SONYMA CREDIT AND PROPERTY UNDERWRITING NOTES

AUTOMATED UNDERWRITING SYSTEM REQUIREMENTS

SONYMA has developed its own proprietary, web-based automated system **("SONYMA Express®")** to help lenders review and make decisions on the IRS compliance and credit underwriting components of SONYMA loans. The SONYMA Express® credit guidelines mirror the SONYMA manual guidelines which are addressed beginning on page 4 of this document.

SONYMA Express® has a built-in interface that will permit lenders to upload a file from their upfront LOS system, or loan applications can be entered manually through the SONYMA Express® web portal. The system provides instantaneous IRS compliance and credit underwriting decisions. When a loan has been fully processed and all of the necessary documentation has been collected, the lender electronically submits the loan application to the pool insurance underwriter. Based on the SONYMA program chosen, the file will automatically be submitted to the correct mortgage insurer (Genworth Mortgage Insurance Corporation or the SONYMA Mortgage Insurance Fund). For more information regarding SONYMA Express®, please go to:
http://www.nyshcr.org/Topics/Lenders/Lenders/AutomatedUnderwritingSystem.htm.

Currently, some participating lenders are using SONYMA Express®. For participating lenders who have not yet transitioned to SONYMA Express®, SONYMA will continue to accept decisions made by either Fannie Mae's Desktop Underwriter **("DU")** or Freddie Mac's Loan Prospector **("LP")**. See Page 4 regarding Maximum Loan- To- Value Ratios for property types and loan amounts.
LTV is defined as the *lesser* of: (1) the purchase price of the property and (2) the appraised value of the property. For Remodel NY loans, LTV is defined as the lesser of: (1) the purchase price plus renovation costs and (2) the as-rehabbed appraised value of the property.

Upon review of the underwriting submission, SONYMA reserves the right not to accept a recommendation from DU or LP if the mortgage insurance underwriter determines there are risk factors associated with the application which are not acceptable even though a favorable recommendation has been rendered by the AUS. SONYMA anticipates this will be a rare but potential occurrence.

In no event should a loan application be denied solely on the basis of a decision rendered by the automated underwriting system utilized, including SONYMA Express®. If the automated underwriting system rates a loan application as Ineligible, Refer, Refer with Caution, Caution or Out of Scope (depending on which system is used) and the applicant wishes to continue with the mortgage process, the lender must perform a fully documented, manual underwriting of the loan application, per the manual underwriting guidelines covered in this document.

Except as otherwise stated in these notes or in Section 3.110 (a) of the SONYMA Seller's Guide, lenders using the automated underwriting systems must comply with all the requirements of SONYMA, Fannie Mae, and Freddie Mac for the use of such systems as set forth in their licensing or user agreements, manuals, bulletins and seller's guides.

AUTOMATED DU/LP UNDERWRITING GUIDELINES

In order for SONYMA to accept underwriting decisions made by the Fannie Mae and Freddie Mac Automated Underwriting Systems, the following conditions must be met in addition to the conditions stated on the Findings Report/Feedback certificate.

- **Maximum Underwriting Ratios.** The monthly housing-to income expense ratio may not exceed 40%, and the monthly total debt-to-income expense ratio, may not exceed 45%.
- **Minimum Equity Requirement.** Mortgagors must contribute a minimum of 1% (for 1 – 2 Family homes, condominiums, PUDs, double-wide manufactured homes) or 3% (for 3 – 4 Family Homes and Cooperatives) of the purchase price from their own funds into the transaction. (Unless the borrower has received a gift which results in a LTV of 80% or less). Please refer to Down Payment and Asset section in the manual underwriting guidelines beginning on page 5.
- **Credit Scores and Minimum Lines of Credit.** If an applicant does not have at least 3 lines of credit established for a period of 18 months (not paid or inactive for more than 24 months) prior to the mortgage loan application date, the application must be manually underwritten. Alternative or non-traditional lines of credit which require regular periodic payments (rent, utilities, etc.) may be verified and included in the manual underwriting submission. Please be reminded that the

payment-to-income and debt-to-income ratios for manually underwritten loans are 40% and 45%, respectively.

For applicants who cannot document at least 3 traditional or non-traditional credit lines for 18 months or more, please refer to the section which addresses "Use of a Guarantor" on page 13.

- **Submission of Recent Pay Stubs.** In all cases, a recent pay stub must be obtained for each mortgagor.
- **Project Requirements.** If a mortgagor is purchasing a unit in a Condominium, Planned Unit Development, HOA, or Cooperative project, lender must verify the project meets SONYMA's requirements as described in Section 3.108 and 3.109 in the SONYMA Seller's Guide.
- **Other Requirements**
  - All open judgments and collection accounts must be satisfied prior to closing.
  - Income, Asset and Credit documents must not be more than 90 days old at time of underwriting submission.
  - Alimony/Child Support obligations should be deducted from monthly qualifying income rather than added to other debts.
  - Borrowers may utilize up to $1,000 "Cash on Hand" after they have established 1% or 3% of their own funds in the mortgage transaction. These funds must be on deposit at the time of application. Proof of source of funds is not required.

DOCUMENTATION REQUIREMENTS

A copy of the documents listed below must be forwarded to Genworth Mortgage Insurance Corporation **("Genworth")** (for the Low Interest Rate and Achieving the Dream Programs – including Homes for Veterans and Remodel NY loans) or the SONYMA Mortgage Insurance Fund **("MIF")** (for all other programs) for pool insurance consideration:

- Application for Mortgage Insurance.
- Most recent version of the Findings Report/Feed Back Certificate generated from the automated underwriting system, including all reports and pages generated by the automated underwriting system (including the credit report). NOTE: This does

NOT apply to loans originated through SONYMA Express®; findings and credit report information are automatically saved in the system for review.

- All supporting documentation required by the Findings Report/Feedback Certificate.
- Uniform residential loan application.
- Residential appraisal report with a full interior inspection and legible color copies of photographs of the subject property and comparable sales.
- Sales contract/offer to purchase with Property Condition Disclosure Form, if applicable.
- Recent pay stubs for each borrower.
- Evidence the mortgagor has contributed 1% or 3% (as applicable for certain property types) of the purchase price from their own fund (unless the borrower has received a gift which results in a LTV of 80% or less).
- If Mortgagor is subject to home buyer education, a completion certificate from a PMI approved homebuyer education course.
- Subsidy award letter, if applicable (with repayment terms).

INELIGIBLE TRANSACTIONS

SONYMA will not permit the following types of transactions to be underwritten using the DU/LP automated underwriting systems. These transactions must be fully documented and manually underwritten. The ineligible transactions are:

- Applications for mortgagors with a history of bankruptcy (where the bankruptcy was discharged less than 3 years from the loan application date) or foreclosure/short sale (less than 4 years from loan application date).
- Applications requiring a guarantor.
- Transactions to purchase a home located in a community land trust.

DOWNPAYMENT

Maximum Loan-To-Value Ratios for Property Types and Loan Amounts

Property Type	Loan Limit	Maximum LTV	Minimum Borrower Contribution
1-2 Units, including condominiums	$417,000	97%	1% of Purchase Price
	$417,001 - $500,000	95%	1% of Purchase Price
	$500,001 & above	90%	3% of Purchase Price
Cooperatives	$500,000	95%	3% of Purchase Price
	$500,001 and above	90%	3% of Purchase Price
3-4 Units	$500,000	90%	3% of Purchase Price
	$500,001 and above	85%	5% of Purchase Price

- The minimum 1% or 3% of the purchase price (determined by property type) which must be from the borrower's own funds, must be verified as of the loan application date. If the verification of those funds indicates any large deposits, the source of funds for those deposits must be documented. (See SONYMA Borrower Contribution Worksheet).
- SONYMA will waive the requirement for borrowers to make a minimum cash contribution in the following cases where:

  1. A cash gift of equity or a gift of land, results in an 80% (or lower) LTV.
  2. A borrower inherits a portion of a home and wishes to buy out the remaining inheritors of the property, and the borrower's share is 20% (or greater) of the lower of the purchase price or appraised value.

- Loans with LTV's exceeding 80% require sufficient mortgage insurance coverage to reduce the exposure of the loan down to 72%.
- Any additional down payment or closing costs paid above minimum borrower's contribution may be paid by a lender credit, gift, or subsidy. Eligible gift donors are: Immediate Family members, fiancée, not-for-profit organizations acceptable to MIF.
- **Subsidy Programs** must meet the following criteria:

1. The subsidy or secondary financing program must be sponsored by a Federal, State or Local Government agency, or another source (non-profit housing entities, and employers) that is acceptable to SONYMA and its pool insurer.
2. If the subsidy mortgage and/or note instruments require payments during the Loan term, such payments will be considered a monthly debt obligation of the borrower and shall be included in the monthly housing expense-to-income ratio.
3. Borrowers must meet SONYMA's minimum equity requirement.
4. In the case where SONYMA's requirements are more restrictive than the requirements of the subsidy program, SONYMA's requirements must prevail.
5. A copy of the award letter from the grantor to the borrower must be provided. It must indicate the total amount of assistance the borrower is receiving and how much is going to be applied to down payment, closing costs, and if any funds will be used for post-closing rehabilitation. (Post-closing rehabilitation also requires a detailed work scope from the grantor with the cost for each repair item. **Structural repairs must be completed prior to closing**. If the cost of the repairs exceeds the rehabilitation amount of the subsidy, the borrower must document sufficient funds to complete the work in addition to funds required for closing).
6. If the originating lender is providing a credit to the borrower towards funds required for closing, the lender must disclose the amount of the credit and if it will be applied towards down payment or closing costs (either a letter from the lender or a comment on the 1008 can be supplied). The credit should comply with the same limitations as allowable for seller concessions (6% of the purchase price for LTV's up to 90%, 3% for LTV's exceeding 90%).
7. If the repayment terms of the subsidy are not disclosed in the award letter, a blank copy of the note and mortgage the borrower will execute at closing must be provided.
8. If part of the funds for closing is a gift, a fully executed gift letter from an eligible donor must be provided. It must disclose the amount of the gift, the donor's name and address, relationship to the borrower, and the subject property address. If the documentation provided does not evidence that the gift funds have been deposited into the Borrower's account prior to submission to the mortgage insurer, evidence of the donor's ability to give the gift, and the transfer of the funds into the Borrower's account must be provided prior to closing.

