



Submission of Post-Closing Loan Files

Training Module

January 2012

This module is intended to assist Lenders in completing and packaging the post-closing loan files that must be sent to SONYMA for review and approval as described in Section 2.710 of the Seller's Guide. SONYMA reviews each post-closing file to ensure that the Mortgage Loan closed under the terms in which SONYMA approved the pre-closing application file, and that the documentation meets SONYMA's requirements and complies with specific IRS regulations. Adherence to the following will greatly enhance the likelihood of receiving timelier purchases of Mortgage Loans by SONYMA. Please note that any capitalized words or terms shall mean those as defined in the Seller's Guide. Further, the terms "Mortgagor" and "Borrower" and the terms "Seller" and "Lender" are used in this document interchangeably.

This module applies to all SONYMA programs except as stated herein.

A. PROCEDURE TO SUBMIT FILES

Each Mortgage Loan file submitted must contain the required documentation in accurate and complete form, as listed and set forth in the Seller's Guide and below. Each file should be accosted on the right side of a legal folder with the documents in the order listed on the applicable document checklist. Each document must contain the SONYMA Loan Number. Submit each file to:

SONYMA
641 Lexington Avenue, 2nd Floor
New York, NY 10022
Attn: Closed Documents Unit

Lender must receive SONYMA approval of the initial post-closing package within 35 days from the Closing Date. If SONYMA does not approve the post-closing file within this timeframe, Lender will be assessed late delivery penalties. Please see Section 2.710(f) of the Seller's Guide for more details on penalties. To afford SONYMA sufficient time to review and approve the Mortgage Loan file, Lender must submit the required file not later than three (3) business days prior to the 35th day from closing.

Upon receipt of a Mortgage Loan file, SONYMA will review the file and e-mail a notice of decision to the Lender within 3 business days of file receipt. Lender will be required to access Lender Online (LOL) to determine the loan status and, if applicable, the documentation necessary to obtain loan approval. If the file is approved, the notification will include the scheduled purchase date. Files containing inadequate documentation will not be purchased until all deficiencies have been cured.

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An incomplete Mortgage Loan file will be returned, at Lender's expense, if:

1. Any major errors are found [those that require correction by parties other than Lender (i.e., Mortgagor(s), title company, etc.).
2. Any minor errors that are not corrected by Lender within 72 hours of SONYMA's notification of file deficiencies to Lender.

Lender may also be assessed penalties if Mortgage Loans close at incorrect interest rates. In such cases SONYMA will require a letter from Lender acknowledging acceptance of the penalty.

B. MORTGAGE LOAN DOCUMENT SUBMISSION

General Information

Notarized A/K/A, in the event of a change in Mortgagor(s) name, is acceptable.

Power of Attorney

Power of Attorneys for Mortgagor(s) or the property seller are acceptable to execute the Mortgage Loan closing, except a Power of Attorney on behalf of Mortgagor(s) cannot reaffirm the Recapture Notification and Mortgagor(s) Affidavit (SONYMA Form 211) (see below).

Closing Interest/First Payment Date

Lender must collect interest from the date of the loan closing through the end of the month. If the loan closes on the first calendar day of the month, no closing interest should be collected. For Mortgage Loans closed on the first calendar day of the month, the first principal and interest payment will be due on the first day of the succeeding month. For Mortgage Loans closed on the second day through the last day of the month, the first principal and interest payment will be due on the first day of the second month following the loan closing.

Example: If a loan closes on July 13, Lender should collect 19 days of interest at the closing, counting the day of closing as day number one. The first payment date would be September 1.

Example: If a loan closes on July 1st, Lender should not collect any interest at closing. The first payment date would be August 1.

Errors

Any errors must be stricken and the correct information specified and initialed by all Mortgagor(s).

Computer Produced or Third-Party Printed Documents

SONYMA permits Lenders to computer-produce or third-party print documents. Within 90 days of each Lender's fiscal year-end, Lenders must execute and submit to SONYMA the Seller/Servicer Annual Certification Form (Form 240/2-10), which certifies, among other things, that Lender has complied with the requirements for reproducing SONYMA documents.

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Regardless of the entity that produces the forms, Lender is fully responsible for ensuring that the forms will contain the exact language as, and will look similar to the camera-ready versions published by, as applicable, SONYMA, Fannie Mae, Freddie Mac, or HUD. Lender will also be responsible for ensuring that any future changes or revisions to the documents are made by the required implementation dates.

SONYMA Own it, Fix it New York! Home Mortgage Repair Escrow Option

Many homes in New York State that have been foreclosed and/or sold as a “short sale” suffer from deferred maintenance and require repair. The SONYMA Own it, Fix it New York! Home Mortgage Repair Escrow option is designed to provide streamlined mortgage financing to homebuyers to purchase and repair homes requiring no more than \$25,000 in improvements. This enhancement can be utilized with specific SONYMA programs for 1 and 2 family homes, PUDs and condominiums. Cooperatives, 3- and 4-family homes, and manufactured homes are not eligible for the Own it, Fix it New York! Home Mortgage Repair Escrow option.

Refer to the [SONYMA Own it, Fix it New York! Home Mortgage Option announcement](#) for additional information.

For loans being originated under the Remodel New York Program, please refer to the [Remodel New York Program Seller’s Guide Addendum](#).

Escrow Holdback (for Loans Not Utilizing the SONYMA Own it, Fix it New York! Home Mortgage Option)

For permission to hold an escrow for repairs or other situations, e-mail a letter of request, along with all necessary back-up documentation, to the SONYMA Post-Closing Manager. Escrow amount will be 1½ times the cost of repairs. Funds are to be held by Lender. The Lender is required to obtain a completion inspection to ascertain that all conditions/work have been met or completed in a satisfactory manner. In general, Lender does not need SONYMA’s consent to release the escrow funds, but is required to submit the final inspection in the closed loan file. Note that it is not necessary to submit an escrow hold-back request if the **escrow hold-back** is less than \$2,000.

Note: SONYMA will not purchase any Mortgage Loan securing a property requiring an escrow holdback for repairs/remediation involving structural or environmental (i.e., asbestos, mold, etc.) issues. Lender may close such Mortgage Loans (with SONYMA prior consent) but SONYMA will not purchase the Mortgage Loan until it has satisfactory evidence that the repairs/remediation have been fully completed by a contractor qualified to handle such work.

Title Issues

Any title exceptions, certificate of occupancy problems, easements, rights-of-ways, building violations, etc. that might adversely affect SONYMA’s security or the future marketability of the property must receive SONYMA’s prior written approval. Send such requests for approval to the Post-Closing Manager.

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Mortgage Servicing

If Lender does not service Mortgage Loans for SONYMA, a copy of the servicing file, as required by SONYMA's master servicer, M&T Bank, must be sent to M&T within **five (5) days of closing**, along with a check for all prepaid escrows.

M&T Bank needs to book a Mortgage Loan and begin servicing to provide SONYMA with the current unpaid balance. If M&T does not receive file as required, the purchase of the Mortgage Loan will not take place or will be delayed.

For more information on transferring servicing, please see [Requirements for Transferring Servicing to SONYMA's Master Servicer \(for Non-Servicing Sellers\)](#).

File Submission

The below documents, unless hereinafter stated otherwise, must be accurately completed and submitted to SONYMA within each post-closing Mortgage Loan file.

1. Post-Closing File Checklist (Form 223/1-12)

Lender uses this form to determine if all documentation, as required by SONYMA, is completed and submitted in the appropriate format. The checklist, if used properly, will greatly reduce the possibility of SONYMA rejecting or suspending the file.

Original or a photocopy of the form is acceptable.

Lender to complete following items:

- a. SONYMA Loan Reservation Number
- b. Borrower(s) Name
- c. Property Address
- d. Lender Name and contact information
- e. Indicate the SONYMA program under which the loan was closed.
- f. Indicate if the loan is being closed with a SONYMA Down Payment Assistance Loan (DPAL), SONYMA Own it, Fix it New York! Home Mortgage Option, as an ENERGY STAR® E, Homes for Veterans or Community Land Trust loan.
- g. Property Data Information: All Mortgage Loans are required to have the section, block and lot (S/B/L) numbers. If this information was not provided in the pre-closing loan file, it must be specified at time of title closing. If the property is not in a municipality that utilizes S/B/Ls, a parcel identification number must be indicated. Indicate the Taxing Municipality Type and name.
- h. Place an "X" by each item that is applicable to the Mortgage Loan file being submitted.

