



State of New York Mortgage Agency

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

July 23, 2010

**RE: New Website Home Page; Pool Insurer Commitment Timeframes; Approved Project Set-Aside Website List; Revised Project Set-Aside Builder/Developer/Sponsor Information Form; Hazard Insurance Coverage for Condominiums; and Revised Hazard and Flood Insurance Certificate
Seller's Guide Bulletin #2-2010**

Dear Participating Lenders:

Please be advised of the following guideline reminders/changes to all State of New York Mortgage Agency ("SONYMA") programs, where applicable. Unless otherwise noted herein, the changes go into effect immediately.

New Website Home Page

In June, SONYMA and its sister agencies, the New York State Housing Finance Agency and the New York State Affordable Housing Corporation (collectively, known as "nyhomes"), were consolidated with the New York State Division of Housing and Community Renewal. All of these agencies, including SONYMA, are now led by New York State Housing Commissioner Brian E. Lawlor. Last month, you may have noticed that we now have a new web home page (www.nyhomes.org). The new page reflects this collaboration between New York State's housing agencies. To get to SONYMA's website, simply click on the nyhomes logo or the SONYMA link, which is located at the top, right side of the home page screen.

Pool Insurer Commitment Timeframes

Both Genworth Mortgage Insurance Corporation ("Genworth") and SONYMA's Mortgage Insurance Fund ("MIF") issue insurance commitments for a 6-month period, starting from the date the loan is approved for mortgage insurance and/or pool insurance. As a reminder, loans not closing within the 6-month commitment period will require a second review by Genworth and/or MIF, as applicable, to ensure the loan application remains a good credit risk. As such, after the 6-month commitment period has expired, Genworth and/or MIF, will require updated credit documentation (paystubs, credit report, bank statements, etc.) and an appraisal update with recent comparable sales. If values have declined since the original appraisal or if the original appraisal is older than 12 months, then a new standard appraisal (i.e., Fannie Form 1004 or Freddie Form 70) will be required. ***The SONYMA loan must close on or prior to the extended expiration date of the MI/pool commitment.***

Approved Project Set-Aside List on SONYMA Website

SONYMA's list of approved Project Set-Asides is now available on our website. It can be found on both the Lender page and the Loan Officer page on our website. Below is a link to this list:

<http://nyhomes.org/Modules/ShowDocument.aspx?documentid=4803>

This Project Set-Aside Approval list is designed to provide you with certain information pertaining to SONYMA's approved condominium and cooperative projects. When reserving loans on our Lender Online (LOL) system, lenders must select the appropriate project name from the drop-down list in the "Project" field. If the project name does not appear on the Lender Online (LOL) drop-down list, please contact our Project Set-Aside Program Director, Marie Cammarata for assistance. If you determine that the number of units are near or close to the allotted loans available for financing, we strongly recommend that you contact Marie to establish if any more units are available for financing. This report is updated bi-weekly and may not be up-to-date at the time of your reservation.

If our project approval has expired, please fax (917-274-0401) or email (mcammarata@nyhomes.org) the following documents for Marie's review, in order to extend the project approval:

- 1) Any amendments filed since the project was approved;
- 2) A recent appraisal; and
- 3) An updated Project Set-Aside Builder/Developer/Sponsor Information Form.

***Disclaimer:** While SONYMA will make every effort to ensure that the information contained in the Project Set-Aside Approval list is accurate, it does not guarantee so.*

Revised Project Set-Aside Builder/Developer/Sponsor Information Form

The link below will take you to an updated version of the Project Set-Aside Builder/Developer/Sponsor Information Form. It is now an interactive PDF which enables you to complete the form electronically:

<http://nyhomes.org/Modules/ShowDocument.aspx?documentid=4539>

Please discard the previous form and begin using this new document immediately.

Hazard Insurance Coverage for Condominiums; Revised Hazard and Flood Insurance Certificate

Fannie Mae Announcement 08-34 requires that borrowers obtain a "walls-in" coverage policy (commonly known as an HO-6 policy) for condominium units, if the condominium master policy does not provide the same interior unit coverage. The master policy must include replacement of improvements and betterment coverage to cover any improvements that the borrower may have made to the unit. The HO-6 insurance policy must provide coverage in an amount that is no less than twenty percent (20%) of the condominium unit's appraised value. The standard requirement for a five percent (5%) deductible is required. Effective for loans registered on or after August 16, 2010, SONYMA will adopt this Fannie Mae policy. To ensure compliance with

this policy, Lenders will be required to execute a revised Hazard and Flood Insurance Certificate (SONYMA Form 216/7-10) for each loan file. By executing this revised form, lenders are warranting, among other things, that the condominium unit has an HO-6 policy, or a master policy with the same type of coverage, in place at time of the loan closing.

Please discard SONYMA Form 216/1-05 and begin using this new document for any loans registered on or after *August 16, 2010*.

