



## **MONTHLY LENDER NOTICE**

**Dated: [November 1, 2012](#)**

**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.*

### **REMINDERS**

#### **FANNIE MAE CONVENTIONAL PLUS PROGRAM FOR PURCHASE MONEY MORTGAGES AND REFINANCES**

SONYMA **has 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 last year's devastating flooding; 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. Attached is **[an updated](#)** term sheet for Conventional Plus. **[The updated term sheet updates the amount of ancillary fees that correspondent lenders may collect.](#)**

**[All Conventional Plus program information including term sheets, operational instructions, forms, and lender sign-up information will be published on SONYMA's website shortly. In addition, you may contact Jeff Mastro of M&T Bank at \[jmastro@mtb.com\]\(mailto:jmastro@mtb.com\).](#)**

#### **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.

Attached are the SPMI rates for both Genworth Mortgage Insurance and SONYMA MIF. **[\(Please note that the MIF chart has been slightly revised to indicate that the SPMI is non-refundable.\)](#)**

#### **ELIMINATION OF GENWORTH MORTGAGE INSURANCE JOB LOSS PROTECTION**

Effective July 16, 2012, Job Loss Protection, a benefit provided by Genworth Mortgage Insurance for borrowers who have a mortgage insurance policy from Genworth, is no longer available for homebuyers. Job Loss Protection will remain in effect for those borrowers who have already received this benefit and will continue to be available for

mortgage insurance applications received by Genworth prior to July 16, 2012; however, the loan must close by December 31, 2012.

### **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.

### **LOAN OFFICER RECOGNITION PROGRAM**

Each year, SONYMA will release a list of the top 10 producing Loan Officers statewide. Each of the Loan Officer's names will appear in the new 2011 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](#). We congratulate all of the top producing Loan Officers of 2011. We're proud to share their accomplishments and we thank them for their commitment to first-time homebuyers across the state.

### **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 by the **end of 2012**.

## **PROGRAMS**

### **HOMES FOR VETERANS PROGRAM**

SONYMA is currently offering 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. The main features of the Own it, Fix it New York! Home Mortgage are as follows:

- Financing up to the lower of 97% of the "after-improved" appraised value or the Purchase Price plus financeable repairs and allowable "soft costs";
- Availability of Down Payment Assistance Loan (higher of \$3,000 or 3% of the home purchase price, not to exceed \$15,000);
- Eligible repairs allowed up to the lower of 20% of the "after-improved" appraised value or \$25,000;
- Eligible properties are existing 1 and 2 family homes, PUDs and condominiums; and
- SONYMA will purchase these mortgages from Lenders prior to the completion of repairs and escrow pay-out.

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](#).

For training information on the Own it, Fix it New York! Home Mortgage, see [Information for SONYMA Participating Lenders](#) or [Information for Loan Officers](#) web pages to view a recent SONYMA staff conducted Webinar; PowerPoint Presentation; list of Eligible Renovations and a list of Required Home Improvement Contract Provisions found under our "Lender Training Materials" section.

## 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:

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

**LENDER ONLINE/LOAN RESERVATIONS**

**ELIMINATION OF 40 YEAR MORTGAGE TERM**

As announced in several Weekly Availability of Funds and Notice of Terms Bulletins dating back to August 10th and also, the September 2012 Monthly Lender Notice, SONYMA no longer offers 40-year mortgages as a product option. Effective for reservations dated on or after **August 31, 2012**, SONYMA only offers a 30-year term mortgage for all programs. Loans reserved with a 40-year term prior to August 31<sup>st</sup> that require an extension after this date, will continue to be extended at the 40-year term and higher rate (0.25% more than the equivalent 30-year product). However, after August 30<sup>th</sup>, SONYMA no longer entertains any request to switch the term of any existing 30-year term mortgage to a 40-year term, regardless of the reason.

**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](mailto: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](mailto: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 (1<sup>st</sup> page & signature page, executed and dated by applicants);
- \*Sales Contract (only the 1<sup>st</sup> 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, 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**

### **ANOTHER WAY TO FIND US**

What's a simple, easy way to remember SONYMA's website? [SONYMA.org](http://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 917-576-8250

[gkresge@nyshcr.org](mailto:gkresge@nyshcr.org)

Upstate (North and West of Albany)

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 917-576-8250 or [gkresge@nyshcr.org](mailto:gkresge@nyshcr.org), or Marie Cammarata at 212-872-0401 or [mcammarata@nyshcr.org](mailto: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**