2. Mortgage Note (Fannie Mae/Freddie Mac Uniform Instrument Form 3233 1/01 – New York Fixed Rate Note - Single Family)

Borrower(s) executes the Note and all riders to evidence his, her or their obligation to pay the

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indebtedness secured by the mortgage.

Original form and a photocopy are required.

The following fields must be accurately completed:

- a. Item #1: Mortgage Loan amount and name of Lender.
- b. Item #2: The interest rate must be the rate specified on Lender Online.
- c. Item #3A: Initial payment date, maturity date and location as to where Borrower(s) are to make monthly payments.
- d. Item #3B: Monthly principal and interest payments.

The document must be signed by all Borrower(s) and if applicable, any Guarantor(s).

Lender must endorse the Note to SONYMA. The endorsement must state the following:

"Pay to the order of the State of New York Mortgage Agency without recourse this day (the closing date)".

An Allonge to the Note with the same endorsement language is an acceptable alternative.

3. Mortgage (Fannie Mae/Freddie Mac Uniform Instrument Form 3033 1/01 - New York - Single Family)

Borrower(s) executes the Mortgage, and all applicable riders, that is secured by a lien on the Eligible Property and is collateral for the Note.

Signed *duplicate original* of the unrecorded Mortgage (with applicable Riders attached) which has been submitted for recording is required. If original Mortgage and Riders have been recorded, submit original and one photocopy.

The Mortgage must accurately contain the following information:

- a. The Closing Date, Borrower(s) name(s), Lender's name and address, Mortgage Loan amount, maturity date, and Eligible Property address.
- b. If Lender is an approved "MERS Member" (see Section 2.705 of the Seller's Guide) and elects to close SONYMA Mortgage Loans with MERS as the nominee, Lender must incorporate into the Mortgage the applicable MERS as Original Mortgagee ("MOM") language and other modifications required by Fannie Mae and Freddie Mac. The authorized changes are as follows:
 1. Insert a new definition (C), which reads as follows:
(C) "MERS" is Mortgage Electronic Registration Systems, Inc. MERS is a separate

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*corporation that is acting solely as a nominee for Lender and Lender's successors and assigns. MERS is organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, tel. (888) 679-MERS. **FOR PURPOSES OF RECORDING THIS MORTGAGE, MERS IS THE MORTGAGEE OF RECORD.***

2. Re-designate the definition of "Lender" as (D) and then re-designate all subsequent definitions (as E, F, G, etc.) as required.

3. Delete the first sentence of the first paragraph of the section titled "BORROWER'S TRANSFER TO LENDER OF RIGHTS IN THE PROPERTY" and replace it with the following sentence:

I mortgage, grant and convey the Property to MERS (solely as nominee for Lender and Lender's successors in interest) and its successors in interest subject to the terms of this Security Instrument.

4. Revise the paragraph of the section titled "BORROWER'S TRANSFER TO LENDER OF RIGHTS IN THE PROPERTY" (as amended above) by adding the following new paragraph at the end of the section:

I understand and agree that MERS holds only legal title to the rights granted by me in this Security Instrument, but, if necessary to comply with law or custom, MERS (as nominee for Lender and Lender's successors and assigns) has the right:
(A) to exercise any or all of those rights, including, but not limited to, the right to foreclose and sell the Property; and

(B) to take any action required of Lender including, but not limited to, releasing and canceling this Security Instrument.

5. Delete from the first sentence of the first paragraph of the section titled "DESCRIPTION OF THE PROPERTY" the words "I give Lender..." and replace them with the following words:

I give MERS (solely as nominee for Lender and Lender's successors in interest)...

- c. The below rider(s), if applicable, must be checked off on the first page of the Mortgage, completed and executed by all Borrower(s), and made part of the Mortgage instrument sent for recording. For the SONYMA Rider to Fannie Mae/Freddie Mac Mortgage (SONYMA Form 230/12-00), Lender should check the "Other" box and insert "SONYMA Rider(s)" on the line provided.

1. **SONYMA Rider to Fannie Mae/Freddie Mac Mortgage (SONYMA Form 230/12-00)**

This document is required for all Mortgage Loans.

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2. Fannie Mae/Freddie Mac Multistate 1-4 Family Rider - Uniform Instrument Form 3170 1/01

Must be used for 2 to 4 Family Properties only.

3. Fannie Mae/Freddie Mac Multistate Condominium Rider - Single Family - Uniform Instrument Form 3140 1/01

Must be used for Condominium Properties only.

4. Fannie Mae/Freddie Mac Multistate PUD Rider - Single Family - Uniform Instrument Form 3150 1/01

Must be used for PUD Properties only.

5. SONYMA Own it, Fix it New York! Home Mortgage Option Repair Mortgage Rider (SONYMA Form H3/10-10)

Must be used only for those properties where the SONYMA Own it, Fix it New York! Home Mortgage Option is being utilized.

Note: SONYMA does not permit any additional riders to be attached to the Mortgage unless language is included in the rider(s) stating that the rider(s) is null and void upon the sale of the Mortgage to a government entity or the secondary Mortgage market.

- d. The attached Schedule "A" referencing the legal description of the Eligible Property must conform with the Schedule "A" contained within the preliminary title report or final Title Policy.
- e. All Borrowers must execute the document.
- f. Notarize the document in the appropriate section. *The Notary Public's commission must be in effect at time of the mortgage closing date.*

Note: DO NOT STAMP OR TYPE ON THE DUPLICATE ORIGINAL: "Copy or certified true copy sent for recordation". If this occurs, SONYMA will require a new duplicate original in order for the review/purchase process to continue.

4. SONYMA Own it, Fix it New York! Home Mortgage Option Mortgage Loan Agreement (SONYMA Form H2/10-10) or equivalent, if applicable.

Borrower(s) executes this document, if Borrower is utilizing a SONYMA Own it, Fix it New York! Home Mortgage option, acknowledging that funds to repair the property and pursuant to a home repair contract, have been deposited into an escrow account and will be disbursed as work on the home is completed.

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Original form and a photocopy are required.

The following fields must be accurately completed:

- a. The date of the document should be the same date as indicated on the Mortgage.
- b. Borrower(s) Name(s)
- c. Lender Name
- d. Property Address and County
- e. Item #1: Loan Amount (Loan Amount plus Repair Escrow Amount)
- f. Item #3: Repair Escrow Amount
- g. Item #17: Date of Completion
- h. All Borrowers must execute the document
- i. An authorized representative of the Lender must execute the document

Note: If Lender prefers to use its own form of escrow agreement in lieu of Form H2, SONYMA will require an executed copy of the agreement to be submitted.

5. Consolidation, Extension, and Modification Agreement [Fannie Mae/Freddie Mac Single Family 3172-1/01 (rev.5/01)], if applicable.

This document, if applicable, is used to convert a Building Loan Note and Mortgage to permanent financing. No rider, other than as listed below, should be added to this document unless approved by SONYMA.

Signed *duplicate original* of the unrecorded Consolidation, Extension, and Modification Agreement ("CEMA") which has been submitted for recording is required. If original is available, submit the original and one photocopy.

The procedures to be used in the completion of the CEMA are as follows:

- a. The original term of the Building Loan Note(s) and Mortgage(s) cannot be greater than 24 months.
- b. The SONYMA Rider to the Fannie Mae/Freddie Mac Mortgage (Form 230/12-00), together with the Fannie Mae/Freddie Mac Condominium, PUD, or 1-4 Family Rider, as applicable, are to be attached to and incorporated within the original CEMA document and the executed duplicate original submitted to SONYMA.
- c. If converting two Notes and Mortgages into a permanent Mortgage (in addition to the Building Loan Note and Mortgage, new funds are advanced at the time of closing), instruction number (6) on page 4 of the CEMA form must be followed. Both Mortgage amounts, combined, must be equivalent to the Mortgage Loan amount approved by SONYMA.

