interest rate on LOL.

*SONYMA requires Lenders to submit supporting documentation when the current SONYMA rate, at the time the extension is requested, is higher than the previously locked-in or extended rate, documentation supporting the reason for the request will be required. (Refer to **Seller's Guide Bulletin #1-2013** and see section below for more information.)

EXTENSION PENALTIES

Lenders who submit a Loan Extension and Rate Re-Lock Request Form *after* the rate expires will be subject to a 0.25% penalty.

SONYMA RATE CHANGES – DOCUMENTATION REQUIRED

When the interest rate increases as the result of an extension request, SONYMA requires an amended Residential Loan Application (1003), Transmittal Summary Form (1008) and **Interest Rate Option (Form #D3)** reflecting the new rate. Lenders may opt to either have the borrower sign a new **Interest Rate Option (Form #D3)** at the extended rate for 45 days (not 100 or 240 as initially disclosed) or make the changes to the initial form and have the borrower initial these changes.

INTEREST RATE CHANGES; LAPSE OF COVERAGE; MATERIAL CHANGES TO LOAN FILE AFTER COMMITMENT

If SONYMA approves an extension of the mortgage commitment, Lenders are responsible for notifying the pool insurer and the appropriate PMI insurer, if applicable, of changes in interest rates prior to closing. AN INCREASE IN THE INTEREST RATE MAY RESULT IN A REJECTION OF THE LOAN BY THE POOL INSURER. Lenders are also responsible for ensuring that coverage from such insurer has not lapsed prior to loan closing.

Most Lenders update credit documents and appraisals prior to closing. In the event these updates indicate the borrower's credit, income, or asset position has changed to the point where the borrower's ability to repay or close on the requested loan amount is impacted, or the value of the property has declined, these updates must be forwarded to the appropriate pool and/or mortgage insurer for reconsideration of the insurance commitment.

OPTION TO RETAIN THE ORIGINAL INTEREST RATE

In the event a Borrower's initial rate expires and the Lender or Property Seller is responsible for delays resulting in a rate increase, the Lender or Property Seller may pay a penalty to retain the original locked rate (however, such reduction can be no more than 0.50%). The new rate will be locked for a period of 45 days and will expire 45 days from the Extension Request Date. **Under NO circumstance will SONYMA allow Borrower(s) to pay a penalty to reduce the rate.** Lenders should utilize SONYMA's current penalty schedule for "Loans Reserved or Closed at an Incorrect Interest Rate." The schedule is summarized on the following page:

Interest Rate Differential	Penalty as % of Loan Amount
0.125%	0.5%
0.250%	1.0%
0.375%	1.5%
0.500%	2.0%
More than 0.50%	NOT AVAILABLE

Note: *When a Lender fails to reserve/register a loan on time and the delay results in a rate increase, Lenders may pay a penalty based upon the above Penalty Schedule to buy-down the rate.*

PROCEDURE FOR REQUESTING PERMISSION TO PAY A PENALTY IN ORDER TO REDUCE AN INTEREST RATE

If a Lender agrees to pay the penalty, the Lender must submit a written request to Marie Cammarata at mcammarata@nyshcr.org. The request must include the Borrower's name, SONYMA loan #, property address, the interest rate requested, and the penalty amount. Please note that the penalty amount will be deducted from the Lender's loan funding proceeds.

PROGRAMS

FHA PLUS PROGRAM

The **FHA Plus program ("FHA Plus")** program combines SONYMA's Down Payment Assistance Loan ("DPAL") with an FHA-insured mortgage. **HUD Mortgagee Letter 2013-14**, provides SONYMA with the unique ability to enable Lenders to utilize the DPAL towards the borrower's 3.5% minimum cash contribution. The program is available for both home purchases and refinances and features the following:

- Competitively priced, 30-year fixed interest rate mortgages with no required borrower points;
- Eligible borrowers do not have to be first-time homebuyers;
- No income or purchase price limits (Standard FHA County Loan Limits Apply); and
- Availability of SONYMA down payment assistance:
  - for purchase transactions, up to 3% of the home purchase price.
  - for refinance transactions, up to 3% of the lower of the unpaid principal balance or the appraised value. (The DPAL may be used as a credit against the closing costs and prepaid expenses.)