**SONYMA will be closed on Tuesday, November 6<sup>th</sup>; Monday, November 12<sup>th</sup>; and Thursday and Friday, November 22<sup>nd</sup> & 23<sup>rd</sup>, 2012 in observance of Election Day, Veterans Day and Thanksgiving, respectively.**



Modified 10/25/12

## Conventional Plus Program Term Sheet

| MAIN FEATURES   |
|---|
| <ul style="list-style-type: none"> <li>• Competitively priced, 30-year fixed interest rate mortgages;</li> <li>• Significantly lower mortgage insurance coverage requirements. MI will be provided by the SONYMA Mortgage Insurance Fund (“MIF”) for mortgage loans that meet the terms of the Program, but that Genworth Mortgage Insurance (“Genworth”) is unwilling to insure in the current market.</li> <li>• Down payment/closing cost assistance up to 3% of the home purchase price (but not to exceed the maximum CLTV) (assistance can be used to pay one-time upfront mortgage insurance premium, eliminating the need for a monthly MIP);</li> <li>• Mortgage Credit Certificates (“MCCs”) will be made available by SONYMA to: homebuyers who are military veterans or first-time homebuyers who: (i) are in active duty military; (ii) who purchase a home in specific geographic areas of the State (described below); or (iii) who have an income of 80% of AMI or less.</li> </ul> <p>The MCC will enable borrowers to convert a portion of their annual mortgage interest into a direct tax credit on their Federal tax return.</p> |

| PROGRAM TERMS   |  |
|---|--|
| <b>Eligible Products</b>                              | Fannie Mae MyCommunityMortgage® (MCM)  |
| <b>Interest Rate</b>                                  | Fixed-rate only. Rates will be published daily by M&T Bank.  |
| <b>LLPAs and Adverse Market Fees</b>                  | No LLPAs. Adverse market fee of 25 bps included in rate pricing.   |
| <b>Borrower Points</b>                                | None required. Borrower may elect to pay points to obtain a lower rate.  |
| <b>Rate Lock Period</b>                               | 60 or 90 days (90 day locks will have a higher interest rate)  |
| <b>Maximum Lender Compensation and Allowable Fees</b> | 2% of loan amount (As with traditional SONYMA financing, Lenders may charge up to \$850 in ancillary fees). <b>For Correspondent Lenders, ancillary fees, including M&amp;T Bank’s Funding Fee of \$350, may not exceed \$1,200.</b> |
| <b>Eligible Loan Purpose</b>                          | Purchase Money Mortgages and Limited Cash-out Refinances   |
| <b>Eligible Occupancy</b>                             | Owner-occupied primary residences only   |
| <b>Eligible Terms</b>                                 | 30-year terms only   |
| <b>Maximum LTV/CLTV</b>                               | <ul style="list-style-type: none"> <li>➤ 97%/105% for 1-family homes</li> <li>➤ 95%/100% for 2- to 4-family homes &amp; coops</li> </ul>   |
| <b>Subordinate Financing</b>                          | Must meet the requirements of Fannie Mae’s Community Seconds® Checklist  |
| <b>Maximum Loan Limits</b>                            | Fannie Mae maximums: <ul style="list-style-type: none"> <li>➤ 1-Family \$417,000</li> <li>➤ 2-Family \$533,850</li> <li>➤ 3-Family \$645,300</li> <li>➤ 4-Family \$801,950</li> </ul>  |

|   |   |
|---|---|
| <b>Purchase Price Limits</b>                      | SONYMA Purchase Price limits only apply for loans with MCCs.  |
| <b>SONYMA Down Payment Assistance Loan (DPAL)</b> | <ul style="list-style-type: none"> <li>➤ Maximum assistance equal to 3% of the home’s purchase price (not to exceed the maximum CLTV)</li> <li>➤ Interest rate on first mortgage will be higher</li> <li>➤ “Soft” second mortgage <ul style="list-style-type: none"> <li>○ 10 year term</li> <li>○ Requires no monthly payment</li> <li>○ Must be in a second lien position</li> <li>○ Bears no interest</li> </ul> </li> <li>➤ May be used for closing cost assistance in the event of a refinance, including for the payment of a one-time upfront mortgage insurance premium.</li> <li>➤ Down Payment Assistance will be evaluated as a gift when identified in DU as a Community Second. It must be included, however, when determining the actual CLTV.</li> </ul> |