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- d. If Lender is an approved “MERS Member” [see Section 2.705 of the Seller’s Guide and 3(b) above] and elects to close SONYMA Mortgage Loans with MERS as the nominee, Lender must incorporate into the CEMA the applicable MERS as Original Mortgagee (“MOM”) language and other modifications required by Fannie Mae and Freddie Mac.

The authorized changes are as follows:

1. Insert a new Definition (E), which reads as follows:

(E) “MERS” is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for Lender and Lender’s successors and assigns. MERS is organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, tel. (888) 679-MERS. FOR PURPOSES OF RECORDING THIS AGREEMENT, MERS IS THE MORTGAGEE OF RECORD.

2. Re-designate the definition of “Note Holder” as (F) and then re-designate all subsequent definitions (as G, H, etc.) as required.

3. Insert the following in the blank that follows the words “in favor of” in the description for any Mortgage listed in Exhibit A to the Agreement that is registered with MERS at the time of the consolidation:

... Mortgage Electronic Registration Systems, Inc. (MERS), solely as nominee for Lender and Lender’s successors and assigns, ...

Further, in subsection (H) “Riders.” on page 2 of Exhibit D, the “Other(s)” box must be checked and labeled as “SONYMA Rider” (Form 230).

- e. Please refer to the instructions on page 4 of the CEMA form for further explanation of the proper procedures to complete this document. Borrower(s) and Lender must execute the CEMA and the document must be notarized. ***The Notary Public’s commission must be in effect at time of the mortgage closing date.***

SONYMA requires the original document and a photocopy of the Building Note and Mortgage to be submitted with the loan file.

The terms of CEMA must be reflected in the Assignment of Mortgage (SONYMA Form 202) and the Final Title Policy.

Note: DO NOT STAMP OR TYPE ON THE DUPLICATE ORIGINAL: “Copy or certified true copy sent for recordation”. If this occurs, SONYMA will require a new duplicate original in order for the review/purchase process to continue.

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6. Building Note, if applicable.

This document is required if Lender uses the CEMA to extend, modify, and/or consolidate a Building Mortgage(s) into permanent financing.

Original and a photocopy of the Building Note(s) endorsed to SONYMA is required.

7. Building Mortgage, if applicable.

This document is required if Lender uses the CEMA to extend, modify, and/or consolidate a Building Mortgage(s) into permanent financing.

Original and a photocopy of the recorded Building Mortgage(s) is required.

8. Assignment of Mortgage (SONYMA Form 202/9-99)

Lender utilizes this form to assign its interest in the Mortgage Loan to SONYMA.

Signed *duplicate original* of the unrecorded Assignment of Mortgage which has been submitted for recording is required. If original Assignment of Mortgage has been recorded, submit original and one photocopy.

Lender must accurately complete or adhere to the following:

- a. Lender's name and address [as Assignor(s)], Borrower name(s), Mortgage date and recording information, Mortgage Loan amount and Eligible Property address.
- b. Document must be dated and executed by an authorized officer of the Lender, witnessed, and duly notarized.
- c. The executed date of the Assignment of Mortgage and the notarization date cannot be prior to the closing date.
- d. The terms of the Consolidation, Extension and Modification Agreement, if applicable, must be stated in the document.
- e. If Lender is a "MERS Member", SONYMA will require the Assignment of Mortgage (Form 202/9-99). The Assignment must come from MERS to SONYMA and must be executed by a MERS certifying officer (an employee of Lender that is duly elected as an officer of MERS). The Assignment of Mortgage must be recorded in the appropriate county clerk's office.

Be advised that the Notary Public's commission must be in effect as of the date of execution.

Note: DO NOT STAMP OR TYPE ON THE DUPLICATE ORIGINAL: "Copy or certified true copy sent for recordation". If this occurs, SONYMA will require a new duplicate original in order for the review/purchase process to continue.

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The Assignment of Mortgage must be re-recorded if there is an error on the form. It is not necessary to re-record the Assignment if only the Mortgage or the Consolidation, Extension and Modification Agreement is being corrected and re-recorded.

Please note that the fee for recording an Assignment of Mortgage to SONYMA is waived under Section 2412 of the New York State Public Authorities Law.

9. DPAL Enforcement Note and Mortgage (Form D1/9-09 Rev), if applicable

Borrower(s) executes the DPAL Enforcement Note and Mortgage that is secured by a second lien on the Eligible Property when the Borrower obtains a DPAL loan.

Signed *duplicate original* of the unrecorded DPAL Enforcement Note and Mortgage which has been submitted for recording is required. If original has been recorded, submit original and one photocopy.

The DPAL Enforcement Note and Mortgage must accurately contain the following information:

- a. The Borrower(s) name and current address, Lender's name and address, date of loan closing, and County name.
- b. Item #1: The approved DPAL Amount (Recapture Obligation).
- c. Item #2: The Property Address being financed.
- d. Item #4: Lender's name.
- e. The attached Schedule "A" referencing the legal description of the Property must conform with the Schedule "A" contained within the preliminary title report or final Title Policy.
- f. All Borrower(s) must execute the document.
- g. Notarize the document in the appropriate section. *The Notary Public's commission must be in effect at time of the mortgage closing date.*

Note: DO NOT STAMP OR TYPE ON THE DUPLICATE ORIGINAL: "Copy or certified true copy sent for recordation". If this occurs, SONYMA will require a new duplicate original in order for the review/purchase process to continue.

10. Assignment of DPAL Enforcement Note and Mortgage (SONYMA Form 202/9-99), if applicable

Lender utilizes this form to assign its interest in the DPAL Loan to SONYMA.

Signed *duplicate original* of the unrecorded Assignment of Mortgage for the DPAL Enforcement Note and Mortgage, which has been submitted for recording, is required. If original Assignment of Mortgage for the DPAL Enforcement Note and Mortgage has been recorded, submit original and one photocopy.

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Lender must accurately complete or adhere to the following:

- a. Lender's name and address [as Assignor(s)], Borrower name(s), Mortgage date and recording information, DPAL amount and Eligible Property address.
- b. Document must be dated and executed by an authorized officer of the Lender, witnessed, and duly notarized.
- c. The executed date of the Assignment of Mortgage for the DPAL Enforcement Note and Mortgage and the notarization date cannot be prior to the closing date.

Be advised that the Notary Public's commission must be in effect as of the date of execution.

Note: DO NOT STAMP OR TYPE ON THE DUPLICATE ORIGINAL: "Copy or certified true copy sent for recordation". If this occurs, SONYMA will require a new duplicate original in order for the review/purchase process to continue.

The Assignment of Mortgage for the DPAL Enforcement Note and Mortgage must be re-recorded if there is an error on the form.

Please note that the fee for recording any Assignment of Mortgage to SONYMA is waived under Section 2412 of the New York State Public Authorities Law.

11. Subordinate Lienholder's Mortgage and/or Note from Government Subsidized Program (other than DPAL), if applicable.

Lender must submit a copy of the executed secondary Mortgage and/or Note for each government subsidy utilized in the Mortgage Loan transaction (other than for a DPAL subsidy), identifying the subsidy provider.

Photocopy is acceptable.

The dollar amount on the secondary Mortgage and/or Note must agree with the amount approved in the pre-closing application file and indicated on the Uniform Settlement Statement (HUD-1).

12. Mortgage Title Insurance Policy - ALTA Loan Policy 2006

Lender must submit the preliminary marked-up title report, the Certificate of Title, or the final Mortgage Title Insurance Loan Policy as evidence that Mortgagor(s) has clear and marketable title to the property. *The final Mortgage Title Insurance Policy must be submitted on the 2006 ALTA standard Lender's policy.*

The original document is preferred, but a copy of preliminary title report is acceptable. If the final Mortgage Title Insurance Policy is submitted, we require the original and a photocopy. If Lender submits the preliminary marked-up title report or Certificate of Title, the final Mortgage Title Insurance Policy must be submitted to SONYMA upon receipt.