- When a subsidy is being utilized for the acquisition of property, all or a portion of the subsidy may be used as borrower's equity and may eliminate the need for PMI coverage. A subsidy may be used as equity only to the extent where the loan to value does not exceed 100% of the true market value of the property. When determining 1% of borrower's own funds, this amount will be calculated based on the discounted sale price (gross sale price less the amount of the subsidy supported by the true market value of the property). However, SONYMA may finance up to 100% of the discounted sale price provided the mortgagor meets SONYMA's minimum equity requirement. (See SONYMA Subsidy/Grant Worksheet).
- If any or all of the subsidy is being utilized for closing costs, such amounts will not be considered as equity. However, in such cases the combined loan to value ratio may exceed 100%. If the combined loan to value ratio exceeds 100%, Homebuyer Counseling is required. (Examples are attached - Page 21).
- **Maximum seller concessions** toward closing costs are 3% of purchase price for LTV's above 90% and 6% for LTV's 90% and less. This includes the $500 seller credit paid in-lieu of completing the New York State Property Disclosure statement.

ASSETS

- Borrower's own funds are funds that can be verified from a source which can be:
  1. Monies from borrower's checking or savings account as of the loan application date. (VOD's and bank statements should be no older than 90 days at the time of Pool/PMI approval).
  2. The market value of lot owned by the borrower, exclusive of any liens, or the purchase price of the lot if it was purchased in the past year, whichever is less.
- Earnest money deposits and fees paid to the lender must be documented with a copy of the canceled check and account statement evidencing the funds clearing the account.
- Joint accounts will be considered as borrower's own funds. (A letter from the non-obligated account holder is not required).
- SONYMA allows borrowers to utilize up to $1,000 of "cash on hand" to be used for closing costs after the requirement that they have at least 1% of their own funds in the mortgage transaction has been documented. Lenders are reminded, however, that while the sources of these funds do not require verification, the funds must be verified in a bank account or other acceptable arrangement to evidence the existence of such funds prior to application.

- Non-Traditional savings arrangements (frequently referred to as "Sou Sou" or "Gemacht" funds) are permitted with letter outlining details of arrangement from the treasurer.

SALE OF ASSETS

- Sale of an asset is permissible when the Mortgagor can prove prior ownership of such asset, can document the market value of the asset, and can provide verification that the funds were received from an arms-length source.

UNSECURED INSTALLMENT LOAN

- SONYMA will allow the use of an unsecured installment loan made by the Seller (Lender) to the Mortgagor if the following conditions are met:
  1. The installment loan product must be made available to all prospective Mortgagors.
  2. Mortgagor must contribute 1% of their own funds (3% for cooperative share loans and Three- and Four-Family Dwellings) into the transaction.
  3. The repayment of the installment loan will be considered an ongoing monthly obligation of the Mortgagor.
  4. Mortgagor may not receive any cash back from the transaction.
  5. The terms of the unsecured loan my not exceed 15 years.
  6. All Mortgagors utilizing the unsecured loan must complete a homebuyer education course.
  7. The interest rate of the unsecured loan may not exceed the rate of the first mortgage by more than 1%.

RATIOS

- **40%/45%** up to 97% LTV.
- **Cannot** pay-off revolving debt to qualify; installment debt can be paid down to 10 payments or less.
- If the subject property currently has a real estate tax rebate, documentation of the remaining term must be provided. The rebate must continue for at least the next three years or the borrower must be qualified at the full amount of the real estate taxes. If the rebate has not yet been approved the borrower must also be qualified utilizing the full amount of the real estate taxes.

- If the subject property is new construction where the current tax bill is based on the vacant land rate, the appraiser must use a reasonable estimate of the real estate taxes based on the value of the land and completed improvements.
- For Open 30-Day Charge Accounts that do not reflect a monthly payment on the credit report, or 30 day accounts that reflect a monthly payment that is identical to the account balance, lenders must verify borrower funds to cover the account balance (in addition to funds required for closing).
- Automobile lease payments regardless of the remaining lease term must be included.
- Alimony/Child Support obligations are deducted from gross monthly income.
- Monthly payments for 401K and Pension Loans do not have to be included in the total debt-to-income ratio.

STUDENT LOANS

For all student loans, whether deferred, in forbearance, or in repayment (not deferred), the lender must use the greater of the following to determine the monthly payment to be used as the borrower's recurring monthly debt obligation:

- 1 % of the outstanding balance; or
- The actual documented payment (documented in the credit report, in documentation obtained from the student loan lender, or in documentation supplied by the borrower).

If payment currently being made cannot be documented or verified, 1 % of the outstanding balance must be used.

Exception: If the actual documented payment is less than 1 % of the outstanding balance and it will fully amortize the loan with no payment adjustments, the lender may use the lower, fully-amortizing monthly payment to qualify the borrower.

- If a borrower is receiving assistance or a forgiveness grant toward the repayment of student loans, documentation of the assistance must be provided and it will be added to the borrower's income, provided it will continue for at least 3 years from the loan application date. The student loan payment must be included in the borrower's liabilities as described above.
- If a property is sold without kitchen appliances, the borrower must have sufficient reserves verified after closing to purchase them, or the lender can add $40/month to the borrower's non-housing expenses (the borrower's total DTI ratio should not

exceed 45% including the $40/month).The borrower may also provide paid receipts for the appliances.

INCOME

- Previous 2 year's history must be verified. Exceptions will be made for recent college graduates or honorably discharged military with less than 2 years and evidenced by a discharge certificate/diploma/degree. (Paystubs and VOE's must be no older than 90 days at the time of Pool/PMI approval).
- Over-time, bonus, commissions and second job income must be received for past 2 years and must be steady to be considered (averaged from W2's & 1040's).
- Self-employed borrowers must submit signed 1040's for past 2 years and a year to date P&L statement.
- If a mortgagor is reporting unreimbursed business expenses on his/her 1040's, a 12 month average (from the most recent year's 1040) will be deducted when determining the monthly qualifying income.
- Income for mortgagors employed in a family owned business can be determined from a verification of employment (VOE) or acceptable alternate documents. Past two years 1040's are required for third party verification purposes. If a large discrepancy is apparent when comparing the 1040's, an acceptable explanation will be required.
- Rental Income will be calculated by adding 75% of verifiable rents to gross monthly income for 2 - 4 family unit properties.

POLICY FOR BORROWERS ON SHORT TERM DISABILITY OR PARENTAL LEAVE

SONYMA will permit a loan closing for a borrower on Short Term Disability or Parental Leave under the following conditions:

- The borrower must provide a letter certifying:
  1. Intent to return to work.
  2. The projected return to work date.
  3. Intent to resume the previous work schedule or a modified schedule (if so, the modified new schedule must be provided).
- The employer must certify in writing:

1. That the borrower is expected to return to work and the projected work schedule.
2. The projected return to work date.
3. The wage/salary of the borrower upon return to work.
4. The terms of any disability benefits (including maximum time permitted).

- The qualifying ratios will be calculated based on the income certifications provided by the borrower and the employer. The standard required income documentation must be provided, up to the date the borrower began the temporary disability period.
- If the return to work date is after the first payment due date of the mortgage loan, the borrower must have sufficient reserves verified in addition to funds required for closing to cover the monthly housing payment(s) plus any other debts included in the underwriting analysis.

ACCEPTANCE OF INCOME AND DOWNPAYMENT ASSISTANCE FROM HUD-ADMINISTERED SECTION 8 HOMEOWNERSHIP VOUCHERS

SONYMA will accept as borrower income, payments received from HUD-administered Section 8 Homeownership Vouchers. As an alternative and pursuant to HUD Guidelines, the Section 8 Homeownership Voucher may also be applied as a one-time payment for down payment and/or closing cost assistance. In either case, all borrowers receiving such assistance must complete a homebuyer education course managed by a HUD-approved organization to provide Section 8 Homeownership Counseling. In addition, lenders will be required to submit evidence to SONYMA that the applicant has completed the counseling program and that the voucher known as the Housing Assistance Payment ('HAP'), applies to home ownership. SONYMA will permit such assistance to be applied using one of the following options:

- Deduct the HAP from Monthly Housing Expense (PITI). Under this option, the borrower's HAP is applied directly to the PITI and payment and debt ratios are calculated based on the net amount. In order to use this option, the company servicing the mortgage loans (the "servicer") must set up a dedicated account and the HAP must be deposited directly into the account by the non-profit entity administering the Section 8 Program on behalf of HUD (the "HAP administrator"). The HAP administrator must specify in their letter which discloses the monthly home ownership assistance that the assistance will go directly to the loan servicer in order for this option to be utilized. Further, the servicer must be able to accept payments on the same account from both the borrower and the HAP Administrator. For lenders not servicing for SONYMA, our master servicer, M&T Bank, is prepared to accept these loans.