| <b>BORROWER ELIGIBILITY</b>   |   |
|---|---|
| <b>First-Time Homebuyer Requirement</b>                               | No, except for MCCs. Target Area and Veteran waivers apply.   |
| <b>Household Income Limits</b>  | <ul style="list-style-type: none"> <li>➤ For non-MCC borrowers, SONYMA’s Low Interest Rate Income Limits apply.</li> <li>➤ For MCC borrowers who are: <ul style="list-style-type: none"> <li>○ military veterans; active duty military; or purchasers of homes located in specific geographic areas of the State (see below), SONYMA’s Low Interest Rate Income Limits apply.</li> </ul> </li> </ul> <p>Otherwise, income must be 80% of AMI or less.</p>   |
| <b>Minimum Borrower Contribution (Own funds)</b>                      | <ul style="list-style-type: none"> <li>➤ 0% - 1-Family Homes, Condos</li> <li>➤ 3% - 2- to 4-Family Homes &amp; Co-ops (when LTV exceeds 80%)</li> </ul>  |
| <b>Pre-Purchase Homebuyer Education &amp; Counseling Requirements</b> | Pre-Purchase Homebuyer Education required for at least one borrower. Counseling from a HUD-approved homebuyer counseling agency is preferred but web-based counseling from Genworth is acceptable.  |
| <b>Mortgage Credit Certificates (Not applicable for Refinances)</b>   | <ul style="list-style-type: none"> <li>➤ Eligible Homebuyers: <ul style="list-style-type: none"> <li>○ Lower income first-time homebuyers (80% of AMI or less);</li> <li>○ Military veterans (do not have to be first-time homebuyers);</li> <li>○ Active duty military including National Guard and reservists (must be first-time homebuyers unless purchasing in a SONYMA Target Area); and</li> <li>○ First time homebuyers purchasing homes located in the: <ul style="list-style-type: none"> <li>▪ Counties of Broome, Delaware, Greene, Schoharie, and Tioga;</li> <li>▪ Cities of Port Jervis and Middletown and the Village of Goshen (in Orange County); and</li> <li>▪ Towns of Hurley, Olive, Shandaken, Shawangunk, Ulster, and Wawarsing (in Ulster County).</li> </ul> </li> </ul> </li> <li>➤ Issued by SONYMA, the certificate allows borrowers to annually convert 20% of their annual mortgage interest into a direct <u>Federal</u> tax credit – typically resulting in significant Federal income tax savings.</li> <li>➤ Credit may be taken annually until mortgage loan is extinguished as long as the home remains the borrower’s principal residence.</li> </ul> |

|                        |  |
|------------------------|--|
|                        | <ul style="list-style-type: none"> <li>➤ The amount of the tax credit cannot exceed the amount of a borrower's <i>annual</i> federal income tax liability. Unused portions of the credit can be carried over for up to 3 years.</li> <li>➤ All MCC applicants must meet SONYMA IRS compliance requirements including income and purchase price limits.</li> <li>➤ MCC applicants will be required to pay an MCC fee to SONYMA in the amount of: \$250 (for loans up to \$100,000) or \$500 (for loans exceeding \$100,000).</li> </ul> |
| <b>Owner Occupancy</b> | Yes, required for all loans. If applicable, the MCC can be revoked if the property is no longer occupied by the borrower(s).   |

| <b>PROPERTY ELIGIBILITY</b>              |   |
|--|---|
| <b>Eligible Property Types</b>           | <ul style="list-style-type: none"> <li>➤ 1- to 4-Family homes including condos, PUDs and coops</li> <li>➤ For MCCs, new 2-Family homes must be located in a Target Area. New 3- and 4-Family homes are NOT eligible.</li> </ul> |
| <b>Manufactured Housing</b>              | NOT eligible  |
| <b>Property Use (for MCC Loans only)</b> | No more than 15% of the home can be used for business or commercial purposes.   |
| <b>Project Loans</b>                     | Condo, PUD, and Co-op developments must meet Fannie Mae guidelines.   |

| <b>MORTGAGE INSURANCE</b>                  |   |
|--|---|
| <b>Mortgage Insurance</b>                  | Must be provided by Genworth Mortgage Insurance Corporation or SONYMA's Mortgage Insurance Fund (MIF). MIF will provide coverage on qualified loans that Genworth is unwilling to insure.                           |
| <b>Mortgage Insurance Coverage Amounts</b> | <ul style="list-style-type: none"> <li>➤ LTVs &gt; 95% and &lt;=97%: 18%</li> <li>➤ LTVs &gt; 90% and &lt;=95%: 16%</li> <li>➤ LTVs &gt; 85% and &lt;=90%: 12%</li> <li>➤ LTVs &gt; 80% and &lt;=85%: 6%</li> </ul> |
| <b>Delegated Underwriting</b>              | Not Permitted. All loans must be underwritten by the MI company.  |
| <b>Pool Insurance</b>                      | Not required  |