Note: *Borrowers must contribute one percent (1%) of their own funds towards purchase transactions.*

If SONYMA's DPAL is used to fund the borrowers minimum cash contribution, **HUD Mortgagee Letter 2013-14** requires the lender to document that SONYMA has "incurred an enforceable legal liability to fund the borrower's minimum cash investment" prior to or at closing. HUD has informed SONYMA that a Certificate of the State of New York Mortgage Agency (fully completed and executed by SONYMA and issued prior to closing) will suffice for this purpose.

In addition, Lenders will be required to deliver to M&T Bank ("M&T") in the post-closing loan file the following DPAL-related documents:

- Fully Executed SONYMA Certificate
- Enforcement Note and Mortgage (Form D1/9-09)
- Assignment of Mortgage (Form 202/9-99)

These documents must be in the lender's possession as of the loan closing date or the loan will not be insurable by FHA. Please be advised that when FHA Plus loans are registered with M&T, they will generate a report notifying SONYMA of any FHA Plus loans with a DPAL. Upon receipt of this report, SONYMA will generate and execute the Certificate of the State of New York Mortgage Agency (copy attached) and forward to the originating lender for inclusion in the delivery package to M&T after closing. If you have scheduled an FHA loan with a DPAL to close and have not yet received the certificate, please immediately contact SONYMA directly to request. ***Note:*** *Lenders must be separately approved as FHA Correspondents by M&T to offer the program.* For more information, click here to refer to the FHA Plus page on our website.

CONVENTIONAL PLUS PROGRAM FOR PURCHASE MONEY MORTGAGES AND REFINANCES

This product is designed to take advantage of certain benefits afforded by Fannie Mae to state housing agencies, such as SONYMA. The Conventional Plus program offers a Fannie Mae MyCommunityMortgage® with the following features:

- 97% financing (pursuant to our **letter dated September 25, 2013**);
- no loan level price adjustments;
- lower mortgage insurance coverage requirements;
- the availability of mortgage insurance provided by Genworth Mortgage Insurance or SONYMA's Mortgage Insurance Fund (MIF); and
- the availability of SONYMA down payment/closing cost assistance (which can be used to pay a one-time upfront mortgage insurance premium, thus significantly reducing a borrower's monthly payment).

The product is available for home purchases and for limited cash-out refinances. Lenders will be compensated 2.5% of the loan amount for each loan originated under Conventional Plus.

To demonstrate the advantages of Conventional Plus, we've create two calculators – one for purchase transactions and the other for refinances. The calculators are easy to use and can be accessed by clicking on the below link:

http://www.nyshcr.org/Topics/Lenders/Lenders/ConventionalPlus/

All Conventional Plus program information including term sheets, operational instructions, forms, and lender sign-up information have been published on SONYMA's website. In addition, you may contact your M&T Bank's area Account Executive (see below)**.**

Income limits for the Conventional Plus Program have been revised. The new limits have been posted on SONYMA's **website**.

M&T BANK ACCOUNT EXECUTIVES FOR FHA PLUS AND CONVENTIONAL PLUS

Lenders may reach out to the following M&T Accountant Executives by region for question on our FHA or Conventional Plus programs:

- Joyce Caparotta, Long Island -631 501 5598
- Guy Mascolo, NYC, Hudson Valley –203 837 0466
- Laura Pacifico, Upstate NY –716 949 0123

In addition, Lenders may also reach out to their regional SONYMA Business Development Officer for information on these programs.