- Add HAP to Borrower Income. With this option, the HAP may be added directly to the borrower's income. Since the HAP is non-taxable income, SONYMA will allow it to be grossed up by 25%.
- Subordinate Second Mortgage. In some cases, the HAP Administrator may provide a second mortgage and the HAP is used to make the payments on the second mortgage. The second mortgage must be subordinate to SONYMA's first mortgage and must meet all other requirements for secondary financing as stated above in the down payment section.

Please note that the voucher program is administered by a local Public Housing Agency (PHA). The PHA will determine the type of assistance to be used and which of the above options will be used.

TRAILING SECONDARY WAGE EARNER INCOME

In cases where a household's primary wage earner has transferred employment as a result of a corporate relocation, SONYMA will consider a portion (up to 50%) of the income a secondary wage earner expects to earn from a job obtained upon moving to the new location. Please refer to SONYMA Sellers Guide, section 3.102 for details. [Weren't we going to delete this?]

NON-TAXABLE INCOME

If Mortgagor income is verified to be non-taxable income, SONYMA will allow the income to be grossed up by 25%.

CREDIT

- SONYMA will accept an electronically merged credit report obtained from the three credit repositories. (Credit reports must be no older than 90 days at the time of Pool/PMI approval).
- A mortgagor must have at least 3 lines of credit, traditional or non-traditional, established for a period of 18 months (not paid or inactive for more than 24 months), prior to the mortgage loan application date. (If there is more than 1 borrower on the 1003, only 1 needs to satisfy this requirement, and that borrower must be employed and contributing income toward qualifying).
- Late payments should be explained in writing and documented if necessary (satisfactions of judgment, collections).
- All open judgments and collection accounts must be satisfied prior to closing.
- SONYMA utilizes credit scores. However, no minimum score has been established to consider a mortgage application.

- If a borrower (s) lack a credit history, **Non-Traditional credit** may be utilized. SONYMA will consider credit that requires the mortgagor to make periodic payments on a regular basis (for example, rental housing payments, payments for utilities, medical and auto insurance payments, etc.).
- SONYMA will consider borrowers who have completed **consumer credit counseling** provided the borrower has 3 re-established lines of credit for 12 months with no late payments.

BANKRUPTCY

- Mortgagors with a previous history of bankruptcy will be evaluated on case-by-case basis. At minimum, mortgagors must meet all of the following criteria to be considered for a Mortgage Loan:
  1. The bankruptcy must have been discharged at least three years prior to the Residential Loan Application date.
  2. Mortgagor must have re-established good credit evidenced by: proving a minimum of four credit references including at least one traditional credit reference and one housing related reference. Three of the four credit references must have been active in the 24 month period immediately preceding the Residential Loan Application Date.
  3. Mortgagor must have stable employment
  4. Mortgagor must also submit a letter explaining the circumstances surrounding the bankruptcy (the circumstances must have been beyond the Mortgagor's control) along with copies of bankruptcy petition, list of creditors and discharge documentation.
- SONYMA will take into consideration Mortgagor's performance on any credit accounts that were not included in the bankruptcy.

MORTGAGE FORECLOSURE OR DEED IN LIEU OF MORTGAGE FORECLOSUORE OR SHORT SALE

If Mortgagor had a previous history of mortgage foreclosure or deed in lieu of mortgage foreclosure, or a short sale, SONYMA will consider such applications on a case-by-case basis. At minimum, Mortgagor must comply with the following:

1. The foreclosure sale (or transfer of title in a deed in lieu of foreclosure), or short sale must have occurred at least four years prior to the Residential Application Date.

2. The factors causing the foreclosure or deed in lieu of foreclosure must be attributable to events beyond the Mortgagor's control and a written explanation must be provided explaining these events in detail.
3. Mortgagor must have re-established good credit as described in Bankruptcy Section above.

VERIFICATION OF RENTAL PAYMENTS

Mortgagors with a history of a bankruptcy or foreclosure/short sale must demonstrate that housing rental payments were made in a timely manner. Acceptable documentation in this regard are as follows:

- Copies of the front and back of canceled checks for prior 12 months;
- Copies of 12 months bank statements showing clearing of rental payments;
- Verification of Rent form (VOR) with payment amount and history (if the rental payments are paid to a management company);
- Where landlord is an interested third party (i.e., property seller family member), verification of rent form with payment amount and history ***and*** copies of the front and back of canceled checks for the prior 12 months.

USE OF GUARANTOR

A Guarantor may be used to provide additional security in cases when Mortgagor lacks a credit reputation. GUARANTOR'S INCOME WILL ***NOT*** BE USED TO QUALIFY THE MORTGAGOR UNDER THE MONTHLY HOUSING EXPENSE-TO-INCOME OR DEBT-TO-INCOME RATIOS, or be included in any calculation. Guarantor must meet acceptable credit standards, may not be a spouse and must be a blood relative. Other program requirements that apply to the Mortgagor will not apply to Guarantor. Seller must submit a full credit package (1003, pay stubs , W2's, credit report and bank statements) on the Guarantor. Guarantor will be required to sign the Note at closing

NON-US CITIZEN MORTGAGORS

Non-permanent resident mortgagors must be legal residents of the United States (see Eligible Visa Classifications Exhibit), and at a minimum must have:

- Two year job tenure in the United States.
- Two year asset base documentation from a United States-based financial institution/depository.

- Two years established credit history in the United States. (Non-traditional credit as described in "Credit" above will be considered for non-US citizens.)
- Lawful permanent residents of the United States are eligible under the same terms available to US citizens.

NON-ARMS LENGTH TRANSACTIONS

Transaction must involve disinterested third parties. Non arms-length transactions are unacceptable. Examples of unacceptable transactions include:

- Employee buying from employer.
- Family member buying from a family business.
- Realtors buying from their own listings.
- Partner buying from own partnership.

INHERITANCE TRANSACTIONS

- SONYMA will finance a property in which the Mortgagor has inherited a share of the ownership interest in the Eligible Property and wishes to buy out the remaining inheritors. To determine the maximum financing allowable, deduct the Mortgagor's proportionate share of ownership interest from the lower of the sales price or the appraised value of the property. Example: Purchase price and appraised value are $100,000 and Mortgagor's share is one quarter or $25,000. $100,000 less $25,000 is $75,000. The loan-to Value of the Property ratio on this transaction will be 75%.
- Documentation evidencing all members of the estate is required.
- Other members of the estate are not eligible as gift donors.

  Note: Provided the Mortgagors have at least 20 percent total equity in the transaction, PMI insurance will not be necessary.

HOMEBUYER EDUCATION

Homebuyer education is required for all borrowers in any of the following instances:

- Less than 5% of Borrower's own cash is contributed to the transaction;
- The LTV is greater than 95%;
- The CLTV is greater than 100% where subsidies are being utilized;

- For all loan programs reserved under the Achieving the Dream, Remodel New York, or Habitat for Humanity Programs (regardless of the LTV or cash contribution); and
- For all borrowers who select the SONYMA Down Payment Assistance Loan (DPAL) option.
- Landlord counseling is required for any borrower purchasing a 2-4 Family Property. This counseling should be completed with a Hud-Approved Counseling Agency.

PROPERTY REQUIREMENTS

SONYMA will not permit the mortgagor to act as the general contractor unless construction is the mortgagor's full time occupation regarding new construction and Remodel NY Loans. See Remodel NY Loans Exhibit.

PROPERTIES LOCATED IN DECLINING MARKETS

SONYMA has not designated any particular area of the state as a declining market. Any such determination will be treated on a case-by-case basis based upon the property appraisal report submitted with the loan file. If the appraisal does show that the subject property is located in a declining market, SONYMA MIF or its pool insurance administrator, Genworth, reserves the right to reduce the requested loan amount to an acceptable level.

PROPERTY FLIPPING

A property flip occurs when a recently purchased property is quickly resold for a profit by the seller. The short time frame between the acquisition and resale (within 6 months) coupled with an increase in the property value are signs that a flip may have occurred. In these cases the following guidelines apply:

- Property seller must be the "owner of record" according to publicly available information and is supported by loan file documentation.
- No back-to-back, simultaneous closings, or double closings, assignment of contract of sale.
- Increases in the property value must be explained and renovations must be substantiated with receipts, building permits, or detailed information reflected by the appraisal.

APPRAISALS

- Sellers must supply an appraisal report and legible color copies of photographs of the Eligible Property and the comparable sales.

- The appraisal report 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 the value of the property has declined since the date of the original appraisal, a new appraisal will be required.
- If the appraiser, or the seller on the property condition disclosure form, notes asbestos is present in the subject property, an inspection by a qualified asbestos removal professional must be completed. The inspector must determine if the asbestos should be encapsulated or removed. A cost to cure and a disclosure specifying who will cover cost of the corrective action must also be supplied. (If the property seller is going to cover the cost an addendum to the contract of sale stating such must be provided. If the borrower is covering the cost to cure, evidence that he/she has the funds must be documented. Evidence the work has been completed must also be provided (final inspection by appraiser). Any other items the seller notes regarding the condition of the property (roof leaks, water in basement, mold, etc.) should be addressed and remediation maybe required.
- At minimum, the subject property must be in average condition to be eligible for SONYMA financing.
- The appraiser must indicate if the utilities are on and working at the time of inspection. If they are not they must be turned on prior to closing and the appraiser must re-inspect to confirm.