| <b>UNDERWRITING</b>                 |  |
|-------------------------------------|--|
| <b>Allowable AU Recommendations</b> | DU: Approve/Eligible                     |
| <b>Manual Underwriting</b>          | Not Permitted                            |
| <b>Maximum AU Qualifying Ratios</b> | Determined by DU (Not to exceed 40%/45%) |
| <b>Minimum Credit Score</b>         | Determined by DU                         |

|   |   |
|---|---|
| <b>Acceptable Sources for Flexible Funds (once minimum borrower contribution has been made, where applicable)</b> | <ul style="list-style-type: none"> <li>➤ Gift from family member</li> <li>➤ Grant or loan from a non-profit organization, municipality or employer</li> <li>➤ Fannie Mae Community Seconds mortgage</li> </ul>  |
| <b>Other Income</b>   | <p>Up to 30% of qualifying income can come from:</p> <ul style="list-style-type: none"> <li>➤ documented boarder income with a 12 month history (relatives or non-relatives) for the purchase of a single family home, or</li> <li>➤ income from an occupying co-borrower lacking a traditional credit history, or</li> <li>➤ projected rental income based upon the “lesser of” actual or projected rents may be used as qualifying income <ul style="list-style-type: none"> <li>• 75% for 2-family homes</li> <li>• 65% for 3- and 4-family homes</li> </ul> </li> </ul> |
| <b>Non-Traditional Credit</b>   | Not permitted.  |
| <b>Reserves</b>   | Not Required  |
| <b>Interested Party Contributions</b>   | <ul style="list-style-type: none"> <li>➤ Maximum 3% for CLTV’s above 90%</li> <li>➤ Maximum 6% for CLTV’s &lt;= 90%</li> </ul>  |

| PROGRAM STRUCTURE/MASTER SERVICER |   |
|-----------------------------------|---|
| <b>Financing Structure</b>        | Fannie Mae MBS  |
| <b>Master Servicer</b>            | M&T Bank  |
| <b>Loan Process</b>               | <ul style="list-style-type: none"> <li>➤ Loans must be registered and locked with the Master Servicer. MCCs must be registered on SONYMA’s Lender Online system.</li> <li>➤ Lenders will underwrite and originate loans in accordance with the program terms and Fannie Mae requirements.</li> <li>➤ Loans over 80% LTV require MI. Loans requiring MI should be submitted to Genworth using the Genworth-Conventional Plus coversheet. Genworth will submit to MIF for underwriting if the loan does not meet Genworth guidelines.</li> <li>➤ MCC compliance files, along with the MCC fee, must be submitted to SONYMA for approval prior to closing.</li> <li>➤ Lender will deliver closed loan files (by the lock expiration date) to the Master Servicer for review and approval.</li> <li>➤ Lender will deliver post-closing MCC loan files to SONYMA, if applicable. Loans will be purchased by the Master Servicer who will pool the loans and request Fannie Mae to issue a mortgage-backed security (MBS).</li> </ul> |

Except as otherwise stated, loans must be underwritten in accordance with the MCM credit underwriting requirements currently in effect.

**Note: The above terms are subject to change.**



# SONYMA Mortgage Insurance Fund

## Single Premiums for SONYMA Bond Financed Programs\*

| MIF Coverage | Loan to Value Ratio | Reduces Exposure To | Fixed Payment |
|--------------|---------------------|---------------------|---------------|
| 28%          | 97.01 - 100%        | 72%                 | 4.45          |
| 26%          | 96.01 - 97%         | 72%                 | 4.17          |
| 25%          | 90.01 - 96%         | 72%                 | 3.78          |
| 20%          | 85.01 - 90%         | 72%                 | 2.35          |
| 17%          | 80.01 - 85%         | 71%                 | 2.03          |

\*Construction Incentive, Remodel New York, Habitat for Humanity, Home of Your Own Programs, and if applicable, Low Interest Rate and Achieving the Dream Programs.

- Loans must **Fully Amortize** in 30 years.
- The "**Reduces Exposure To**" calculation is based on the highest **Loan to Value Ratio** in each category.
- 28% coverage is for Habitat for Humanity and Home of Your Own Programs only.
- Premiums are Non-Refundable.