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Lender must adhere to the following requirements:

- a. The following endorsements must be incorporated into all reports or Title Policies:
 - Standard New York Endorsement;
 - Environmental Protection Endorsement (ALTA Form 8.1);
 - Residential Mortgage Endorsement (1-4 Family);
 - Waiver of Arbitration Endorsement; and
 - If the Eligible Property is a condominium or PUD, the Condominium Endorsement or PUD Endorsement, respectively, must be attached. If the Eligible Property is Manufactured Housing as described in Section 3.107 of the Seller's Guide, ALTA Form 7, Manufactured Housing Unit Endorsement and ALTA Endorsement Form 7.1 Manufacturing Housing – Conversion Loan must be attached.
- b. The insured amount should be equal to the principal amount approved by SONYMA and as specified on the Note and Mortgage. The insured amount cannot be less than the approved Mortgage Loan amount.
- c. The date of issue or the effective date of policy must be the Closing Date. If the final title policy is submitted, the effective date of policy must be the Closing Date or Mortgage recording date.
- d. The name of insured must reflect: *"The State of New York Mortgage Agency" or "Lender, its Successors and/or Assigns"*
- e. If preliminary report is dated prior to closing it must be recertified as of the Closing Date.
- f. The preliminary title report must contain either: (1) a schedule listing all endorsements, to be incorporated into the final title policy, or (2) the endorsements.
- g. If the Mortgagor(s) are listed as proposed insured on the preliminary title report, they must be recertified as the insured as of the Closing Date.
- h. Schedule "A" of the Title Policy must reflect:
 - Mortgagor(s) have title to property.
 - Mortgage amount and date must be accurate.
 - If the Mortgage and/or CEMA is executed with MERS MOM language, Section 1 and 4 must reflect MERS as nominee for the Lender.
- i. Legal Description of the Eligible Property
 - The Schedule "A" of the Eligible Property must be incorporated into the policy and must match the Schedule "A" incorporated into the Mortgage.
 - Policy must insure marketable title with no liens, encumbrances or encroachments that may adversely affect SONYMA's security.
- j. The final title policy must reflect the date and recording information of the DPAL Enforcement Note and Mortgage, indicating a second lien position (for DPAL Loans), as applicable.
- k. SONYMA will accept computerized signatures of an officer of the title insurance company or its authorized agent on any page of the title policy or title report. If a page calls for a countersignature, the page must be signed either by hand or electronically.

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- l. Stamped duplicate originals of the final title policy will be accepted with original signature of an authorized agent.
- m. The front and back cover pages of the policy citing the conditions and stipulations must be submitted.

Any title problems that Lender believes may affect SONYMA's security must be reviewed and approved by SONYMA prior to Mortgage Loan closing. This includes but is not limited to easements, encroachments, certificate of occupancy issues, violations, etc.

Note: SONYMA does not accept the Short Form Title Policy.

Note: For loans utilizing the SONYMA Own it, Fix it New York! Home Mortgage option, SONYMA will require a title update to ensure that there are no mechanics liens that may adversely affect SONYMA's security. The title update must be submitted to SONYMA after all repairs have been completed.

13. Recapture Notification and Mortgagor's Affidavit (SONYMA Form 211/1-10 or 3-11)

Mortgagor(s) reaffirms this form which was completed at loan application and is required for IRS compliance purposes. The form dated 3-11 must be used for all loan reservations made on or after April 1, 2011. *No revisions to the form are permitted.*

The original reaffirmed document and a photocopy is required.

Mortgagor(s) to complete the following sections at title closing:

- a. Part IV: Income Eligibility section entitled "At Loan Closing" must be completed and the income specified must be within SONYMA's Program Income Limits in effect as of the loan reservation date.
- b. Document must be dated as of the closing date and reaffirmed (executed) by all Mortgagor(s) (and Guarantors, if applicable). A Power of Attorney **cannot** execute this form on Mortgagor(s) behalf.

Note: If, at time of closing, Mortgagor(s) household income exceeds the applicable SONYMA Program Income Limits (based on limits in effect at the time the loan was reserved), the Mortgagor(s) **will not** be eligible for the Mortgage Loan and LENDER SHOULD NOT CLOSE THE LOAN.

14. Property Seller's Affidavit (SONYMA Form 210/5-09), as applicable

Property seller(s) completes this form which is required for IRS compliance purposes. The form must be completed accurately in its entirety. *No revisions to the form are permitted.* The document may be signed by a POA and a copy of the POA (recorded or unrecorded document is acceptable) must be submitted with the file. **(This document must always be duly notarized.)**

Post-Closing Loan File Training Module January 2012 (Cont.)

The original document and a photocopy is required.

The amount indicated on item 2 of this document must equal the figure indicated on line 7 of Part III on the Recapture Notification and Mortgagor(s) Affidavit (Form 211).

Form is waived in the following cases:

- a. For New Construction, if the owner of the land and the builder are different individuals or entities.
- b. Foreclosed properties being sold by a foreclosing lender/investor.

Be advised that the Notary Public's commission must be in effect as of the date of execution.

15. Military Veteran's Eligibility Affidavit (Form 243/5-09), as applicable

Borrower(s) completes this form if he/she is an eligible Military Veteran who is not a first-time homebuyer (includes all household members).

The original document is required if a photocopy was provided with the pre-closing application file.

16. Interest Rate Option Form (Form D3/ 3-11 or 8-11)

The form dated 8-11 must be used for all loan reservations made on or after December 1, 2011.

Borrower(s) must complete this document regardless of whether opting for DPAL. The document serves as the applicant's acknowledgment and acceptance of the interest rate locked in with SONYMA.

The original document is required if a photocopy was provided with the pre-closing application file.

17. Down Payment Assistance Loan ("DPAL") Recapture Notification (Form D4/9-09), as applicable

If utilizing a SONYMA Down Payment Assistance Loan, Borrower(s) must complete this document. *No revisions to the document are permitted.*

The original document is required if a photocopy was provided with the pre-closing application file.

18. Home Energy Rating Certificate (HERC) (for ENERGY-STAR® Labeled Homes Only)

If the loan was reserved under SONYMA's ENERGY-STAR® Program, the HERC is a required document. This certificate states that the home was built in accordance with the New York ENERGY-STAR® labeled home requirements.

Photocopy of the document is acceptable.

19. Hazard and Flood Insurance Certificate (SONYMA Form 216/7-10)

Lender completes and executes this form as a certification that the hazard and flood insurance requirements as stated in the Seller's Guide have been met.

Note: This document is not required if Lender has executed a Master Hazard and Flood Insurance Certificate (Form 247).

Original form is required.

Lender must complete the following items:

- a. The SONYMA Loan Number, Closing Date, Mortgagor(s) name and Eligible Property address must be accurately stated.
- b. The document must be signed by an authorized officer of the Lender.

The homeowner's insurance policy or a flood insurance policy will not be accepted in lieu of the Hazard and Flood Insurance Certificate.

20. Uniform Settlement Statement (HUD-1) for First Mortgage

Photocopy is acceptable.

Lender must ensure the following requirements are met:

- a. Any secondary financing grant/subsidy amounts must be stated and must equal the total amount of the subsidy Mortgage and/or Note.
- b. The points and fees must not exceed the maximum permitted by SONYMA under the program in which the Mortgage Loan was originated.
- c. Appropriate escrow reserves have been collected in conformance with Section 2.215 of the Seller's Guide.
- d. The document must be accurately completed in accordance with industry standards and signed off by all Borrower(s) and property sellers.
- e. If applicable, the DPAL amount must be accurately stated on the HUD-1.

21. Uniform Settlement Statement (HUD-1) for DPAL Second Mortgage, if applicable

Photocopy is acceptable.

Lender must ensure the following requirements are met:

- a. Closing costs associated with the second mortgage must be accurately stated.
- b. Down Payment Assistance amount must be correctly stated.

22. Satisfactory Completion Certificate (Fannie Mae/Freddie Mac Form) if applicable

Original and photocopy of document is required.

Document should be completed by the original property appraiser setting forth that all conditions of the appraisal report have been met. Original color photographs or computer generated photographs must be submitted.

Note: For loans closing with the SONYMA Own it, Fix it New York! Home Mortgage Option, SONYMA will require a satisfactory completion certificate to ensure that all repairs were made pursuant to repair contract. The satisfactory completion certificate must be submitted to SONYMA after all the repairs have been completed.

