MONTHLY LENDER NOTICE

Dated: March 1, 2013

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.*

ANNOUNCEMENTS

REVISED SONYMA LOAN EXTENSION AND RATE RE-LOCK POLICY

SONYMA no longer requires Lenders to submit supporting documentation when the current SONYMA rate, at the time the extension is requested, is the same or lower than the previously locked-in or extended rate.

If the 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.

All other requirements of our loan extension and rate re-lock policy remain in effect and unchanged. (Refer to **Seller's Guide Bulletin #2-2013** and see section below for more information.)

LOAN OFFICER RECOGNITION PROGRAM - 2012

Last year, SONYMA announced it would annually release a list of the top 10 producing Loan Officers statewide. Each of the Loan Officer's names will appear in the Hall of Fame section of the SONYMA website. In addition, the Top 10 Loan Officers will be recognized as Platinum Award recipients and each Loan Officer's contact information will be posted on the applicable Region page of our List of Participating Lenders. We will also recognize the top producing Loan Officers within each SONYMA Region. Each will receive a congratulatory letter from New York State Commissioner of Homes and Community Renewal, Darryl C. Towns, and their names and contact information will also appear on our website within the Region pages of our **List of Participating Lenders**. The 2012 list will be released by the first week of March. We congratulate each of the top producing Loan Officers of 2012. We're proud to share their accomplishments and we thank them for their commitment to first-time homebuyers across the state.

REMINDERS

SUBMISSION OF SELLER/SERVICER'S ANNUAL CERTIFICATION

Pursuant to the Seller's Guide, Lenders are reminded that if your fiscal year ended December 31, you must submit, **by no later than March 31, 2013**, a fully completed and executed **Seller/Servicer Annual Certification (Form 240/1-12).** Please submit the form to Paula Campbell, SONYMA, 641 Lexington Avenue, New York, NY 10022 or **pcampbell@nyshcr.org**. Please also be reminded that Lenders who also service SONYMA loans are required to submit the Annual Certification of Compliance with Minimum Servicing Standards.

PROPERTIES AFFECTED BY SUPERSTORM SANDY

SONYMA issued a **Lender Letter dated November 1st** to establish that properties in SONYMA's pipeline and located in an area affected by Superstorm Sandy have not suffered damage that would negatively impact their value and marketability. For any property located in the five boroughs, Long Island, Westchester and Rockland counties, Lenders must obtain a property re-inspection by a property appraiser or a property inspection company to determine if the premises have incurred disaster-related damage. In areas where flooding was prevalent (including the more recently designated counties of Putnam, Orange, Sullivan, and Ulster), SONYMA will require both interior

and exterior inspections to be completed. It is the Lender's responsibility to make a determination as to whether a property in one of the more recently designated counties requires inspection. Lenders must also obtain a borrower's certification, verifying that the borrower has inspected the property prior to closing and acknowledging that the property is free from damage and remains in the same condition as when previously inspected.

This policy applies to all properties appraised prior to November 1st (if not closed by November 1st). Please refer to the Lender Letter for more details.

For properties located in a FEMA-declared disaster area, SONYMA will allow credit documents (paystubs, credit reports, bank statements, VOD's, VOE's, etc.) to be valid for up to 120 days until the time of pool insurance approval. Appraisals will remain at 120 days.

CONVENTIONAL PLUS PROGRAM FOR PURCHASE MONEY MORTGAGES AND REFINANCES

SONYMA launched a new product to complement our existing tax-exempt bond financed programs. 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:

- 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);
- 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); and
- the availability of a SONYMA Mortgage Credit Certificate (MCC) for (a) military veterans, and (b) first-time buyers who are: (i) active military; (ii) purchasing a home in specific geographic areas impacted by Super storm Sandy and 2011's flooding from Hurricane Irene and Tropical Storm Lee; or (c) have a household income of 80% of AMI or less.

The product is available for home purchases and for limited cash-out refinances.

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 Jeff Mastro of M&T Bank at **jmastro@mtb.com.**

SONYMA has expanded the availability of Mortgage Credit Certificates to higher income homebuyers purchasing a home in an area affected by Superstorm Sandy Any eligible MCC applicant purchasing a home in ***Bronx, Kings, Nassau, New York, Queens, Richmond, Rockland, Suffolk, or Westchester County***, will be able to qualify at a higher income than previously allowed. See our **letter dated January 25, 2013** for more details.

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.

COMPARE SONYMA WITH FHA

Members of the SONYMA Advisory Council recently developed a reader- friendly comparison between SONYMA 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.

***FINAL STAGES!* - SONYMA *EXPRESS*® AUTOMATED UNDERWRITING AND IRS COMPLIANCE SYSTEM**

SONYMA, with the assistance of members of the SONYMA Advisory Council, **will begin the final end-to-end testing** phase of **SONYMA *Express,*** our proprietary automated underwriting and IRS compliance system. This system will provide automated decisions on SONYMA loan eligibility and eliminate the need for Lenders to send Pre-Closing compliance file submissions to SONYMA for review. **SONYMA *Express*** is expected to be launched **in March.**

PROGRAMS

HOMES FOR VETERANS PROGRAM

SONYMA offers the Achieving the Dream Program 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 the current Achieving the Dream Program 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 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 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**.

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

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

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

Lenders are reminded that credit documents (paystubs, credit report, 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.***

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.

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 projectwhen 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

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)**;
*1003 (1st page & signature page, executed and dated by applicants);
*Sales Contract (only the 1st page & the last signature page fully executed) or signed Binder; and
*Completed and executed **Interest Rate Option Form (Form #D3)**.

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.

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.

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.

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.***

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 that 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

On January 30, 2012, SONYMA released **Seller's Guide Bulletin #1-2012,** announced two new forms that will 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

RETIREMENT OF SUSIE PLINE

After a combined 11 years and 2 tenures of outstanding service, Susie Pline/Vice President of Single Family Programs has retired from the Agency. Susie's dedication, knowledge, and work ethic will be sorely missed. SONYMA is in the process of identifying a replacement for Susie. As soon as that occurs, we will advise lenders. We have revised our Single Family Programs Directory. Please feel free to contact any of the SONYMA personnel on this list based on the nature of your call.

ANOTHER WAY TO FIND US

What's a simple, easy way to remember SONYMA's website? **SONYMA.org**

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.**

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 or SONYMA/MIF.

SONYMA RELATIONSHIP MANAGER

Please contact SONYMA's Relationship Manager if you need assistance with training on products, or guidance on policies or procedures. Please feel free to contact Gail using the following information:

Downstate (Albany and South)	Gail Kresge	Cell: 848-218-2102 or 917-576-8250 **gkresge@nyshcr.org**
Upstate (North and West of Albany)	Gail Kresge (VACANT AS OF JULY 11, 2012)	

SONYMA is in the process of identifying a new upstate Relationship Manager. During this interim period, please contact Gail Kresge at 848-218-2102, 917-576-8250 or **gkresge@nyshcr.org**, or Marie Cammarata at 212-872-0401 or **mcammarata@nyshcr.org**.

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

No holidays are observed during the month of March.