HOMES FOR VETERANS PROGRAM

SONYMA offers a lower interest rate to all applicants eligible for the Homes for Veterans Program (HFV). Active duty US military personnel and qualified US military veterans are eligible to receive this lower rate as long as their household income is within the income limits of the Low Interest Rate Program. This program allows active duty US military personnel stationed in New York State, regardless of discharge status or an active or honorably discharged National Guardsman or reservist who are first-time homebuyers to take advantage of the benefits of the program. Lenders can reserve loans in one of the following programs and receive the lower interest rate, as applicable: 1) HFV Construction Incentive Program (long-term locks); 2) HFV Low Interest Rate Program (short-term locks); or 3) HFV Remodel New York Program. SONYMA will waive the first-time homebuyer requirement for any veteran (and their spouse or co-borrower) who:

- Served in active military, naval, or air service; and
- Has been discharged or released from their military duties under conditions other than dishonorable.

SONYMA OWN IT, FIX IT NEW YORK! HOME MORTGAGE

Under Own it, Fix it New York! Home Mortgage repair escrow option, eligible purchasers can buy a home and finance the cost of renovating it with one low, fixed rate mortgage. Complete details of the Own it, Fix it New York! Home Mortgage can be found in the **SONYMA Own it, Fix it New York! Home Mortgage Seller's Guide Bulletin #1-2011** and **Bulletin #2-2011**.

USE OF DOWN PAYMENT ASSISTANCE LOAN TO PAY SINGLE MORTGAGE INSURANCE PREMIUMS

SONYMA will allow its Down Payment Assistance Loan ("DPAL") to be used to pay single premium mortgage insurance ("SPMI"). Paying the upfront, one-time premium eliminates the monthly mortgage insurance payment, thus significantly reducing a borrower's monthly payment. In cases where the DPAL is more than sufficient to pay the SPMI, the remainder may be used towards down payment and/or closing costs. If the DPAL is insufficient to pay the premium, the borrower must contribute funds from an acceptable source to cover the cost difference. The MI premium is non-refundable.

SPMI rates for both Genworth Mortgage Insurance and SONYMA MIF have been published on SONYMA's website.

ENERGY STAR® PROGRAM

For loans reserved under the ENERGY STAR® Program, once the home is complete, the builder must submit documentation, including the final certification from a certified third-party Home Energy Rating System (HERS) rater, to the **Conservation Services Group** (CSG). CSG will review the documentation for accuracy and completeness and will provide a notification to the lender that the home has been built and tested to meet the New York ENERGY STAR® Labeled Homes Program requirements. Upon receipt of the notification from CSG, the lender may close the loan and the borrower(s) will receive the special incentive interest rate offered by SONYMA. **Click here** to see interest rates for this product.

COMPLIANCE UNDERWRITING

CENSUS TRACT NUMBER REPORTING – CONTINUED USE OF 2000 CENSUS TRACTS

Please be reminded that the appraisers must continue to report the Census Tract number on the appraisal report based on **2000 Census Data** and not the 2010 Census Data Information. The following link will take you to our Lender Notice dated November 4, 2011 which describes the use of 2000 Census Tracts for Target Area determinations: **http://www.nyshcr.org/Topics/Lenders/Lenders/Useof2000CensusTracts.pdf**

FIRST-TIME HOMEBUYER DEFINED

SONYMA defines a first-time homebuyer as a person who (i) has not had an ownership interest in his/her principal residence at any time during the three years prior to the date of making an application for a SONYMA mortgage loan; and, (ii) at the time of making the loan application to SONYMA and at time of closing, does not own a vacation or investment home. This definition applies to all borrowers and includes residences owned in the United States and abroad. The complete technical definition of first-time homebuyer can be obtained by accessing Section 2.301 our

Seller's Guide.

To assist Lenders in determining if a prospective borrower is an eligible first time homebuyer and waivers for this requirement, we have created a Q & A regarding first time homebuyer eligibility entitled, "**Can you pass the SONYMA first-time homebuyer test?**. This information can be found on our **Information for Loan Officers** page of our website.

IMPORTANT REMINDER WHEN SUBMITTING FILES TO SONYMA

SONYMA's Pre-and Post-Closing Checklists (and other SONYMA forms) require Lenders to provide the name, phone number, and email address of the Lender's contact person. This information is vital as it gives SONYMA the ability to respond quickly and directly with the person most familiar with the loan file.