Thank you for your interest in our programs. We value our business relationships and look forward to continued success providing financing to first-time homebuyers. If you should have questions concerning the information that is provided in this bulletin, please feel free to contact Marie Cammarata at 212-872-0401 or by email at mcammarata@nyhomes.org.

Sincerely,

A handwritten signature in black ink, appearing to read "George M. Leocata", with a stylized flourish extending from the end.

George M. Leocata
Senior Vice President
Single Family Program

Enclosures



State of New York Mortgage Agency

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

BRIAN LAWLOR
President/CEO

PROJECT SET-ASIDE BUILDER/DEVELOPER/SPONSOR INFORMATION

[INCOMPLETE FORMS WILL NOT BE CONSIDERED FOR REVIEW]

Developer/Builder/Sponsor: _____

Address: _____

Sole Proprietor Partnership Corporation (Profit or Non-Profit)

Names & Addresses of all Principals: **[ATTACHED SEPARATE SHEET, IF APPLICABLE]**

Contact Information:

Contact Person: _____ Title: _____

Address: _____ Phone #: _____

Fax #: _____ Email: _____ Website: _____

SONYMA Lender: _____

Contact Person: _____ Title: _____

Address: _____ Phone #: _____

Fax #: _____ Email: _____ Website: _____

[ATTACH LETTER OF INTENT FROM SONYMA LENDER]

Are you a Neighborhood or Rural Preservation Company funded by the N.Y.S. Division of Housing and Community Renewal? Yes No

Development/Project:

Legal Project Name: _____ Phone #: _____

Site Address _____

Development/Project is located in:

SONYMA Region No. _____ County _____ Census Tract # _____

Click for list of Regions: <http://www.nyhomes.org/Modules/ShowDocument.aspx?documentid=4532>

Development/Project is in a: Target Area Non-Target Area

To determine if a property is in a target area click here: <http://nyhomes.org/index.aspx?page=270> or call 1-800-382-HOME(4663).

To the best knowledge of the Developer/Builder/Sponsor, upon due inquiry and investigation, is the project located or to be located in a jurisdiction in which there is a court decision or court-entered plan to address housing desegregation: Yes No

If the answer is yes, the Developer/Builder/Sponsor is required to attach to this application a copy of a document from the jurisdiction to the effect that the project is consistent with such court decision or court-entered plan.

This development/project is:

New Construction Modular Housing Conversion from Residential Rental
 Rehabilitation Conversion from Other than Residential

Development type:

Standard Subdivision Planned Unit Development (PUD)
 Fee Simple Townhouse Two-Family
 Scattered Site Condominium
 Co-operative Phased Project (Indicate # of units in subject phase _____)

Attorney General Approval received? Yes No

Has the development been submitted to another investor for financing? Yes No

If yes, and development was approved for financing, provide the following information:

Investor(s): _____

Amount of Financing Requested: \$ _____

of units Approved: _____

-OR-

If yes, and development was denied or suspended, please provide reason for declination or suspension:

_____ **[ATTACH CONSTRUCTION LOAN COMMITMENT LETTER]**

Has development received?

Temporary Certificate of Occupancy Yes No
Permanent Certificate of Occupancy Yes No

Total Dollar amount of SONYMA financing requested: \$ _____.

Total number of units in project: _____

Total number of units requested for SONYMA financing: _____

Provide number of units, square footage and purchase price for each unit type for which SONYMA financing is being requested:

1 Bedroom	# _____	_____ sq. ft.	\$ _____
2 Bedrooms	# _____	_____ sq. ft.	\$ _____
3 Bedrooms	# _____	_____ sq. ft.	\$ _____
4 Bedrooms	# _____	_____ sq. ft.	\$ _____
5 or more Bedrooms	# _____	_____ sq. ft.	\$ _____
Total	# _____		

How does Developer/Builder/Sponsor intend to finance construction?

Name of Construction Lender(s), if any, address, telephone numbers, person to contact:

[ATTACH CONSTRUCTION LOAN COMMITMENT LETTER]

Government (Local, State or Federal)/Community Support:

Has government or the community actively participated in and supported this development?

Yes No

If yes, provide the name, address and telephone number of a contact person:

Name: _____ Title: _____

Office: _____

Address: _____ Telephone #: _____

Has government provided financial support (i.e. subsidies, grants?) Yes No

If yes, list below:

Tax Abatement: _____ Annual Amount \$ _____

Grant: _____ Total Amount \$ _____

Source: _____ Per Unit Amount \$ _____

Loan: _____ Total Amount \$ _____

Source: _____

Other: _____ Total Amount \$ _____

Source: _____

[ATTACH AWARD LETTER AND DOCUMENTS RELATED TO
THE AWARD (i.e. NOTE, MORTGAGE, etc.)]