The SONYMA Own it, Fix it New York! Home Mortgage Option Final Accounting Form and Certification (Form H4) must be submitted to SONYMA after all expenses have been paid.

23. Loan Funding Certification (SONYMA Form 229/6-91)

Lender, and if applicable, Lender's Warehouse Lender must execute this document to evidence the source of funds utilized to close the Mortgage Loan.

Note: This document is not required if Lender has executed a Master Loan Funding Certification (Form 248).

Original and photocopy of document is required.

Lender must complete the following items:

- a. Lender's name, SONYMA Loan Number, Mortgagor(s) name, Eligible Property address and Mortgage Loan Closing Date.
- b. Check the appropriate response of 1, 2, or 3 as required:
 - Loans Disbursed with Lender's Own Funds: Item #1 must be checked.
 - Loans Disbursed through an Unsecured Line of Credit: Item #2 must be checked. If this response is checked, Lender must have provided SONYMA with a Certificate as to Unsecured Credit Agreement. See Section 2.710 of the Seller's Guide for more details.
 - Loans Disbursed through a Warehouse Line: Item #3 must be checked. If this response is checked, Lender must have provided SONYMA with a copy of a valid Warehouse Agreement. See Section 2.710 of the Seller's Guide for more details.
- c. If Lender checked Item #1 or #2, Lender should proceed to end of the form and complete and execute it in the Seller's section.
- d. If Lender checked Item #3, Lender must: (1) provide wiring instructions of the Warehouse Lender; (2) execute document in the name of Lender; and (3) have an authorized officer of the Warehouse Lender execute the document.

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C. SUBMISSION OF SONYMA OWN IT, FIX IT NEW YORK! HOME MORTGAGE OPTION DOCUMENTS, IF APPLICABLE

For loans that closed with the SONYMA Own it, Fix it New York! Home Mortgage Option, within 30 days from the work completion date, Lenders are required to submit to SONYMA, the MI company, the Pool Insurer, and the Servicer (if not the same as the Lender), a photocopy of the below documents. All documents must have the SONYMA Loan Number indicated on the document.

1. Satisfactory Completion Certificate (Fannie Mae Form 1004D) evidencing that all work specified in the home repair contract and subsequent changes approved by SONYMA have been completed satisfactorily;
2. Title update showing no additional liens (i.e., mechanics' liens); and
3. Completed and fully executed SONYMA Own it, Fix it New York! Home Mortgage Option Final Accounting Form and Certification (Form #H4/8-11).

D. SUBMISSION OF RECORDED INSTRUMENTS AND FINAL TITLE POLICIES

Within 180 days (6 months) from the Closing Date, Lenders are required to submit to SONYMA the original and a photocopy of the below documents. All documents must have the SONYMA Loan Number indicated on the document. SONYMA recognizes that this timeframe may not be attained in some counties of the State and exceptions will be made on a case-by-case basis.

For All Mortgage Loans Except Cooperative Share Loans:

1. ALL recorded instruments:
 - a. Mortgage (Fannie Mae/Freddie Mac Uniform Instrument Form 3033 1/01 - New York - Single Family);
 - b. Assignment of Mortgage (SONYMA Form 202);
 - c. DPAL Enforcement Note and Mortgage (SONYMA Form D1), if applicable;
 - d. Assignment of DPAL Enforcement Note and Mortgage (SONYMA Form 202), if applicable;
 - e. Consolidation, Extension, and Modification Agreement [Fannie Mae/Freddie Mac Single Family 3172-1/01 (rev. 5/01)], if applicable.
2. Final Title Policy.

County Clerk certified copies of the recorded instruments as well as a stamped duplicate original of the Final Title Policy (with an original signature of an authorized agent) are acceptable in lieu of the original documents. SONYMA recommends Lenders submit outstanding documents with the SONYMA Final Document Transmittal Form (SONYMA Form 245/10-10) listing the information requested on the form and indicating which of the documents are being submitted. A designee of the SONYMA Closed Documents Unit will sign the transmittal form, acknowledging receipt of the documents. The signed transmittal form will be returned to the Lender as evidence of SONYMA's receipt of the documents.

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E. ASSESSMENT OF PENALTIES FOR LATE DELIVERY OF RECORDED INSTRUMENTS AND FINAL TITLE POLICIES

SONYMA will assess penalties to Lenders who do not deliver all final recorded instruments and title policies within one and one-half (1 1/2) years from the Mortgage Loan Closing Date. Any document overdue for a period of more than 1 1/2 years from the Closing Date will incur a penalty fee of \$25 per month, per outstanding document. For documents overdue for more than two (2) years, the fee will increase to \$50, per document, per month. If the overdue period reaches three (3) years, SONYMA, at its discretion, will require the Lender or the succeeding Lender to repurchase the Mortgage Loan. The aforementioned penalty fees will be netted out of current Mortgage Loan fundings on a quarterly basis. Or, if no Mortgage Loan fundings take place for a period of six months, Lender will be billed for the fees. Lenders who are billed, but do not pay the penalty charges, will not be permitted to register new Mortgage Loans until the bill has been paid in full. Further, SONYMA's acceptance of the payment of the penalty fee does not exonerate Lender from securing and sending to SONYMA the outstanding documentation, and as a result, additional penalties could be charged.

F. COOPERATIVE SHARE LOAN DOCUMENT SUBMISSION

The below documents, unless hereinafter stated otherwise, must be accurately completed and submitted to SONYMA in each post-closing Cooperative Share Loan file.

1. Post-Closing Cooperative Share File Checklist (Form 224/1-12)

Lender uses this form to determine if all documentation, as required by SONYMA, is completed and submitted in the appropriate format. The checklist, if used properly, will greatly reduce the possibility of SONYMA rejecting or suspending the file.

Original or a photocopy of the form is acceptable.

Lender to complete following items:

- a. SONYMA Loan Reservation Number.
- b. Borrower(s) Name
- c. Property Address
- d. Lender Name and contact information.
- e. Indicate the SONYMA program under which the loan was closed.
- f. Indicate if the loan is being closed with a SONYMA Down Payment Assistance Loan (DPAL) or as an Energy Star or Homes for Veterans Program loan.
- g. Property Data Information - All Mortgage Loans are required to have the section, block and lot (S/B/L) numbers. If this information was not provided in the pre-closing loan file, it must be specified at time of title closing. If the Eligible Property is not in a municipality that utilizes S/B/Ls, a parcel identification number must be indicated. Indicate the Taxing Municipality Type and name.
- h. Place an "X" by each item that is applicable to the loan file being submitted.

Note: The Contact Person should be the individual that is most familiar with the loan file. Questions and correspondence from SONYMA will be directed to this person.

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2. Cooperative Loan Note (SONYMA Coop Exhibit 2/4-99)

Borrower(s) executes the Note and all Riders to evidence his, her, or their obligation to pay the indebtedness secured by the Proprietary Lease and the shares.

Original form and a photocopy are required.

The following fields must be accurately completed:

- a. The Mortgage Loan amount, Closing Date and Eligible Property location must be specified.
- b. Item #1: Mortgage Loan amount, the interest rate, and the Lender's name must be referenced. The interest rate must be the rate specified on Lender Online.
- c. Item #2: Initial payment date, the principal and interest payment, maturity date and location as to where payments should be made must be referenced.
- d. Endorsement without recourse to SONYMA must be affixed and executed by an authorized officer of the Lender.

The document must be signed by all Borrower(s) and if applicable, any Guarantor(s) and duly notarized.

Be advised that the Notary Public's commission must be in effect as of the date of execution.

3. Security Agreement (SONYMA Coop Exhibit 8/4-99)

Borrower(s) executes the security agreement as an acknowledgement that the cooperative share loan is being secured against the proprietary lease and the shares.

Original form and a photocopy are required.

The following fields must be accurately completed:

- a. SONYMA Loan Reservation Number, apartment number, Eligible Property address must be stated at the top of the form.
- b. Closing Date, Borrower(s) name(s), Borrower(s) address, Lender name, and Lender's address must be stated in the first paragraph.
- c. Item #1: Mortgage Loan amount.
- d. Item #3: Amount of shares, name of Cooperative Corporation, apartment number, and building address.

This information MUST match the Stock Certificate.

The document must be signed by all Borrower(s) and duly notarized.