SONYMA PRE-CLOSING FILE REVIEW

SONYMA's review time for loan application files is approximately 24 to 48 hours from receipt of the loan file. Lenders could help us improve our turnaround time by ensuring that all documents are submitted in the manner described on the **Pre-Closing Application File Checklist (Form #225/1-12)**. Files submitted with missing or incomplete documents require us to perform multiple reviews of the same file and slows our response time in reviewing newly submitted loans. Additionally, if your loan file is suspended for deficient or further documentation, please submit any corrective or trailing documents at one time.

MORTGAGE INSURANCE/POOL INSURANCE/CREDIT UNDERWRITING

POOL INSURANCE & MI SUBMISSIONS

All Participating Lenders are reminded to fully process and underwrite all loans prior to submission to Genworth or the MIF for mortgage insurance approval. This will help to increase the number of loans which will receive first submission approvals and to reduce the number of days from application to commitment.

NEW CONSTRUCTION PROPERTIES

Lenders are encouraged to order the appraisal at time of application regardless of construction phase for all new construction properties to eliminate processing delays. Applications for new construction properties will be approved subject to completion per plans and specs. This step will reduce processing time and in most instances, will eliminate the need to update credit documents and request extensions or reinstatement of reservations saving additional time and costs.

INQUIRIES REGARDING LOAN DECISIONS

Lenders are advised not to refer applicants to call Genworth, SONYMA, or the MIF regarding loan decisions. All dialogue should be between the SONYMA Lender, and Genworth, MIF and/or SONYMA.

SUBMISSION OF CREDIT DOCUMENTATION AND APPRAISALS FOR PMI/POOL INSURANCE UNDERWRITING

Lenders are reminded that credit documents (paystubs, credit report, and bank statements) must be dated within 90 days of the date a file is submitted for PMI/pool insurance consideration. ***Additionally, until further notice, property appraisals must be dated within four (4) months of the date a file is submitted for review.*** If the appraisal is greater than 4 months old at the time of submission, the mortgage insurance underwriter will determine whether an appraisal update or a new appraisal is required. If an appraisal update is submitted and the appraiser states that the value of the property has declined since the original appraisal, a new appraisal will be required. Once a loan has been approved, if the loan does not close prior to the expiration of the pool and/or MI certificate (six (6) months), the credit documents must be updated and a new appraisal is required.

POOL INSURER COMMITMENT TIMEFRAMES

Both Genworth Mortgage Insurance Corporation and SONYMA's Mortgage Insurance Fund ("MIF") issue insurance commitments for a 6-month period, starting from the date the loan is approved for mortgage insurance and/or pool insurance. As a reminder, loans not closing within the 6-month commitment period will require a second review by Genworth and/or MIF, as applicable, to ensure the loan application remains a good credit risk. As such, after the 6-month commitment period has expired, Genworth and/or MIF will require updated credit documentation (paystubs,

credit report, bank statements, etc.) and a new appraisal (i.e. Fannie Form 1004 or Freddie Form 70). ***The SONYMA loan must close on or prior to the extended expiration date of the MI/pool commitment.***

SUBMITTING FILES TO THE POOL INSURER

All Low Interest Rate and Achieving the Dream Program loan files must be sent directly to Genworth Mortgage Insurance Corporation for pool (and MI, if necessary) insurance underwriting [not to SONYMA's Mortgage Insurance Fund (MIF)]. Loans for which Genworth elects not to provide mortgage insurance, but which meet SONYMA guidelines, will continue to be approved through Genworth with MIF providing the mortgage insurance. Only loans reserved under the Construction Incentive, Remodel New York, and Habitat for Humanity Programs should be sent directly to MIF for mortgage insurance. Files should be sent as noted below and on the following page:

Program	*SONYMA Loan Number Prefix*	*Pool Insurer Address*
Low Interest Rate and Achieving the Dream Programs	890, 895, 910, 915, 920, 925, 935	Genworth Mortgage Insurance Corporation Attn: Central Imaging 8325 Six Forks Road Raleigh, NC 27615
Construction Incentive, Remodel New York, and Habitat for Humanity Programs	892, 896, 912, 916, 919, 932	SONYMA Mortgage Insurance Fund 641 Lexington Avenue, 5th Floor New York, NY 10022 Attention: Mike Esposito

LENDER ONLINE/LOAN RESERVATIONS

WEEKLY AND MONTHLY LENDER REPORTS

Lenders are encouraged to prepare weekly loan status reports on LOL in order to confirm new reservations, extensions and cancellations, as well as to review the monthly status of all loans in the Lender's SONYMA pipeline. If you need assistance running these reports, please click on the appropriate links located at the bottom of the **LOL Home Page** or contact Marie Cammarata for guidance at 212-872-0401 or **mcammarata@nyshcr.org**. Click here for "**Instructions on How to Run Reports on Lender Online**" from our website.

USE PROJECT-SET ASIDE NUMBERS (PSA #) WHEN RESERVING LOANS ON LENDER ONLINE (LOL)

Under SONYMA's Project Set-Aside Program, SONYMA will pre-approve a condominium or co-operative project and agree to finance up to 50% of the units to eligible purchasers. In order for SONYMA to accurately track the number of units reserved in each project, it is very important that Lenders enter the PSA # assigned to the project when registering loans on Lender Online. This will enable SONYMA to maintain a more accurate accounting of the number of units available for financing and assist Lenders in knowing when the maximum has been reached. Below is the link to our Project-Set Aside Approval List which contains a list of SONYMA approved condominium and co-operative projects, the number of loans available for reservation, and the project's respective PSA number.

http://www.nyhomes.org/assets/documents/ProjectSetAsideApprovalList.pdf

SONYMA LOAN STATUS

Lenders can get up-to-date loan status information by accessing Lender Online as discussed above or by calling Lou Germanakos at 212-872-0407.

RESERVATION/RATE LOCK-IN REQUESTS & USE OF LENDER ONLINE

Lenders must reserve loans via our internet-based Lender Online ("LOL") system. As a reminder, if you have not been assigned a logon ID and password to allow you to access LOL, please contact your SONYMA Primary Contact. If you do not know whom to contact, please call Lou Germanakos at 212-872-0407 or e-mail him at **lgermanakos@nyshcr.org**. ***LOL Administrators:*** When reserving loans on LOL, a Contact Person and Loan Officer must be assigned to the loan; otherwise, the reservation will not be accepted. If the Loan Processor information is available,

this name can also be assigned at the time of reservation. Please remember to set up a Contact Person, Loan Officer and Loan Processor for each branch office listed on LOL.

Lenders must be in receipt of a fully executed binder or sales contract, prior to accepting a loan application and registering the loan with SONYMA. Any applications taken without such verification must not be reserved. Reservations made without the proper documentation will be subject to a rate change and possible Lender penalty. **Reminder:** Lenders locking new construction loans as short term are advised that Lender paid penalties may result should the loans close beyond the initial lock term.

RESERVATIONS NOT ACCEPTED BY LENDER ONLINE (OR IF LENDER ONLINE IS NOT FUNCTIONAL)

Lenders will be unable to reserve a loan on Lender Online when (1) the application was taken 7 days or more prior to the reservation date, and (2) the applicant exists on the system from a previous reservation (already reserved, or if the application was denied or withdrawn); only SONYMA personnel can reserve these loans. If you receive a message that the application is 7 days or older or the applicant has a previous reservation, the reservation must be entered by SONYMA. When this occurs, the Lender is required to submit the below listed documents by fax to 917-274-0406:

*Fully completed and executed **Loan Reservation Worksheet & Rate Certification Form (Form #238/10-10**)
*Completed and executed **Interest Rate Option Form (Form #D3)**.

NOTE: *SONYMA has eliminated the requirement to submit copies of the 1003 and the sales contract with Forms 238 and D3. Lenders remain responsible for ensuring that the sales contract is dated on or prior to the loan application date.*

SONYMA will research previously canceled or rejected reservations and will contact the sender of the fax if any issues arise. Additionally, for applications of 7 days or more, SONYMA may require the lender to pay a penalty if SONYMA's rates change during that time.