RURAL PROPERTIES

- The property must be suitable for year-round occupancy and residential in nature.
- The property must be readily accessible by public roads or serviced by a private road with a publicly recorded maintenance agreement that meet local standards.
- Appraisers may use comparable sales that are farther away than is typically permitted for non-rural properties.
- Appraisers may use comparable sales more than 12 months old, if more recent sales which are better indicators of value are not available.

MANUFACTURED HOUSING

- Double-Width Manufactured Housing Units are acceptable (Single Width Units are **not** Acceptable).

- The unit must be permanently affixed to real property. All foundations must have footings below the frost line.
- Units must be in compliance with the Federal Manufactured Home Construction and Safety standards established June 15, 1976, evidenced by a certification label affixed to the home.
- The appraiser must complete the appraisal on the appropriate Fannie Mae/Freddie Mac Form and should use comparable sales which are Manufactured Homes.
- Trade equity from a borrower's existing manufactured home may be used as the borrower's equity in the new home. The retail value of the traded home from the N.A.D.A. Manufactured Housing Appraisal Guide will be applied. Proof of ownership (title) for the traded home is also required.
- Lenders must follow the Title Guidelines published by Fannie Mae for New York properties.

CONDOS AND PUDS

- Minimum 10 units in a project.
- Presale requirements: 40% if LTV is 90% or less, 51% above 90% (units in contract count toward presale); however, MIF reserves the right to establish a different percentage for any project.
- Maximum of 30% investor concentration (based on number of units sold).
- All projects must have a reserve fund for capital repairs.
- Minimum square footage is 500. (Exceptions below 500 square feet may be made if the unit is supported by comparable sales of similar size.)
- New conversion eviction plans are not eligible.
- The project must be managed by a professional management company experienced in managing condominiums and/or planned unit development. SONYMA will allow a condominium or PUD project to be self-managed if the unit owners have been managing the project for a minimum of ten years and at least 75% of the units are sold. The investor concentration cannot exceed 30% (based on the number of units sold).
- A SONYMA condominium questionnaire is required. The questionnaire should disclose all information regarding phasing in the project, common areas and facilities, the control of the Homeowner's Association (HOA), Unit Information (total number of units, owner occupancy and investor information), HOA dues delinquency information (no more than 15%, can be more than 30 days

delinquent). If the project or sponsor is involved in any litigation, the terms of the contact with the managing agent, and, has all rehabilitation been completed (if the project is a condo conversion).

- If there is commercial space in the project, the square footage of that space cannot exceed 20% of the total square footage of the project.

COOPERATIVES

- Minimum 10 units in a project.
- Presale requirements: 40% in a conversion project, 51% in an existing project (2 years old).
- Maximum 30% investor concentration (based on number of units sold).
- Minimum square footage is 500. (Exceptions below 500 square feet may be made if the unit is supported by comparable sales of similar size.)
- New Conversion Eviction Plans are not eligible.
- Underlying mortgage must have at least 3 years remaining on term.
- The proprietary lease or occupancy agreement must have a remaining term must at minimum be equal to the term of the SONYMA loan.
- SONYMA will allow up to a 5% transfer tax (flip tax) without making any adjustments to the loan amount. If the flip tax exceeds 5% of the appraised value, the amount IN EXCESS of 5% must be deducted from the appraised value and the maximum financing and LTV are based on the lower of the purchase price or adjusted appraised value.
- All projects must have a reserve fund for capital repairs.
- The project must be managed by a professional managing agent experienced in managing cooperative projects. SONYMA will allow a cooperative project to be self-managed if the shareholders have been managing the project for a minimum of ten years and at least 75% of the units are sold. The investor concentration cannot exceed 30% (based on the number of units sold).
- If there is commercial space in the project, the square footage of that space cannot exceed 20% of the total square footage of the project.
- A SONYMA cooperative questionnaire is required.
    - All information regarding building statistics (total number of units, total number sold, total number sold and owner occupied, total number sold and sublet, total number of shares, number of shares for the subject unit).
    - If there a flip tax, describe the terms.

- Delinquency information regarding owner's maintenance payments. (no more than 15%, can be more than 30 days delinquent).
- Tax abatement information if applicable (if applicable, expiration date is required).
- Terms of the underlying mortgage.
- All pertinent information regarding the sponsor/holder of unsold shares (total number of units held, monthly maintenance, monthly rental income, has the sponsor pledged any shares as collateral for any other loans. If yes, what are the terms, is the sponsor current on its obligations to the coop, etc).
- Is the sponsor or cooperative involved in any litigation? If yes, provide the dollar amount and the declaration page of the project insurance policy.

- "HDFC" cooperatives will be considered on a case-by-case basis (financial statements for the past 2 years are required). SONYMA will not consider loans to purchase "insider units" to existing tenants.
- Pro Rata Share of underlying mortgage cannot exceed 35% of lower of sale price or appraised value based on the following calculation:

$$\frac{\text{Pro Rata Share of Underlying Mtg.}}{\text{Sale Price/Appraised Value} + \text{Pro Rata Share of Underlying Mtg.}} < $$

SPOT LOANS

- Contact Genworth at: 1-800-548-0884 (Ext. 4151), for status of a project prior to underwriting an application to find out project status.
- SONYMA will finance 10 spot loans or 50 percent of the total units in the project, whichever is less, in an existing project; 3 spot loans in a newly converted or constructed project.

PROJECT APPROVAL

The following documentation must be submitted:

- SONYMA Project Set-Aside Application
- Offering plan with all amendments
- Engineer's Report (for conversion projects only) including Asbestos Report
- Current Financial Statements and Operating Budget
- Appraisals (1 for each unit type)
- Marketing material

EXAMPLES OF SONYMA'S SUBSIDY POLICY

1) A borrower is purchasing a property with a gross selling price of $110,000 and is receiving a subsidy of $25,000. Of this subsidy, $20,000 will be used for down payment assistance and the remaining $5,000 for closing cost assistance. The property has been appraised with a true market value of $100,000.

   Since the discounted sales price will be $90,000 ($110,000 minus $20,000), the maximum financing will be $90,000 and the borrower's minimum cash contribution will be $900 SONYMA would consider borrower equity, based on the property's true market value, to be $10,000 ($100,000 minus $90,000) and the final LTV is 90%.

   In this example. PMI **would be** necessary.

2) Same facts as above except all the subsidy is for down payment assistance.

   The discounted sales price will be $85,000 ($110,000 minus $25,000), the maximum financing will be $85,000 and the borrower's minimum cash contribution will be $850 SONYMA would consider borrower equity, based on the property's true, market value, to be $15,000 ($100,000 minus $85,000) and the final LTV is 85.

   In this example, PMI **would be** necessary.

3) Same facts as sample 2 **except** the true market value is $110,000.

   The discounted sale price will be $85,000 ($110,000 minus $25,000), the maximum financing will be $85,000 and the borrower's minimum cash contribution will be $850 SONYMA would consider borrower equity, based on the property's true market value, to be $25,000 ($110,000 minus $85,000) and the final LTV is 77%.

   In this example, MI **would not** be necessary.

PROPERTIES OWNED BY COMMUNITY LAND TRUSTS

Community Land Trusts (CLT's) are not-for-profit organizations or public entities (such as a local government) that acquire homes or vacant land for the benefit of the community, helping provide access to affordable housing for local low-and moderate-income residents. Purchasers of homes in a land trust must execute a long-term lease that includes restrictions preserving the home's affordability in perpetuity. By owning the land and restricting who can purchase the homes, land trusts ensure permanent affordability for the homes. Currently, there are twelve such CLTs in New York State.

SONYMA will purchase mortgages secured by a lease on a property owned by a CLT under the following conditions:

- Applicants may apply for any SONYMA program available at the time of application.
- One and two-family residences and eligible condominium projects are eligible. Three and four-family homes, manufactured housing, and cooperatives are *not* eligible.
- **Eligible CLT's:**
    - Must have at least two years' experience administering and managing affordable housing;
    - Must use a form of ground lease that is based on the model developed by the Institute for Community Economics; and
    - Must incorporate the Community Land Trust Ground Lease Rider (Fannie Mae Form 2100) into the ground lease.
- **Underwriting Requirements:**
    - Manual underwriting only. No AUS recommendations.
    - Loans must be appraised in accordance with Fannie Mae guidelines (see page 22)

APPRAISAL REQUIREMENTS FOR LEASEHOLDS HELD BY COMMUNITY LAND TRUSTS

In selecting an appraiser to provide an opinion of value for a leasehold held by a community land trust, the lender must make sure that the appraiser is knowledgeable and experienced in the appraisal techniques-direct capitalization and market derivation of capitalization rates-that are necessary to appraise this type of property.

When a leasehold interest is held by a community land trust, the appraiser must analyze the property subject to the ground lease. Since the community land trust typically subsidizes the sales price to the borrower, that price may be significantly less than the market value of the leasehold interests in the property. The resale restrictions (as well as other restrictions) that may be included in the ground lease also can affect the value of the property. However, we have developed a ground lease rider that the lender and the borrower must execute to remove such restrictions from the community land trust's ground lease (see Part VII, section2 102.11). The land records for the subject property must include adoption of the terms and conditions that are incorporated in this ground lease rider. In view of these concerns, it is important that the appraised value of the leasehold interest in the property be well supported and correctly developed.