Be advised that the Notary Public's commission must be in effect as of the date of execution.

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4. Consent

The Consent is applicable when there is a transfer or resale of shares between the unit seller and Borrower(s) and requires Cooperative Corporation approval. The Cooperative Corporation must provide the form of document.

Original form and a photocopy are required.

The following fields must be accurately completed:

- a. Unit seller (Assignor) name(s).
- b. Proprietary Lease date.
- c. Number of shares.
- d. Borrower (Lessee) name(s).
- e. Proprietary rent and surcharges paid to date.

An authorized agent of the Cooperative Corporation must execute the form.

Note: If a new Proprietary Lease is issued by the Cooperative Corporation in the Borrower(s)/ Lessee's name(s), the Consent and the Acceptance of Assignment and Assumption of Lease documents will be waived.

5. Acceptance of Assignment and Assumption of Lease (SONYMA Coop Exhibit 3/4-99)

Borrower(s) executes this form as acknowledgement and acceptance of the responsibilities stated under the Proprietary Lease.

Original form and a photocopy are required.

The following fields must be accurately completed:

- a. Borrower(s) name, lease date, Cooperative Corporation, apartment number, and building address.
- b. The assignment date must be the Closing Date.

Document must be executed by all Borrower(s) and must be duly notarized.

Be advised that the Notary Public's commission must be in effect as of the date of execution.

Note: If a new Proprietary Lease is issued by the Cooperative Corporation in the Borrower(s)/ Lessee's name(s), the Consent and the Acceptance of Assignment and Assumption of Lease documents will be waived.

6. Proprietary Lease

Borrower(s) executes the Proprietary Lease that sets forth the rights of the tenant/stockholder (Borrower(s)) and the Cooperative Corporation. The Cooperative Corporation must provide the

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form of document.

Original form and a photocopy are required.

The document must reflect the following:

- a. Lease date, Borrower(s) name and correct number of shares.
- b. The Cooperative Corporation and Borrower(s) must execute document.
- c. Has been duly notarized.

Be advised that the Notary Public's commission must be in effect as of the date of execution.

Occupancy Agreement

In lieu of a Proprietary Lease, SONYMA will accept an Occupancy Agreement. If the Occupancy Agreement does not set forth that the agreement will not interfere with, refuse to extend, or terminate SONYMA's right to maintain its security interest in the underlying shares of stock in the Cooperative Corporation, provide a notarized affidavit, executed by all Borrowers, indicating that the Borrower(s) will not interfere with, refuse to extend, or terminate SONYMA's right to maintain its security interest in the underlying shares of stock in the Cooperative Corporation.

7. Assignment of Lease to Lender (SONYMA Coop Exhibit 4/4-99)

Borrower(s) executes this form to assign all of Borrower(s) rights under the Proprietary Lease to Lender.

Original form and a photocopy are required.

The following fields must be accurately completed:

- a. Lender's name, Mortgage Loan amount, apartment number, and building address.
- b. Borrower(s) must date and execute the document as of the Closing Date.
- c. Document must be duly notarized.

Be advised that the Notary Public's commission must be in effect as of the date of execution.

8. Assignment of Loan (SONYMA Coop Exhibit 5/4-99)

Lender utilizes this form to assign its interest in the Cooperative Share Mortgage Loan to SONYMA.

Original form and a photocopy are required.

The following fields must be accurately completed:

- a. Lender's name and location.
- b. Consideration amount must be \$1.00, \$10.00 or actual loan amount approved by SONYMA.

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- c. Item (i): Closing Date, Borrower(s) name, and the Mortgage Loan amount.
- d. Item (ii): Cooperative Corporation name, lease date, the apartment number and building address.
- e. Item (iii): Number of shares and Cooperative Corporation name and Stock Certificate Number.
- f. Item (iv): Date of the Security Agreement (same as the Closing Date).

Document must be dated and signed by an authorized officer of the Lending Institution.

9. DPAL Cooperative Enforcement Note and Security Agreement (Form D2/9-09 Rev.), if applicable

Shareholder(s) executes the DPAL Cooperative Enforcement Note and Security Agreement as an acknowledgement that the DPAL Loan is being secured as a second lien against the proprietary lease and the shares.

Original form and a photocopy are required.

The DPAL Cooperative Enforcement Note and Security Agreement must accurately contain the following information:

- a. The date of the closing, Shareholder(s) name, and Lender's name and address.
- b. Item #1: Number of Shares of capital stock, Cooperative Corporation name, and Property Unit number.
- c. Item #4: Amount of DPAL (Recapture Obligation).
- d. Item #6: Lender Name.
- e. All Shareholder(s) must execute the document.
- f. Notarize the document in the appropriate section. *The Notary Public's commission must be in effect at time of the mortgage closing date.*

10. Assignment of DPAL Loan (SONYMA Coop Exhibit 5/4-99), if applicable

Lender utilizes this form to assign its second lien interest in the DPAL Loan to SONYMA.

Original form and a photocopy are required.

The following fields must be accurately completed:

- a. Lender's name and location.
- b. Consideration amount must be \$1.00, \$10.00 or actual loan amount approved by SONYMA.
- c. Item (i): Closing Date, Borrower(s) name, and the DPAL Loan amount.
- d. Item (ii): Cooperative Corporation name, lease date, the apartment number and building address.

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- e. Item (iii): Number of shares and Cooperative Corporation name and Stock Certificate Number.
- f. Item (iv): Date of the Security Agreement (same as the Closing Date).

Document must be dated and signed by an authorized officer of the Lending Institution.

11. Subordinate Liens from Government Subsidized Program (other than DPAL), if applicable.

Lender must submit a copy of the executed secondary Note for each government subsidy utilized in the loan transaction (other than for a DPAL subsidy), identifying the subsidy provider.

Photocopy is acceptable.

The dollar amount on the secondary Note must agree with the amount approved in the pre-closing application file and indicated on the Uniform Settlement Statement (HUD-1).

12. Stock Certificate

Cooperative Corporation issues the Stock Certificate to evidence Borrower(s) ownership of shares in the Cooperative Corporation.

Original certificate and a photocopy are required.

The document must reflect the following:

- a. Names of Cooperative Corporation and Borrower(s).
- b. Correct number of shares and Stock Certificate number.

Certificate must be dated and signed by authorized officers of the Cooperative Corporation on the Closing Date.

13. Stock Power (SONYMA Coop Exhibit 9/4-99)

Borrower(s) completes and executes the Stock Power to assign Borrower(s) shares of ownership in the Cooperative Corporation to Lender.

Original form and a photocopy are required.

The following fields must be accurately completed:

- a. SONYMA Loan Reservation Number, Lender's name, Cooperative Corporation name, and number of shares.
- b. Document must be dated and signed by all Borrower(s) on the Closing Date. The signature must be witnessed.

14. National UCC Financing Statement (Form UCC1) (Rev. 05/22/02)

Lender completes the National UCC Financing Statement as evidence that the State of New York Mortgage Agency has a lien secured against the shares and proprietary lease.

Original acknowledgment copy and a photocopy of the County Clerk filed form is required.

If the Borrower(s) is also utilizing a SONYMA Down Payment Assistance Loan, a separate original acknowledgement copy and a photocopy of the County Clerk filed form for the Down Payment Assistance Loan is also required.

Lender must complete the form exactly as stated on instructions accompanying the form. In addition, the following must be adhered to:

- a. Boxes A and B must reflect the Lender's name and acknowledgment address.
- b. Boxes 1b and 1c must reflect the Borrower(s) exact full legal name and property address.
- c. Boxes 2b and 2c must reflect the Co-Borrower(s) exact full legal name and property address.
- d. In Boxes 3a and 3c, State of New York Mortgage Agency and SONYMA's address MUST be named as the Secured Party.
- e. Box 4 must fully describe the collateral by including at minimum: (i) the number of shares of stock; (ii) the Cooperative Corporation name; (iii) the full apartment address including the apartment number; and (iv) the real property tax designation (i.e., section, block and lot number).

Example: Debtor(s) interest in [insert #] shares of stock for [insert property address, unit #, city, state, zip] plus the Proprietary Lease with [insert name of Cooperative Corporation] and any replacement or additional Stock and any Lease amendments or replacement. This Cooperative financing statement shall be effective until a termination statement is filed.