MAINTENANCE OF LENDER ONLINE USERS

Lenders are reminded that it is your responsibility to maintain a current list of all LOL users within your organization. *In particular, individuals who are no longer employed by your company should be immediately removed.* For more information, please refer to the **Lender Online User's Guide**.

CLOSINGS

REMINDER TO NON-SERVICING LENDERS – TIMELY SUBMISSION OF REQUIRED LOAN FILE TO SONYMA'S MASTER SERVICER

Lenders who do not service loans for SONYMA are reminded of their obligations to transfer servicing of loans to SONYMA's master servicer, M&T Bank ("M&T"), in accordance with previously agreed to procedures. **Click here to review the procedures.** Each Lender has represented to SONYMA that it will transfer the servicing of each loan to M&T within 5 business days of the loan closing date. Lenders must advise borrowers at closing that M&T will be servicing their loan. Lenders may not process any servicing transactions prior to transfer and any mortgage payments received are to be sent to M&T for processing. ***Failure to do so may result in SONYMA suspending your company from taking new loan applications.***

REMINDER TO REPORT LOAN CLOSINGS

On the first business day of each week, Lenders are required to submit a report to SONYMA identifying each Mortgage Loan closed during the prior week. The report should contain at minimum the SONYMA Loan Number, Mortgagor's name and the closing date. Attached please find a sample report (**Closed Loan Report, Form #246/12-10**) that can be used for this purpose. Fax this report to the attention of Lou Germanakos at 917-274-0407 or email this report to **lgermanakos@nyshcr.org.**

SUBMISSION OF FILED UCC DOCUMENTS

The New York City Register Office recently announced that they will no longer return filed UCC documents for cooperative loans. Therefore, SONYMA will not require Lenders to submit original filed UCC documents for the counties of Bronx, Kings, New York, Queens, and Richmond. Instead, SONYMA will accept a copy of the filed UCC documents that have been printed from the Automated City Register Information System (ACRIS*). **Note:** Lenders must continue to submit original filed UCC documents for all other counties.*

REVISED MASTER HAZARD AND FLOOD INSURANCE CERTIFICATE AND MASTER LOAN FUNDING CERTIFICATION DOCUMENTS

With **Seller's Guide Bulletin #1-2012,** SONYMA announced two new forms that can reduce the number of hard-copy documents that Lenders are required to submit in each post-closing loan file. Once Lenders have submitted the executed **Master Hazard and Flood Insurance Certificate (Form 247/1-12)** and the **Master Loan Funding Certification (Form 248/1-12)** documents to SONYMA, it will no longer be necessary for Lenders to submit a completed and executed document with each closed loan file. Please refer to the bulletin for more information.

MISCELLANEOUS INFORMATION

SONYMA ADVISORY COUNCIL

The SONYMA Advisory Council is a work group organized by SONYMA and comprised of Participating Lenders and other industry professionals in New York State. The Council meets semi-annually and provides supportive advice and recommendations on matters of importance including SONYMA programs, policies and procedures, key issues and challenges facing SONYMA and its Lenders, and future SONYMA initiatives. We are grateful for the time and efforts of these members and for their ongoing contributions they provide SONYMA.

COMPARE SONYMA BOND-FINANCED PROGRAMS WITH FHA

Members of the SONYMA Advisory Council recently developed a reader-friendly comparison between SONYMA bond-financed and FHA loans. The comparison chart can be found on our **Loan Officer's webpage** which contains a wealth of information for loan officers, including a list of required forms and documents, MIF and Genworth rate cards, a Loan Officer brochure which can be personalized, product training notes and much more. Additionally, SONYMA has furnished a calculator, also found on the Loan Officer's webpage, which can be used to determine the product most beneficial to the borrower.