The appraiser must use a three-step process to develop his or her opinion of value (1) determine the fee simple value of the property by using the sales comparison analysis approach to value,
(2) determine the applicable capitalization rate (and convert the income from the ground lease into a leased fee value by using the market-derived capitalization rate), and (3) determine the leasehold value by reducing the fee simple value by the leased fee value. When this appraisal technique is used, there is no need to document the actual land value of the security property. The appraiser must develop the opinion of value for the leasehold interest under the hypothetical condition that "the property rights being appraised are the leasehold interest without the resale ad other restrictions that our ground lease rider removes when we have to dispose of a property acquired through foreclosure." The lender should advise the appraiser that he or she must include the following statement in the appraisal report:

> This appraisal is made on the basis of hypothetical condition that the property rights being appraised are the leasehold interest without resale and other restrictions that are removed by the Uniform Community Land Trust Ground Lease rider.

ELIGIBLE VISA CLASSIFICATIONS

Below are the eligible visa classifications for Non- Permanent Resident Aliens. Please note at the bottom of this exhibit the visa classifications that are NOT acceptable.

Acceptable Visa classifications are:
E-1, E-2, G-1, G-2, G-3, G-4, G-5, H-1, L-1, TN.

Unacceptable Visas are all other H and L series, all A, B, C, D, F ,I, J, K, M, N, O, P, Q, R, S, T, U, V AND TWOV Series, and all borrowers with diplomatic immunity.

SONYMA Loan Submission Checklist

We want to make loan submission preparation as easy as possible, so we have compiled a listing of the most commonly required loan file documentation. Remember, if you have questions or need additional information, contact your Genworth representative or visit our website at **mi.genworth.com**.

What is needed for loan submission?

The following documentation is required for loan submission. Although the following is a representation of typically required documents, this is not an exhaustive list as additional documentation may be requested to support the underwriting decision.

____ Genworth Financial SONYMA File Submission Form

____ Final Transmittal Summary (1008) and Uniform Residential Loan Application (1003)

____ Copy of original signed and dated Uniform Residential Loan Application (1003)

____ Homebuyer Counseling Certificate (dated no more than 12 months prior to loan application date)

____ SONYMA Subsidy/Grant Worksheet

____ SONYMA Borrower Contribution Worksheet

____ Tri-merged Credit Report (dated no more than 90 days at the time of Pool/MI approval)

____ Paystubs (dated no more than 90 days at the time of Pool/MI approval)

____ Most recent two years' W-2 forms

____ Most recent one month's bank account statements including 30 day deposit history (dated no more than 90 days at time of Pool/MI approval)

____ Award letters and Note and Mortgage for all subsidies and grant funds to document repayment/ recapture terms

____ Fully executed Purchase Contract including all addendums

____ Fully executed Property Condition Disclosure Statement

____ Work Scope from subsidy administrator for post-closing rehabilitation subsidy

____ PDF file of the appraisal report with color photos

This loan documentation summary may not reflect all guidelines and requirements that may be applicable for a loan. For a comprehensive set of guidelines, refer to our complete *Underwriting Guidelines* available at **mi.genworth.com**. In case of differences with this document, the *Underwriting Guidelines* will govern. If you have questions, contact your Genworth representative.

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Genworth

SONYMA Borrower Contribution Worksheet

To estimate and analyze a borrower contribution situation, enter the data outlined below.

Gross Purchase Price		$_____
Subsidy/Grant Funds	-	$_____
Apply towards Down Payment Discounted Sales Price	=	$_____

Loan amount requested may not exceed the Discounted Sales Price.

1% Equity Position (Single Family/2 Family Condo/PUD) of Discounted Sales Price	$_____
3% Equity Position (Coop/3 and 4 Family) of Discounted Sales Price	$_____

Gross Purchase Price		$_____
Est Closing Costs	+	$_____
Est Pre-paid Items	+	$_____
Total Costs (line i from 1003)	=	$_____
SONYMA DPAL	-	$_____
Subsidy	-	$_____
Grant	-	$_____
Gift	-	$_____
Seller paid Closing Costs	-	$_____
Property Condition Disclosure Statement (PCDS)	-	$_____
Lender Credit	-	$_____
Loan Amount Request	-	$_____
Borrower Contribution	=	$_____

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NEW YORK STATE OF OPPORTUNITY.

SONYMA

NEW YORK STATE Homes & Community Renewal

SONYMA

CONDOMINIUM/PUD QUESTIONNAIRE
(NOT TO BE USED FOR COOPERATIVES)

Management Company is to provide and complete all information below:

Applicant Name: _____ Loan #: _____

Project Name: _____ Project Address: _____

Unit #: _____ _____

Project Information:

Total Project/Phase:	# of Units	Project:	# of Units	Phase:	# of Units
Total # Units in Project:		Primary/Owner Occupied:		Primary/Owner Occupied:	
Total # Units Sold:		2nd Home:		2nd Home:	
Total # Units Closed:		Non-Owner/Investment:		Non-Owner/Investment:	
		Commercial:*		Commercial:*	

***Provide percentage of projects total square footage:** _____%

1) Are all the units, common areas and recreation facilities installed and 100% Complete? ☐ Yes ☐ No
   a) Is/was the projected created by conversion? ☐ Yes ☐ No
      IF YES, provide the year converted _____
   b) Date the HOA was conveyed to the unit owners: ____/___/____
      If not conveyed, provide the anticipated date of conveyance? ____/___/____
   d) If there is a Master Association, is it 100% Complete? ☐ Yes ☐ No
      Date Conveyed/Anticipated Date: ____/___/____
   f) Eviction plan? ☐ Yes ☐ No
2) Is the project subject to additional phasing or annexation? ☐ Yes ☐ No
3) Are units in the project owned fee simple, with an undivided interest in the common areas? ☐ Yes ☐ No
4) Are there any leased recreational facilities or any leased common areas? ☐ Yes** ☐ No
5) Does the Developer retain ownership interest in any of the facilities or common areas? ☐ Yes** ☐ No
6) Are there any two-to-four unit dwellings or space devoted to commercial use? ☐ Yes** ☐ No
7) Is there any litigation pending against the association? ☐ Yes** ☐ No
8) List any multiple unit owners and the number of units each owns:
   _____
   _____
9) Is the project a condo hotel, a timeshare project, or a leasehold? ☐ Yes ☐ No
10) Does the project including any houseboat units, multi-dwelling units or manufactured units that constitute a non-conforming use? ☐ Yes ☐ No
11) How many unit owners are delinquent, 30 days or more, in the payment of association dues? #_____ and $_____
12) Are there any special assessments now planned? ☐ Yes ☐ No
    IF YES, provide $_____/unit.
13) What is the dollar ($) amount of each unit's monthly association dues? $ _____
14) Is the project subject to a substantial code zoning change, in the event of substantial destruction or condemnation? ☐ Yes** ☐ No
15) Do the legal documents of the HOA contain a right of first refusal, or any other restrictive covenants? ☐ Yes** ☐ No
    IF YES, in the event of foreclosure, are the covenants or right of first refusal waived? ☐ Yes ☐ No
16) Is the project self-managed? ☐ Yes ☐ No
    IF YES, for how long? _____
17) Date of the last Attorney General sponsor Filing / Amendment: _____
    If greater than 1 year, please explain: _____
18) Does the Annual Budget contain a line item for repairs/capital reserves? **Yes** ☐ **No** ☐
    If yes, what is the balance in the account? _____

**** If the answer to any of these questions is YES, please provide the details on a separate sheet and/or supply documentation.**

CONDOMINIUM/PUD QUESTIONNAIRE
(NOT TO BE USED FOR COOPERATIVES)

Insurance Information:

Insurance Agency: _____

Address: _____

Contact: _____

Phone Number: _____

Fax Number: _____

CERTIFICATION: I, the undersigned, certify that to the best of my knowledge and belief, the information and statements contained on this form and the attachments are true and correct.

Signature of Manager
or Authorized Employee: _____ _____
Name *Title*

Date: _____

Management Company Name: _____

Address: _____

Phone Number: _____

Fax Number: _____

COOPERATIVE QUESTIONNAIRE (NOT TO BE USED FOR PUDS or CONDOMINIUMS)

Management Company is to provide and complete all information below:

Applicant Name: _____ Loan #:_____

Project Name: _____ Project Address: _____
Unit #: _____ _____

Cooperative Corporation: _____ Address (if different): _____
_____

Sponsor/Developer: Sponsor/Developer Contact: _____
Phone Number: _____ Fax Number: _____

Project Information:

Shares attributable to the subject unit: _____ Total number of units: _____

Shares attributable to the project: _____

Ownership & Occupancy	Number (#) of Units	Percentage (%) of the Project
Owner Occupied		
Sponsor/Developer-Vacant		
Sponsor/Developer-Tenant Occupied (Market Rent)		
Sponsor/Developer-Tenant Occupied (Regulated Rent)		
Investor-Vacant		
Investor-Tenant Occupied (Market Rent)		
Investor-Tenant Occupied (Regulated Rent)		
Commercial		
TOTAL		

Underlying Mortgage Financing:

Lien Information	First	Second	Other Financing
Type of Lien (Mortgage, Line of Credit, Wraparound)			
Balance	$	$	$
Balloon	Yes ☐ No ☐	Yes ☐ No ☐	Yes ☐ No ☐
If yes, Remaining Term to Balloon Reset			
Remaining Term on Debt			
Monthly Payment (P & I)	$	$	$
Interest Rate	%	%	%
Fixed Rate or ARM			
Name of Lienholder			
Are payments on the obligation current?	Yes ☐ No ☐	Yes ☐ No ☐	Yes ☐ No ☐
If no, how many months in arrears?			