Note: If Borrower(s) is not utilizing a SONYMA DPAL loan, no additional language is required.

If the Borrower(s) is also utilizing a SONYMA Down Payment Assistance Loan, include the following additional language in **Box 4** of Form UCC1 with respect only to the UCC filing of the Mortgage Loan:

Pursuant to the terms of a certain agreement between the Debtor and Secured Party entitled "Security Agreement – Co-op", the security interest described herein is a first-position lien.

- f. Box 6 must be checked.

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UCC Financing Statement Addendum (Form UCC1Ad) (Rev. 05/22/02)

Original acknowledgement copy and a photocopy of the County Clerk filed form is required.

The following items must be completed:

1. Box 9b must reflect the Borrower's name.
2. If the loan transaction involves more than two Borrower(s), Lender must add the third Borrower's name in Box 11b.
3. In Box 12, check the box for "ASSIGNOR S/P'S NAME".
4. Complete Boxes 12a and 12c with Lender's full name and address.
5. Attach the completed UCC1Ad to the UCC1 for filing.

Note: The UCC Financing Statement Addendum (Form UCC1Ad) (Rev. 05/22/02) must be filed with Form UCC1 and bear County Clerk markings evidencing that the UCC1Ad was also filed.

15. Original New York UCC Financing Statement Cooperative Addendum (Form UCC1Cad) (Rev. 6/14/01)

Lender completes this form to acknowledge that the loan is collateralized by a Cooperative interest.

Original acknowledgement copy and a photocopy of the County Clerk filed form is required.

If the Borrower(s) is also utilizing a SONYMA Down Payment Assistance Loan, a separate County Clerk filed form for the Down Payment Assistance Loan is also required.

Lender must complete the form exactly as stated on instructions accompanying the form. In addition, the following must be adhered to:

- a. Boxes A and B must reflect the Lender's name and acknowledgement address.
- b. Box 19a or 19b must be completed.
- c. Box 20b must accurately reflect the Borrower(s) complete name, as stated in Box 1b of the UCC1.
- d. Box 21a must reflect the State of New York Mortgage Agency, exactly as stated in Box 3a of the UCC1.
- e. Box 22 must be appropriately checked.
- f. Box 23 must, at minimum, be checked as "Residential".
- g. Boxes 24a through 24h must be fully completed.
- h. Box 25 must be completed, with the name of the Coop Corporation, as reflected on the Stock Certificate.

16. Filed National UCC Financing Statement for DPAL Loan, if applicable (Form UCC1) (Rev. 05/22/02)

Lender completes the National UCC Financing Statement as evidence that the State of New York Mortgage Agency has a Down Payment Assistance Loan secured against the shares and proprietary lease.

Lender must complete the form exactly as stated on instructions accompanying the form. In addition, the following must be adhered to:

- a. Boxes A and B must reflect the Lender's name and acknowledgment address.
- b. Boxes 1b and 1c must reflect the Borrower(s) exact full legal name and property address.
- c. Boxes 2b and 2c must reflect the Co-Borrower(s) exact full legal name and property address.
- d. In Boxes 3a and 3c, State of New York Mortgage Agency and SONYMA's address MUST be named as the Secured Party.
- e. Box 4 must fully describe the collateral by including at minimum: (i) the number of shares of stock; (ii) the Cooperative Corporation name; (iii) the full apartment address including the apartment number; and (iv) the real property tax designation (i.e., section, block and lot number).

Example: Debtor(s) interest in [*insert #*] shares of stock for [*insert property address, unit #, city, state, zip*] plus the Proprietary Lease with [*insert name of Cooperative Corporation*] and any replacement or additional Stock and any Lease amendments or replacement. This Cooperative financing statement shall be effective until a termination statement is filed.

- f. Include the following additional language in **Box 4** of Form UCC1 with respect only to the UCC filing of the DPAL loan:

Pursuant to the terms of a certain agreement between the Debtor and Secured Party entitled "Down Payment Assistance Loan Cooperative Enforcement Note and Security Agreement", the security interest described herein is a second lien which is subordinate to a first-position security interest of the Secured Party filed or to be filed in connection with the collateral described hereinabove.

- g. Box 6 must be checked.

UCC Financing Statement Addendum for the DPAL (Form UCC1Ad) (Rev. 05/22/02) must also be completed:

1. Box 9b must reflect the Borrower's name.
2. If the loan transaction involves more than two Borrower(s), Lender must add the third Borrower's name in Box 11b.
3. In Box 12, check the box for "ASSIGNOR S/P'S NAME".

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4. Complete Boxes 12a and 12c with Lender's full name and address.

Attach the completed UCC1Ad for the DPAL to the UCC1 for the DPAL, for filing.

Note: The UCC Financing Statement Addendum for the DPAL (Form UCC1Ad) (Rev. 05/22/02) must be filed with Form UCC1 for the DPAL and bear County Clerk markings evidencing that the UCC1Ad was also filed.

17. Filed New York UCC Financing Statement Cooperative Addendum for the DPAL Loan, if applicable (Form UCC1CAd) (Rev. 6/14/01)

Lender completes this form to acknowledge that the Down Payment Assistance Loan is collateralized by a Cooperative interest.

An acknowledgement copy and a photocopy of the County Clerk filed form is required.

Lender must complete the form exactly as stated on instructions accompanying the form. In addition, the following must be adhered to:

- i. Boxes A and B must reflect the Lender's name and acknowledgement address.
- j. Box 19a or 19b must be completed.
- k. Box 20b must accurately reflect the Borrower(s) complete name, as stated in Box 1b of the UCC1.
- l. Box 21a must reflect the State of New York Mortgage Agency, exactly as stated in Box 3a of the UCC1.
- m. Box 22 must be appropriately checked.
- n. Box 23 must, at minimum, be checked as "Residential".
- o. Boxes 24a through 24h must be fully completed.
- p. Box 25 must be completed, with the name of the Coop Corporation, as reflected on the Stock Certificate.

18. Recognition Agreement (Aztech or Blumberg Form)

Cooperative Corporation, Borrower(s), and Lender execute this form to evidence that the Cooperative Corporation recognizes certain rights of the Lender financing the Cooperative share unit.

Original form and a photocopy are required.

If the **Aztech Form** is used, the following fields must be accurately completed:

- a. Property address and apartment number
- b. Borrower(s)/Lessee name(s)
- c. Loan amount

If the **Blumberg Form** is used, the following fields must be accurately completed:

- a. Item #1: Name and address of the Cooperative Corporation

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- b. Item #3: Borrower(s)/shareholder(s) name
- c. Item #4: Lender's name and address
- d. Item #5: Name and address of the managing agent for the Cooperative Corporation
- e. Item #6: Number of shares
- f. Items #7 & #9: Apartment number and building address
- g. Item #8: Mortgage Loan amount
- h. Item #10: Closing Date

Document must be signed by the Borrower(s), an authorized officer of the Cooperative Corporation and an authorized officer of the Lender.

19. Lien Search of the Apartment

A lien search is required to establish that the Lender is receiving a perfected security position.

Original and Photocopy of the search is required.

The document must comply with the following:

- a. Search must be done no more than sixty (60) days prior to the Closing Date of the Mortgage Loan.
- b. The lien search must be run against the Cooperative Corporation, the Borrower(s), and the unit seller and should include, at minimum: (1) Federal, State, and County tax liens, (2) UCC financing statements (County and State), (3) orders appointing receivers, (4) assignments for the benefit of creditors, (5) judgments and New York tax liens, (6) mechanic's liens, (7) bankruptcies, (8) U.S. judgments, (9) leases affecting the apartment, (10) mortgages on apartment lease, (11) mortgages on the building, (12) miscellaneous docket, (13) bail bond liens, (14) criminal surety bonds, (15) hospital liens, and (16) lis pendens.

20. No Lien Affidavit (SONYMA Coop Exhibit 7/4-99)

Borrower(s) executes the No Lien Affidavit to certify that Borrower(s) has no outstanding liens, judgments, etc. that could jeopardize the Lender's security position.

Original form and a photocopy are required.