LOAN OFFICER WEB PAGE

SONYMA maintains a web page specifically for Loan Officers. All the tools necessary for a Loan Officer to originate SONYMA mortgages are located on one comprehensive page. To access this page, please click here: **Information for Loan Officers.**

LOAN PURCHASE PROCEDURE

SONYMA will purchase approved post-closing loans on Thursdays. If Thursday is an Agency holiday, the loans will be purchased on Friday. Lenders will be advised by e-mail when each closed loan document file has been approved for purchase. The mortgage loan will be purchased on the next scheduled purchase date. Until further notice, all loans will be purchased under the Homeowners Mortgage Revenue Bond (HMB) Indenture.

SONYMA HOLIDAYS

SONYMA will be closed October 13th in observance of Columbus Day.

SONYMA UNIVERSITY

E-Learning Series

SONYMA University is a new, comprehensive training tool to educate lenders, realtors, homebuyers and homeownership counselors on the benefits and mechanics of SONYMA programs. We will continue adding content for lenders, realtors, homeownership counselors and homebuyers, with a new calendar coming out every other month. We appreciate your participation and look forward to your suggestions for future webinar topics.

Date & Time	Upcoming Webinars
Tuesday, September 9, 2014 10:00 am – 11:00 am REGISTER	**Taking a SONYMA Loan Application** – Learn how to determine whether your borrower is eligible for a SONYMA loan, how to calculate compliance income, and take a quality, decision ready SONYMA Loan Application.
Tuesday, September 23, 2014 10:00 am – 11:00 am REGISTER	**How to Close SONYMA Loans – For Attorneys** – This class will highlight the important things attorneys should be aware of in closing SONYMA transactions.
Tuesday, October 14, 2014 10:00 am – 11:00 am REGISTER and **Thursday, October 16, 2014** 10:00 am – 11:00 am REGISTER	**The New Remodel NY** – We are very excited to announce the changes to our Remodel NY program! Grow your business with a purchase-renovation program that enables your borrower to finance home improvements into their mortgage instead of accumulating credit card debt or liquidating assets after closing. SONYMA will be administering the renovation draws after closing, so all lenders will be eligible for participation! Completion of this class is a requirement to originate, and it will be broken into two sessions.
Tuesday, October 28, 2014 10:00 am – 11:00 am REGISTER	**How SONYMA Can Help Your Clients Become Homebuyers – for Homeownership Counselors**– This class will focus on the features and benefits that distinguish SONYMA from other affordable housing programs, so that homeownership counselors can easily identify the circumstances under which SONYMA will be the best lending option for their clients.

Meet the Trainers

Bill Teague	Olivia Jervis	Sherri Eckles	Gail Kresge
AVP & Business Development Officer	AVP, Post-Closing Administration and Quality Control Manager	VP Single Family Programs	AVP & Business Development Officer
Bill is the newest member of our BDO team, and covers the Capital District, Mohawk Valley and Hudson Valley. He came to SONYMA after 24 years in the mortgage industry, 14 of which he owned and operated Best Interest Mortgage Corp., a NYS licensed mortgage broker. Bill is already working hard to stimulate homeownership activity throughout his territory.	Olivia has been with SONYMA for 30 years, with a focus on post-closing and quality control for the past 20. She strives to provide strong customer service and ensure Lender's accuracy in the completion and submission of closed loan files to facilitate the timely review and purchase of SONYMA loans.	Sherri has been with SONYMA since September and comes to us after 21 years in the mortgage industry as a sales manager, operations manager, trainer, underwriter, and former SONYMA originator. Sherri is dedicated to expanding SONYMA's outreach and helping as many first time homebuyers as possible.	Gail currently covers Rockland, Westchester, Long Island and New York City. She has been in the mortgage industry for 27 years, joining the SONYMA team 14 years ago after having been both a Sales and Operations Manager. Her diverse background has enabled her to provide superior customer service to her client base.