COOPERATIVE QUESTIONNAIRE (NOT TO BE USED FOR PUDS or CONDOMINIUMS)

General Project Information:

1. The Proprietary Lease expiration date is: **Expiration Date:** _____
2. Is the occupancy of project subject to a leasehold? **Yes** ☐ **No** ☐
   If yes, please provide the annual rent and expiration date: **Rent: $**_____ **Expiration Date:** _____
3. The project is complete and is not subject to any additional phasing or annexation? **Yes** ☐ **No** ☐
4. Is the project a new conversion eviction plan? **Yes** ☐ **No** ☐
5. Are any of the project facilities leased by the cooperative corporation? **Yes** ☐ **No** ☐
6. Does the cooperative project include any commercial units? **Yes** ☐ **No** ☐
   If yes, please describe and provide percentage (%) of total project square footage:
   _____

Other Eligibility Criteria:

7. Are the unit owners in control of the cooperation corporation? **Yes** ☐ **No** ☐
   If not, the projected date of HOA vesting? _____
8. Are there unit owners one (1) or more months delinquent in the payment of maintenance? **Yes** ☐ **No** ☐
   If yes, provide 30 day delinquent information: **#**_____**unit owners** **$**_____ **past due**
9. Is the project a limited equity cooperative? **Yes** ☐ **No** ☐
10. Are there any of the units in the project subject to a transfer fee? (i.e. flip taxes, option fees, etc.) **Yes** ☐ **No** ☐
    If yes, please describe terms: _____
11. Is the project a recipient of any tax abatements or exemptions? **Yes** ☐ **No** ☐
    If yes, please describe, including remaining term and dollar amount:
12. Is there any current or pending litigation against the cooperative corporation? **Yes** ☐ **No** ☐
    If yes, please provide detail, including the monetary amount, and parties involved:
13. Are there any mechanic's liens filed against the cooperative corporation, or the subject unit? **Yes** ☐ **No** ☐
    If yes, please provide detail:
    _____
    _____
    _____
14. Does any single entity (including an individual, investor group, partnership or corporation, as well as the sponsor/developer) own more than 10% of the stock shares in the cooperative corporation, or the related ownership rights? **Yes** ☐ **No** ☐
    If yes, please provide detail**:** **# Units:** _____ **Entity:** _____
    # Units: _____ **Entity:** _____
    # Units: _____ **Entity:** _____
15. Are there any financing restrictions? **Yes** ☐ **No** ☐
    If yes, please describe:
    _____
    _____
    _____

Sponsor Financial Information:

16. Date of the last Attorney General sponsor Filing / Amendment: _____
    If greater than 1 year, please explain:
    _____
    _____

17. Are the obligations for the Sponsor / Developer current? **Yes** ☐ **No** ☐
    If no, provide number of months delinquent and amount: _____**months** **$** _____
18. Does the rental cash flow from the Sponsor held rental units cover expenses? **Yes** ☐ **No** ☐
    If yes, provide the following information:
    Sponsor Rental Income: **$** _____
    Sponsor Obligations: **$** _____
19. Are there any sponsor obligations for projected repairs / improvements that are not covered by monthly maintenance charges due? **Yes** ☐ **No** ☐
20. Does the Annual Budget contain a line item for repairs/capital reserves? **Yes** ☐ **No** ☐
    If yes, what is the balance in the account? **$**_____
21. Is the sponsor using the unsold shares/units as collateral for other financing? **Yes** ☐ **No** ☐
    If yes, provide the following information:

Lender:_____
Amount of Obligation: **$** _____
Maturity: _____ **years**
Monthly/Annual payment: **$** _____ **per month/year (circle one)**

22. Is the project self-managed? **Yes** ☐ **No** ☐
    If yes, for how long? _____

Insurance Information

Insurance Agency: _____
Address: _____
_____
Contact: _____
Phone Number: _____
Fax Number: _____

CERTIFICATION: I, the undersigned, certify that to the best of my knowledge and belief, the information and statements contained on this form and the attachments are true and correct.

Signature of Manager
or Authorized Employee: _____ _____
Name *Title*

Management Company Name: _____
Address: _____
_____
Phone Number: _____
Fax Number: _____

FOR INTERNAL USE

Building Analysis and Notes:

Pre-Sale: _____%
Owner Occupancy _____%
Pro-Rata Share _____%

Flip Tax: **Yes** ☐ **No** ☐
If yes, indicate percentage and amount: % _____ $ _____

Remaining Underlying Mortgage Term: _____Yrs.
Remaining Term of Proprietary Lease: _____Yrs.

Positive/Negative Cash Flow from Sponsor Held Units: **Yes** ☐ **No** ☐

Notes:
_____
_____

Self-Managed? **Yes** ☐ **No** ☐
Limited Equity Coop? **Yes** ☐ **No** ☐

Notes:
_____
_____

State of New York Mortgage Agency
641 Lexington Avenue, New York, NY 10022
(212) 688-4000 • Fax: (212) 872-0789

By E-mail

April 14, 2015

RE: Enhanced SONYMA RemodelNY Repair Escrow Option
Seller's Guide Bulletin #2-2015

Dear Participating Lender:

In response to feedback that many lenders lack the capacity to offer our Remodel New York and Own It, Fix It New York! Programs, we are making changes to make it easier for all our participating lenders to originate these loans. Purchase renovation programs provide critical resources to alleviate the inventory of foreclosed homes and "short sale" properties, which suffer from deferred maintenance and require repair.

In collaboration with the SONYMA Advisory Council, we are pleased to announce our new RemodelNY Repair Escrow Option ("RemodelNY"). This program will replace the current Remodel New York and Own It! Fix It! New York Programs and allow eligible purchasers to buy a home and finance the cost of renovating it with one low, fixed rate mortgage. The main features of the new RemodelNY 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);
- **No** maximum amount of eligible repairs, except as limited by the after-improved value of the property;
- Eligible properties are existing 1- and 2-family homes, PUDs and condominiums;
- SONYMA will purchase these mortgages from participating lenders prior to the completion of repairs and escrow pay-out.
- SONYMA will collect the renovation escrows and administer the post-closing draws as the work is completed.
- Transition of Remodel New York from a standalone program to an add-on program, which means the borrower will receive the interest rate for the program that corresponds with their income level.

*SONYMA will be accepting reservations with this option commencing **immediately**.* Lenders may continue to reserve loans under the legacy Remodel New York and Own It, Fix It New York! Programs until May 1, 2015, at which time these programs will no longer be available for new loan reservations. (**IMPORTANT NOTE:** Please contact SONYMA for instructions on reserving loans under the legacy Remodel New York and Own It, Fix It New York! Programs.)

Complete details of the new RemodelNY are provided on the attached term sheet.

Available SONYMA Programs under the RemodelNY Escrow Repair Option

Borrowers may utilize the Low Interest Rate Program or Achieving the Dream Mortgage Program (including the Homes for Veterans Program) for this product. The program selected will depend on borrower and property eligibility requirements, including income and purchase price limits, as determined by each program. Unless stated in this letter or on the attached term sheet, all requirements of the aforementioned programs will remain in effect.

Pool Insurance

Genworth Mortgage Insurance Corporation ("Genworth") will be pool insurance underwriter for all RemodelNY loans. Note that this differs from the prior Remodel New York Program which was underwritten by the SONYMA Mortgage Insurance Fund. See below for instructions on submitting loan files to Genworth.

RemodelNY Maximum Mortgage Worksheet Calculator

To assist Lenders in calculating the maximum mortgage amount and maximum allowable escrow, SONYMA has created an interactive RemodelNY Maximum Mortgage Maximum Mortgage Worksheet (SONYMA Form #R11/12-14) calculator. The calculator may be downloaded from our website at http://www.nyshcr.org/Topics/Lenders/Lenders/ApplicationandClosingForms.htm.

Lender's Responsibility Regarding Repair Escrows

Under the previous Remodel New York and Own It, Fix It NY! Programs, lenders were fully responsible for the administration and disbursement of the funds held in escrow. SONYMA, in an effort to expand lender and first-time homebuyer access to this Program, will now be retaining these escrows and administering them after purchase of the loan transaction.

In order to ensure a smooth post-closing renovation experience for the borrower, it is necessary to submit these loans to SONYMA for purchase as quickly after closing as possible. SONYMA will:

- Net fund the renovation escrow funds at the time of loan purchase.
- Retain the funds for the renovations and contingency reserve in an escrow account held on the borrower's behalf.
- Ensure the home has been satisfactorily renovated in compliance with the repairs stated in the home improvement contract.
- Disburse the escrow funds via check co-payable to the borrower and contractor(s) as the renovation work progresses and after an inspection has been done to ensure the work performed has been satisfactorily completed. Funds will be disbursed at SONYMA's discretion.
- Monitor the repairs, as per the home improvement contract, and ensure they are completed within 6 months of the mortgage closing date.
- Review and approve extension requests due to weather related delays. Requests must be made in writing by the borrower in advance for proper consideration.
- Order the title update upon completion of the work dated through the date of the final inspection.
- Release the 10% holdbacks within 2 business days of receipt of clear title update.
- Send the borrower a fully completed and executed RemodelNY Final Accounting Form and Certification (SONYMA Form R7/12-14).