Status of Construction:

Proposed Construction Proposed start date: _____
Anticipated completion date: _____

Under Construction Date Construction started: _____
Anticipated completion date: _____ Percent completed: _____%

Existing Construction Year Completed _____

Conversion Originally Year Built _____
Date of (Proposed) Conversion: _____ Renovation completion date: _____

Has Developer/Builder/Sponsor received SONYMA funds for any other projects? Yes No

If yes, Project Name/Location: _____

PSA #/Year Obtained: _____

Amount: \$ _____

Lender: _____

Neighborhood Characteristics:

Neighborhood Boundaries: _____

Is an appraisal and/or market study available?

Appraisal Yes No Market Study Yes No

Site Information:

Average lot size (excluding Condominiums) _____ sq. ft.

Any Zoning Variance? Yes No [IF YES, ATTACH COPY]

Environmental statement? Yes No [IF YES, ATTACH COPY]

Is the site in a flood plain area? Yes No

To the best of the knowledge of the Developer/Builder/Sponsor and Lender, describe other investments being made in the area. Include residential, commercial and industrial investments. Identify the source including private, municipal, state and federal funding, if known.

Send Project Set-Aside Builder/Developer/Sponsor Information Form to:

**State of New York Mortgage Agency
Single Family Division**

641 Lexington Avenue, 2nd floor
New York, New York 10022

Attention: Marie Cammarata

Project Set-Aside Program Director
Phone: 212-872-0401 Fax: 917-274-0401
Email: mcammarata@nyhomes.org

Builder/Developer/Sponsor

Print Name/Title

Signature

Company

Date

May 7, 2010

HAZARD AND FLOOD INSURANCE CERTIFICATE

SONYMA Loan No.

Closing Date _____, _____

Re: _____

Owner of Record

Location of Insured Premises

TO: State of New York Mortgage Agency

Section I Hazard Insurance

The undersigned Seller hereby certifies that it has in its possession, to cover the above property, a fire insurance policy, or a binder if, under State Law, Seller is authorized to accept a binder issued by an insurer as evidence that insurance loans have been procured, with standard extended coverage, in force and written in accordance with your requirements as set forth in the Seller's Guide.

The undersigned also certifies that this insurance is in the name of the owner of record and contains (or we have ordered and will obtain) a noncontributory standard mortgagee clause in your favor covering all buildings on the premises.

If the property is a condominium unit, the undersigned Seller certifies that the owner's association has purchased a blanket "all risk" policy. Further, the Seller warrants that the borrower has obtained a "walls-in" coverage policy (commonly known as an HO-6 policy), if the condominium master policy does not provide the same interior unit coverage. The undersigned also certifies that the policy is in the name of the board of directors of the owner's association, as trustee for all unit owners and mortgagees according to the loss or damage to their respective units and appurtenant common interests. Such policy also lists SONYMA, its successors or assigns as the certificate holder (as mortgagee) or in the event SONYMA is not listed as a certificate holder, Seller has purchased insurance to cover against any losses as a result of not being named on the condominium's policy as a mortgagee.

If the property is located in a Planned Unit Development (PUD) and if the project's constituent documents permit for a blanket insurance policy to cover both the individual units and the common elements, the undersigned Seller certifies the blanket policy was purchased. Otherwise, the insurance policy was obtained by the mortgagor.

If the property is a cooperative unit, the undersigned Seller certifies that the cooperative corporation has purchased a blanket "all risk" policy. The undersigned also certifies that the policy is in the name of the cooperative corporation (as the insured). Such policy also lists SONYMA, its successors or assigns as the certificate holder (as mortgagee).

In lieu of complying with the above requirements, the undersigned Seller has previously submitted an executed Servicer Hazard Insurance Indemnification Agreement, stating that it will hold SONYMA harmless and indemnify SONYMA against any losses associated with SONYMA not being named on hazard insurance policies or any condominium, cooperative, or PUD master or blanket insurance policy.

Section II Flood Insurance

The Flood Disaster Protection Act of 1973, Public Law 93-234, and the National Flood Insurance Reform Act of 1994, Public Law 103-325, requires that properties located in certain areas must be insured for flood damage in an amount not less than as stated in the Seller’s Guide. We understand that it is our responsibility to determine whether the above property is located in a Special Flood Hazard Area (SFHA) as identified by the Director of the Federal Emergency Management Agency (FEMA).

This is to certify that we have made the aforementioned determination, and if required, the flood insurance policy has been obtained and is presently in our possession. If flood insurance is not required, we certify that the captioned property is not located within a SFHA as of the closing date. If we are acting as Servicer on behalf of SONYMA, we further understand that we must monitor FEMA remappings for the entire term of the mortgage loan and upon finding that the above property has been remapped into a SFHA, we will immediately secure flood insurance coverage in the required amount.

If the property is a condominium unit, planned unit development (PUD) unit or cooperative unit, the undersigned Seller certifies that a blanket flood insurance policy is maintained if the building(s) containing the unit is located in a SFHA. Such policy covers the common elements of the project, including machinery and equipment that are a part of the building(s).

Seller (Lender)

By: _____

Title: _____