STATE OF NEW YORK MORTGAGE AGENCY

ACHIEVING THE DREAM MORTGAGE PROGRAM

MAXIMUM INCOME AND PURCHASE PRICE/APPRAISED VALUE LIMITS

EFFECTIVE FOR LOAN RESERVATIONS ACCEPTED ON OR AFTER SEPTEMBER 26, 2014*

REGION	COUNTY	INCOME LIMITS	One-Family New & Existing	Two-Family New** & Existing
I-BUFFALO	Cattaraugus	$39,840	$265,150	$339,450
	Chautauqua	$40,720	$265,150	$339,450
	Erie	$51,120	$265,150	$339,450
	Niagara	$51,120	$265,150	$339,450
II-ROCHESTER	Genesee	$52,240	$265,150	$339,450
	Livingston	$53,600	$265,150	$339,450
	Monroe	$53,600	$265,150	$339,450
	Ontario	$53,600	$265,150	$339,450
	Orleans	$53,600	$265,150	$339,450
	Seneca	$46,160	$265,150	$339,450
	Wayne	$53,600	$265,150	$339,450
	Wyoming	$50,080	$265,150	$339,450
	Yates	$48,720	$265,150	$339,450
III-SYRACUSE	Cayuga	$50,080	$265,150	$339,450
	Cortland	$48,080	$265,150	$339,450
	Madison	$54,160	$265,150	$339,450
	Onondaga	$54,160	$265,150	$339,450
	Oswego	$54,160	$265,150	$339,450
IV-BINGHAMTON	Allegany	$42,080	$265,150	$339,450
	Broome	$50,320	$265,150	$339,450
	Chemung	$50,720	$265,150	$339,450
	Chenango	$44,960	$265,150	$339,450
	Delaware	$46,000	$265,150	$339,450
	Otsego	$48,480	$265,150	$339,450
	Schuyler	$45,840	$265,150	$339,450
	Steuben	$47,280	$265,150	$339,450
	Tioga	$50,320	$265,150	$339,450
	Tompkins	$63,040	$265,150	$339,450
V-MID-HUDSON	Columbia	$59,200	$265,150	$339,450
	Dutchess	$79,770	$611,900	$783,360
	Greene	$46,720	$265,150	$339,450
	Orange	$79,770	$611,900	$783,360
	Putnam	$80,540	$611,900	$783,360
	Sullivan	$50,560	$265,150	$339,450
	Ulster	$57,040	$265,150	$339,450

REGION	COUNTY	INCOME LIMITS	One-Family New & Existing	Two-Family New** & Existing
VI-CAPITAL	Albany	$62,640	$285,750	$365,820
	Montgomery	$45,600	$265,150	$339,450
	Rensselaer	$62,640	$285,750	$365,820
	Saratoga	$62,640	$285,750	$365,820
	Schenectady	$62,640	$285,750	$365,820
	Schoharie	$62,640	$285,750	$365,820
VII-MOHAWK VALLEY	Clinton	$52,800	$265,150	$339,450
	Essex	$47,600	$265,150	$339,450
	Franklin	$43,680	$265,150	$339,450
	Fulton	$44,400	$265,150	$339,450
	Hamilton	$51,280	$265,150	$339,450
	Herkimer	$47,600	$265,150	$339,450
	Jefferson	$43,200	$265,150	$339,450
	Lewis	$44,720	$265,150	$339,450
	Oneida	$47,600	$265,150	$339,450
	St. Lawrence	$43,200	$265,150	$339,450
	Warren	$50,320	$265,150	$339,450
	Washington	$50,320	$265,150	$339,450
VIII-DOWNSTATE	Rockland	$96,190	$611,900	$783,360
	Westchester	$99,550	$611,900	$783,360
IX-LONG ISLAND	Nassau	$100,890	$611,900	$783,360
	Suffolk	$100,890	$611,900	$783,360
X-NEW YORK CITY	Bronx	$80,540	$611,900	$783,360
	Kings	$80,540	$611,900	$783,360
	New York	$80,540	$611,900	$783,360
	Queens	$80,540	$611,900	$783,360
	Richmond	$80,540	$611,900	$783,360

* Subject to change

** Two-Family homes that are less than 5 years old must be located in a Target Area