Loan Reservation and Loan File Submission Process

A. For SONYMA Express® Lenders

SONYMA Express® has been modified to accommodate loans using the RemodelNY add-on. To reserve a RemodelNY loan on SONYMA Express®, please complete the following steps:

1. In the Loan or QuickApp screen, click on the "**RemodelNY Repair Escrow"** button. (If a credit

report has been generated into the system, the QuickApp option will be disabled.)

2. In the Loan screen, complete all the fields in the section labelled "**Purchase/Renovation Information**", as applicable. The asterisked (*) fields are required entry.
3. Run findings using the "**Product Selector"** button. Select the Low Interest Rate Program and/or Achieving the Dream Program (and click the Homes for Veterans button, if applicable).
4. SONYMA Express® will generate a findings report specific to RemodelNY.
5. After saving the findings, select the "**Lock and Register**" button to reserve the loan and lock the interest rate.

B. For Non-SONYMA Express® Lenders

By this Friday, SONYMA's Lender Online system will be updated to accommodate loans using the RemodelNY add-on. To reserve a loan using RemodelNY, Lenders must select one of the above programs and enter the following in the Lender Online New Reservation screen:

1. In the New/Existing/Rehab field, select "**Rehab**"
2. In the RemodelNY Purchase Repair Escrow field, select "**Yes**"
3. In the RemodelNY Repair Escrow/Rehab Amount field, **enter the cost of the repairs**.

Loan Delivery

For SONYMA Express® lenders, SONYMA will do a pre-closing review of the renovation documentation on the first 3 RemodelNY loans submitted by each lender. Lenders will be notified of findings in writing, and if documentation concerns warrant additional reviews. A pre-closing review of a renovation collateral package is also available upon request.

Loan files must be submitted to SONYMA using the revised checklists and forms described below. Files must also be simultaneously submitted to Genworth Mortgage Insurance Corporation for pool insurance consideration. The loan file submitted to Genworth must clearly indicate on the insurance application that the loan has the RemodelNY add-on, and it must include the home improvement contract(s) and the RemodelNY Maximum Mortgage Worksheet (SONYMA Form R11/12-14). Files for lenders who will be transferring servicing to M&T must include the revised M&T Bank Closing Transmittal for SONYMA Loans.

New and Revised Forms

To accommodate the RemodelNY Repair Escrow Option, SONYMA has created or modified the following forms:

Form Name and Number	Required Use/Effective Date	Comments
• Pre-Closing Application File Checklist (Form #225/3-15)	Available for immediate use, but not required until 6/1/15. Must be used for any RemodelNY loans.	Updated to incorporate the above referenced forms and requirements.
• SONYMA RemodelNY Maximum Mortgage Worksheet (SONYMA Form #R11/12-14)	Must be completed and a photocopy submitted in the pre-closing loan application file.	Modified form to reflect elimination of limitations on repair amounts and to allow for higher contingency reserve percentages. Permits lenders to accurately calculate the maximum mortgage amount permitted with the borrower's renovation costs. Also available in Excel to assist Lenders in calculating maximum financing.
• Homeowner/Contractor Agreement(s) (Form #R7/12-14)	Photocopy of all contracts between Borrower(s) and contractor(s), evidencing the total repair cost, submitted in the pre-closing loan	New form. Alternative formats must include: a. Borrower's name(s) and subject

Form Name and Number	Required Use/Effective Date	Comments
	application file. SONYMA Form R7 is recommended but not required.	property address b. Contractor's name and contact information c. Detailed list of all repairs and materials d. List of any warranties being included by the contractor e. Completion date within 6 months of closing f. Binding arbitration clause
• SONYMA RemodelNY Borrower's Acknowledgment (Form R2/12-14)	Photocopy must be submitted in the pre-closing loan application file and must be signed by all Borrower(s) and a Lender representative.	Consolidates and replaces the Mortgagor's Acknowledgment and Consumer Tips Checklist.
• RemodelNY Repair Escrow Option Contractor Forms (Form #R6/12-14)	Photocopies of each form must be submitted for each Contractor. See our SONYMA Pre-Closing File Training Module for more details on completing these forms.	The following forms must be submitted, as applicable: a. RemodelNY Contractor's Checklist b. Contractor Profile c. RemodelNY Contractor's Acknowledgement d. Contractor's License, if applicable e. Contractor's Liability Insurance Policy information f. Contractor's Lead-Based Paint Certification, if applicable g. Contractor's Mold Remediation Certification, if applicable h. Contractor's NYS Asbestos Certificate of Competence, if applicable
• Post-Closing File Checklist (Form #223/3-15)	Available for immediate use, but not required until 6/1/15. Must be used for any RemodelNY loans.	Updated to incorporate the above referenced forms and requirements.
• SONYMA RemodelNY Mortgage Loan Agreement (SONYMA Form #R3/12-14)	Must be executed and an original (and a photocopy) must be submitted in the post-closing loan file.	Modified form.
• SONYMA RemodelNY Mortgage Rider (SONYMA Form #R5/12-14)	Must be executed and recorded with the mortgage instrument. A duplicate original must be submitted in the post-closing loan file.	Modified form. Must be attached to and recorded with the mortgage.
• SONYMA RemodelNY Final Accounting Form and Certification (SONYMA Form # R7/12-14)	Will be completed by SONYMA and sent to the borrower upon final disbursement of all funds in the escrow account.	Modified form which will be used to reconcile the amount deposited into the escrow account with the sum of all disbursements made from the account.
• SONYMA Loan Reservation Worksheet and Rate Certification (Form #238/12-14)	Utilized for loans not reserved on Lender Online. Available for immediate use, but not required until 6/1/15.	Modified to incorporate loans utilizing the RemodelNY.
• SONYMA Final Document Transmittal Form (Form #245/12-14)	Available for immediate use, but not required until 6/1/15.	Modified to incorporate loans utilizing the Remodel NY.

Form Name and Number	Required Use/Effective Date	Comments
• M&T Bank Closing Transmittal for SONYMA Loans (dated 12/14)	Required on all RemodelNY loans closed with the new guidelines that will be serviced by M&T.	**For Non-Servicing Lenders only**: Must be sent to M&T Bank with standard servicing file. Has been modified to incorporate loans utilizing RemodelNY.

Click on the above links to access these forms on our website (http://www.nyhomes.org/Lenders/Lenders/InformationforSONYMAParticipatingLenders.htm). We are also in the process of updating the following training modules:

1. General Overview Training Module
2. Submission of Pre-Closing Application Files Training Module
3. SONYMA Credit and Property Underwriting Notes
4. Submission of Post-Closing Loan Files Training Module
5. Submission of SONYMA Express® Post-Closing Loan Files Training Module
6. Requirements for Transferring Servicing to SONYMA's Master Servicer (for Non-Servicing Sellers)

Each of these modules will be published on the SONYMA Lender website page cited above.

If you have any additional questions, please contact Sherri Eckles at (518) 473-0090 or sherri.eckles@nyshcr.org, or your SONYMA Business Development Officer [Downstate: Gail Kresge at (848) 218-2102 (gail.kresge@nyshcr.org), Western NY: Dawn Adams (646) 539-8776 (dawn.adams@nyshcr.org) or North Country, Capital District & Hudson Valley: Bill Teague (518) 573-5936 (william.teague@nyshcr.org)].

Sincerely,

George M. Leocata
Senior Vice President
Single Family Programs

SONYMA RemodelNY Renovation Escrow Option
Term Sheet

PURPOSE

Many homes in New York State suffer from deferred maintenance and require repair. The SONYMA Remodel New York is designed to provide mortgage financing for homebuyers to purchase a home and pay for any necessary or desired repairs. It is an enhancement that can be utilized with the below stated SONYMA programs for 1 and 2 family homes, PUDs and condominiums.

MAIN FEATURES

- Available under the SONYMA Low Interest Rate and Achieving the Dream Programs.
- Can be combined with the Homes for Veterans enhancement program
- 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 (higher of $3,000 or 3% of the home purchase price, not to exceed $15,000);
- $1,000 minimum eligible repairs with no maximum repair amount.
- SONYMA will purchase the mortgages from Lenders and administer the renovation escrow draws throughout the post-closing rehabilitation completion period.

LOAN TERMS

Interest Rate	Same as Low Interest Rate or Achieving the Dream Program. Higher rates apply for loans with a SONYMA Down Payment Assistance Loan (except when using Homes for Veterans enhancement).
Maximum Financing	97% of the lower of (1) the purchase price plus the cost of repairs, allowable "soft" costs and a contingency reserve equal to at least 10% of the cost of repairs, or (2) the "after-improved" appraised value.
Minimum Renovation	$1,000
Maximum Renovation	None.
Eligible Renovations	Most non-luxury repairs. See attached for a more complete list of eligible and ineligible renovations.
Eligible Terms	30-year terms only.
Acquisition Cost	The acquisition cost is the sum of the purchase price and the cost of repairs and financed "soft" costs. The acquisition cost cannot exceed SONYMA's purchase price limits. The repair cost (Line B9 of the Maximum Mortgage Worksheet) must be entered on line 3 of Part III of the Recapture Notification and Mortgagor's Affidavit (Form 211).
Contingency Reserve	A 10% contingency reserve is required on all loans. The borrower(s) may either (1) finance the contingency reserves (as long as the loan amount does not exceed maximum allowable financing stated above) or (2) deposit their own funds in their rehabilitation escrow account, which will be held and administered by SONYMA. Funds deposited into an escrow account must be from an acceptable asset source. If financed, any unused portion of the contingency reserve must be applied to the unpaid principal balance of the mortgage or can be used for additional approved eligible repairs. If the contingency reserve funds were deposited into the escrow account by the borrower(s), any unused funds must be refunded

	to the borrower(s). Upon recommendation of a consultant or appraiser, or based on the scope of work and condition of the home, lenders may require a higher contingency reserve up to a maximum of 20% of the repair costs..
Allowable Soft Costs	The borrower can opt to finance the following "soft" costs (as long as the loan amount does not exceed the maximum allowable financing stated above) that may be associated with the intended repairs/renovations: inspection fees; escrow administration fee not to exceed $250; title update fee, a consultant fee to cover the cost of using a HUD approved consultant to prepare a work write-up, and permit fees. All fees must be disclosed to the borrower(s) at the time of application.