The following fields must be accurately completed:

- a. Borrower(s) name, Lender's name, and Mortgage Loan amount
- b. Borrower(s) must execute the document as of Closing Date.
- c. Document must be duly notarized.

Be advised that the Notary Public's commission must be in effect as of the date of execution.

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21. Recapture Notification and Mortgagor's Affidavit (SONYMA Form 211/3-11)

Mortgagor(s) reaffirms this form which was completed at loan application and is required for IRS compliance purposes. *No revisions to the form are permitted.*

The original reaffirmed document and a photocopy is required.

Mortgagor(s) to complete the following sections at title closing:

- a. Part IV: Income Eligibility section under the heading "At Loan Closing" must be completed and the income specified must be within SONYMA's Program Income Limits in effect as of the loan reservation date.
- b. Document must be dated as of the closing date and reaffirmed (executed) by all Mortgagor(s) (and Guarantors, if applicable). A Power of Attorney **cannot** execute this form on Mortgagor(s) behalf.

Note: If, at time of closing, Mortgagor(s) household income exceeds the applicable SONYMA Program Income Limits (based on limits in effect at the time the loan was reserved), the Mortgagor(s) will not be eligible for the Mortgage Loan and LENDER SHOULD NOT CLOSE THE LOAN.

22. Military Veteran's Eligibility Affidavit (Form 243/5-09), as applicable

Borrower(s) completes this form if he/she is an eligible Military Veteran who is not a first-time homebuyer (includes all household members).

The original document is required if a photocopy was provided with the pre-closing application file.

23. Interest Rate Option Form (Form D3/3-11 or 8-11, as applicable)

The form dated 8-11 must be used for all loan reservations made on or after December 1, 2011. Borrower(s) must complete this document regardless of whether opting for DPAL. The document serves as the applicant's acknowledgment and acceptance of the interest rate locked in with SONYMA.

The original document is required if a photocopy was provided with the pre-closing application file.

24. Down Payment Assistance Loan ("DPAL") Recapture Notification (Form D4/9-09), as applicable

If utilizing a SONYMA Down Payment Assistance Loan, Borrower(s) must complete this document. *No revisions to the document are permitted.*

The original document is required if a photocopy was provided with the pre-closing application file.

25. Property Seller's Affidavit (SONYMA Form 210/5-09)

Property seller(s) completes this form which is required for IRS compliance purposes. The form must be completed accurately in its entirety. *No revisions to the form are permitted.* The document may be signed by a POA and a copy of the POA (recorded or unrecorded document is acceptable) must be submitted with the file. **(This document must always be duly notarized.)** The original document and a photocopy is required.

The amount indicated on item 2 of this document must equal the figure indicated in line 7, Part III on the Recapture Notification and Mortgagors Affidavit (Form 211).

Form is waived if the unit is being sold by a foreclosing lender/investor.

Be advised that the Notary Public's commission must be in effect as of the date of execution.

26. Hazard and Flood Insurance Certificate (SONYMA Form 216/7-10)

Lender completes and executes this form as a certification that the hazard and flood insurance requirements as stated in the Seller's Guide have been met.

Note: This document is not required if Lender has executed a Master Hazard and Flood Insurance Certificate (Form 247).

Original form is required.

Lender must complete the following items:

- a. The SONYMA Loan Number, Closing Date, Borrower(s) name(s) and Eligible Property address must be accurately stated.
- b. The document must be signed by an authorized officer of the Lender.

Note: The homeowner's insurance policy or a flood insurance policy will not be accepted in lieu of the Hazard and Flood Insurance Certificate.

27. Uniform Settlement Statement (HUD-1) for First Mortgage

Photocopy is acceptable.

Lender must ensure the following requirements are met:

- a. Any secondary financing grants/subsidies must be stated and equal the total of the subsidy Mortgage and/or Note.
- b. The points and fees must not exceed the maximum permitted by SONYMA under the program in which the Mortgage Loan was originated.
- c. Appropriate escrow reserves have been collected in conformance with Section 2.215 of the Seller's Guide.

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- d. The document must be accurately completed in accordance with industry standards and signed off by all Borrower(s) and property sellers.
- e. If applicable, the DPAL amount must be accurately stated on the HUD-1.

28. Uniform Settlement Statement (HUD-1) for DPAL Second Mortgage, if applicable

Photocopy is acceptable.

Lender must ensure the following requirements are met:

- a. Closing costs associated with the second mortgage must be accurately stated.
- b. Down Payment Assistance amount must be correctly stated.

29. Satisfactory Completion Certificate (Fannie Mae/Freddie Mac Form) if applicable

Original document is required.

Document should be completed by the original property appraiser setting forth that all conditions of the appraisal report have been met. Original color photographs or computer generated photographs must be submitted.

30. Loan Funding Certification (SONYMA Form 229/6-91)

Lender, and if applicable, Lender's Warehouse Lender must execute this document to evidence the source of funds to close the Mortgage Loan.

Note: This document is not required if Lender has executed a Master Loan Funding Certification (Form 248).

Original document and Photocopy is required.

Lender must complete the following items:

- a. Lender's name, SONYMA Loan Number, Mortgagor(s) name, Eligible Property address and Mortgage Loan Closing Date.
- b. Check the appropriate response of Item #1, #2, or #3 as required:
 - Loans Disbursed with Lender's Own Funds - Item #1 must be checked.
 - Loans Disbursed through an Unsecured Line of Credit - Item #2 must be checked. If this response is checked, Lender must have provided SONYMA with a Certificate as to Unsecured Credit Agreement. See Section 2.710 of the Seller's Guide for more details.
 - Loans Disbursed through a Warehouse Line - Item #3 must be checked. If this response is checked, Lender must have provided SONYMA with a copy of a valid Warehouse Agreement. See Section 2.710 of the Seller's Guide for more details.

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- c. If Lender checked Items #1 or #2, Lender should proceed to end of the form and complete and execute it in the Seller's section.
- d. If Lender checked Item #3, Lender must: (1) provide wiring instructions of the Warehouse Lender; (2) execute document in the name of Lender; and (3) have an authorized officer of the Warehouse Lender execute the document.

G. SUBMISSION OF FILED UCC FINANCING STATEMENTS

Within 180 days (6 months) from the Closing Date, Lenders are required to submit to the Agency the original and a photocopy of the below document, as applicable. All documents must have the SONYMA Loan Number indicated on it. SONYMA recognizes that this timeframe may not be attained in some counties of the State and exceptions will be made on a case-by-case basis.

Cooperative Share Loans:

If applicable, the original acknowledgement copy of the county clerk filed National UCC Financing Statement Amendment (Form UCC3)(Rev. 05/22/02).

SONYMA recommends Lenders submit outstanding documents with the SONYMA Final Document Transmittal Form (SONYMA Form 245/10-10), listing the information requested on the form, and indicating which of the documents are being submitted. A designee of the SONYMA Closed Documents Unit will sign the transmittal form, acknowledging receipt of the documents. The signed transmittal form will be returned to the Lender as evidence of SONYMA's receipt of the documents.

H. ASSESSMENT OF PENALTIES FOR LATE DELIVERY OF FINAL/FILED DOCUMENTS

SONYMA will assess penalties to Lenders who do not deliver all final filed instruments within one and one-half (1 1/2) years from the Closing Date. Any document overdue for a period of more than 1 1/2 years from the Closing Date will incur a penalty fee of \$25 per month, per outstanding document. For documents overdue for more than two (2) years, the fee will increase to \$50, per document, per month. If the overdue period reaches three (3) years, SONYMA, at its discretion, will require the Lender or the succeeding Lender to repurchase the loan. The aforementioned penalty fees will be netted out of current loan fundings on a quarterly basis. Or, if no loan fundings take place for a period of six months, Lender will be billed for the fees. Lenders who are billed, but do not pay the penalty charges, will not be permitted to register new Mortgage Loans until the bill has been paid in full. Further, SONYMA's acceptance of the payment of the penalty fee does not exonerate Lender from securing and sending to SONYMA the outstanding documentation, and as a result, additional penalties could be charged.

Current versions of all SONYMA documents may be downloaded from our website:

<http://www.nyhomes.org/Lenders/Lenders/ApplicationandClosingForms.htm>