UNDERWRITING

Renovation Contract	In addition to the contract of sale for the purchase of the home, a fully executed home improvement contract must be included in the pre-closing loan file submitted to SONYMA, the MI company and the Pool Insurer. See attached provisions that must be included in the home improvement contract.
Borrower(s) Acting as Contractor	Permitted on a case-by-case basis dependent upon experience level and type of expertise, provided borrower(s) is a licensed and insured contractor. Borrowers acting as contractors are not permitted to collect any renovation funds for labor, and can only be reimbursed the documented cost of materials. Labor costs must be escrowed in the event borrower is unable to complete the work. NOTE: Borrowers acting as their own contractor must be pre-approved by SONYMA prior to closing.

BORROWER(S) ELIGIBILITY

Unless otherwise stated on this term sheet, borrower(s) must comply with standard SONYMA eligibility and underwriting requirements.

PROPERTY ELIGIBILITY

Eligible Properties	Existing 1- and 2-family homes. PUDs and condominiums are eligible provided the homeowners association permits the proposed renovations. Cooperatives are not eligible. Unless otherwise stated on this term sheet, all properties must comply with standard SONYMA eligibility requirements.

LENDER RESPONSIBILITIES

Eligible Renovations	➢ **Structural alterations and reconstruction**. e.g., repair or replacement of structural damage, chimney repair, additions to the structure, installation of an additional bath(s), skylights, finished attics and/or basements, repair of termite damage and the treatment against termites or other insect infestation, repair or installation of a garage (detached or attached), etc. ➢ **Changes for improved functions and modernization**. e.g., remodeled bathrooms and kitchens, including permanently installed appliances, (i.e., built in range and/ or oven, range hood, microwave, dishwasher). ➢ **Elimination of health and safety hazards** including the resolution of defective paint surfaces or lead based paint problems on homes built prior to 1978.

- **Changes for aesthetic appeal and elimination of obsolescence**. e.g., new exterior siding, adding a second story to the home, covered porch, stair railings, attached carport, interior and exterior painting.

- **Reconditioning or replacement of plumbing** including connecting to public water and/or sewer system, heating, air conditioning and electrical systems. Installation of new plumbing fixtures is acceptable, including interior whirlpool bathtubs.

- **Repair or reinstallation of well and/or septic system**. The well or septic system must be reinstalled or repaired prior to beginning any other repairs to the Eligible Property. The reinstallation or the repair of an existing well (used for the primary water source to the Eligible Property) can be allowed provided there is adequate documentation to show there is reason to believe the well will produce a sufficient amount of potable water for the occupants. In all cases, the repair or reinstallation of a well and/or septic system must be done in accordance with applicable local health and building codes, ordinances, and requirements.

- **Roofing, gutters and downspouts.**

- **Flooring, tiling and carpeting**.

- **Purchase and installation of free-standing appliances.** e.g., stove, refrigerator, dishwasher, washer, dryer and microwave.

- **Energy conservation improvements**. e.g., new double pane windows, steel insulated exterior doors, insulation, solar domestic hot water systems, caulking and weather stripping, etc.

- **Major landscape work and site improvement**. e.g. patios, decks and terraces that improve the value of the property or required to preserve the property from erosion. The correction of grading and drainage problems is also acceptable.

  - **Tree removal** is acceptable if the tree is a safety hazard to the property.

  - **Repair of existing walks and driveway** is acceptable if it may affect the safety of the property.

  - **Fencing, new walks and driveways, and general landscape work** (i.e., trees, shrubs, seeding or sodding) are also acceptable.

- **Improvements for accessibility to a Disabled Person**. e.g., remodeling kitchens and baths for wheelchair access, lowering kitchen cabinets, installing wider doors and exterior ramps, etc.

- **Repair of an Existing In Ground Swimming Pool**. The repair of an in ground swimming pool, not to exceed $1,500.
  Repair costs exceeding the $1,500 limit must be paid into the contingency reserve fund by Mortgagor.

Ineligible Renovations

- **Luxury items and improvements** that do not become a permanent part of the real property are not eligible as a cost of renovation.

	➢ The items listed below (not limited to this list) are not acceptable under the Remodel New York Program, including the repair of any of the following: ❖ Barbecue pit; bathhouse; dumbwaiter; exterior hot tub; sauna or spa; outdoor fireplace or hearth; photo mural; installation of a new swimming pool; gazebo; television antenna; satellite dish; tennis court; tree surgery; and ❖ Additions or alterations to provide for business/commercial use.
Contractor Approval	Lenders will be fully responsible for ensuring that contractors are reputable, insured, and can perform the work specified in the home improvement contract. As part of Lenders' due diligence in reviewing a contractor, SONYMA recommends that Lenders do the following: ➢ Contact the State's contractor licensing agency and state and/or local building departments to verify that the contractor has a clean record. Obtain copies of any licenses, where applicable; ➢ Ensure that the contractor is sufficiently insured (Workman's Compensation, General Liability [$1 million each occurrence/$2 million aggregate] and Short-Term Disability) to protect borrower(s) against property damage and losses caused by the contractor, its employees or subcontractors, and against on-site injuries to the contractor, its employees or subcontractors; ➢ In areas where licensing is not required, the Lender's due diligence should include, however, is not limited to: ❖ Contacting local trade associations; ❖ Looking for professional certifications such as Certified Graduate Remodeler (CGR) ; ❖ Accessing the New York Attorney General's website, "Know Your Contractor" or calling the local or state consumer protection agency and the Better Business Bureau to find out if there are any unresolved complaints filed against the contractor; and ❖ Checking references.
Consultant Requirement	➢ A consultant may be used on any Remodel New York transaction. ➢ A consultant is required when: ❖ Renovation costs exceed $35,000 OR ❖ The scope of renovation includes structural repairs/improvements ➢ Consultants must be HUD approved 203k Consultants
Hazard Insurance Requirements	➢ Depending upon the scope of work, it may be difficult to obtain standard homeowners policies while the work is being completed. If a standard HO policy is unavailable, alternative forms of insurance such as Builder's Risk policies are permitted. In some cases, a builder's risk or course of construction endorsement could also be needed to protect the borrower from loss of materials not yet attached to the property. Builder's risk policies should be replaced with homeowner's coverage upon completion of the repairs.

ESCROW ADMINISTRATION	
Escrow Administration	SONYMA, *regardless of who will be servicing the mortgage*, will be responsible for the administration and disbursement of the funds held in escrow. Special arrangements may be made with lenders who service their own loans on a case-by-case basis, should they wish to retain draw administration responsibility. These responsibilities include, however, are not limited to: ➢ Ensuring the home has been satisfactorily renovated in compliance with the repairs stated in the home improvement contract. ➢ Deposit of the funds for the renovations and contingency reserve into an escrow account at the time of loan closing. Escrow account will be administered by the Lender. ➢ Disbursement of the escrow funds to the contractor(s) as the renovation work progresses and after inspections have been done to ensure the work performed has been satisfactorily completed. Funds will be disbursed at the Lender's discretion. Monitor the repairs as per the home improvement contract and ensure that they are completed within 6 months from the mortgage closing date. Extension requests will be handled on a case-by-case basis. Requests must be made in writing and in advance for proper consideration.
Satisfactory Completion Certificate & Title Updates	Within 30 days upon completion of all work, the SONYMA will obtain and distribute to the originating lender, the MI company, the Pool Insurer, and the Servicer (if not the same as the Lender) a satisfactory final inspection report completed by the HUD approved consultant or property appraiser; a title update showing no liens through the date of the final inspection (i.e. mechanic liens) and a completed and signed SONYMA RemodelNY Mortgage Final Accounting Form and Certification (SONYMA Form # R7/12-14).
SONYMA RemodelNY Mortgage Forms	➢ SONYMA RemodelNY Maximum Mortgage Worksheet (SONYMA RemodelNY Maximum Mortgage Worksheet (SONYMA Form #R11/12-14) ➢ Homeowner/Contractor Agreement(s) (Form #R7/12-14) **Note:** Use of this form is optional. ➢ SONYMA RemodelNY Borrower's Acknowledgement (Form R2/12-14) ➢ SONYMA RemodelNY Repair Escrow Option Contractor Forms (Form #R6/12-14) ➢ SONYMA RemodelNY Mortgage Loan Agreement (SONYMA Form #R3/12-14) ➢ SONYMA RemodelNY Mortgage Rider (SONYMA Form # R5/12-14)