



SONYMA Master Servicer Transfer Requirements for Non-Servicing Sellers

Effective 7/22/2016

This document outlines procedures for the transfer of servicing of Mortgage Loans to SONYMA's master servicer, M&T Bank (the "Master Servicer" or "M&T"). Non-servicing Sellers must comply with all requirements listed within this document. Failure to do so may result in SONYMA suspending the Seller from taking new loan applications. Please note that any capitalized words or terms shall mean those as defined in the Seller's Guide.

A. NOTIFICATION TO MORTGAGOR OF SERVICING TRANSFER

SONYMA requires that the Seller transfer the servicing of all Mortgage Loans to the Master Servicer immediately upon closing. It is critical that:

- The Seller advise Borrowers at or prior to closing that M&T Bank will be servicing their loan
- The Seller not process any servicing transactions prior to transfer
- All mortgage payments received are sent to M&T for processing
- The Mortgage Loan is inactive on the Seller's servicing system at the time of transfer

Attached are samples of a Good-Bye letter ([Exhibit 1](#)) and a Notice of Assignment of Servicing ([Exhibit 2](#)) the Seller may use as a prototype to advise Borrowers of the transfer. Providing the Borrower with these notices will suffice for this purpose.

B. SUBMISSION OF REQUIRED CHECKS AND LOAN DOCUMENTS TO MASTER SERVICER

The Seller must send copies all required documents in the Mortgage Loan File along with checks for the initial escrow deposit, tax service fee, and flood certificate fee (*if applicable*) to the Master Servicer within five business days of the Closing Date.

Please ensure that each check is properly endorsed to M&T Bank. Each file should contain copies of all the documents listed on the attached M&T Bank Closing Transmittal for SONYMA Loans ([Exhibit 3](#)). The Seller should not confuse the copy documentation required on the M&T Closing Transmittal Form for SONYMA Loans with the original documentation required to be submitted to SONYMA as described in [Post-Closing File Review Specifications](#). Mortgage Loan files are to be sent to the attention of:

M&T Bank
Attn: Mortgage New Loan Set Up
1 Fountain Plaza, 4th Floor
Buffalo, NY 14203

C. USE OF FLOOD INSURANCE VENDOR

To comply with the National Flood Insurance Reform Act of 1994 (the Flood Act), The Seller must obtain a life-of-loan flood zone determination certificate on any loans secured by real estate.

M&T requires that all SONYMA Sellers use CoreLogic Flood Services, Inc. Any flood determination certificate obtained from a company other than CoreLogic will be converted by M&T to a CoreLogic certificate. **The fee for each conversion is \$2.00.** A separate check made payable to M&T Bank should be attached to the inside cover of the loan file.

The following is the address and the phone number to contact CoreLogic:

CoreLogic Flood Services, Inc.
11902 Burnet Road - Suite 400
Austin, TX 78758-2902
1-800-447-1772

D. SERVICING PROCEDURES

Below please find the guidelines to be used when transferring a loan to the Master Servicer. Each Mortgage Loan file, and the documents contained therein, must be identified by the assigned SONYMA loan number and the Seller loan number. The Seller retains all responsibilities and warranties as provided in the Mortgage Purchase Agreement including the requirement for repurchase of defective mortgage loans as described in Section 6 of the Mortgage Purchase Agreement. Adherence to the following requirements will expedite the purchase of Mortgage Loans by SONYMA.

1. Interest

In the event the Closing Date and Purchase Date occur in the same calendar month, SONYMA will net out, on the Purchase Date, the prepaid interest due SONYMA. The Seller will receive any interest due from the closing date through the day prior to the Purchase Date. Interest will be calculated as follows:

$$[(\text{Original Loan Amount} \times \text{Interest Rate}) \text{ divided by } 360 \text{ days}] \times (\# \text{ of days commencing from the Purchase Date to the end of the month}).$$

Example: If a Mortgage Loan with an interest rate of 7.50% and \$100,000 original loan amount was closed on May 2nd and purchased by SONYMA on May 10th, SONYMA would net from the purchase amount of the loan interest in the amount of \$458.33 $[(\$100,000 \times 7.50\%) \text{ divided by } 360] \times 22 \text{ days (May 10th through May 31st)}$.

If a Mortgage Loan is purchased in a subsequent month or months after the Closing Date, the Master Servicer will apply the above formula and reimburse any interest due to the Seller from the Borrower's payment(s) within thirty (30) days of receiving SONYMA's new loan trial balance for that Mortgage Loan.

The Seller will be responsible for reporting any interim interest collected at closing (IRS Form 1098).

2. Escrow Requirements

An Initial Escrow Account Disclosure Statement ([Exhibit 4](#)), in accordance with current Real Estate Settlement Procedures Act (RESPA) requirements, must be delivered to the Borrower prior to transfer of servicing. This statement must include a 12-month balance projection. The initial escrow deposit must be calculated by using the Aggregate Accounting method required by RESPA. A photocopy of this statement must be provided in each loan file.

Note: Escrow is not collected for a DPAL.

The Master Servicer requires a two-month cushion to be collected on all new SONYMA loans. Please note that the PMI portion of the escrow payment is not included as part of the cushion amount:

For Example,

\$ 100	One-Twelfth of Total Taxes and Insurance
+ 35	Monthly PMI Premium
\$ 135	Total Monthly Escrow Payment

$(\$135 - \$35 = \$100 \times 2) \$200 =$ Two-month cushion amount required

A separate check for the entire Initial Escrow Deposit should be made payable to M&T Bank and should be attached to the inside cover of the loan file.

A sample Initial Escrow Account Disclosure Statement is attached.

3. Taxes

If a tax bill has already been issued at the time of closing, The Seller is responsible for ensuring that it is paid at the closing.

The Seller must ensure that all taxes due within 30 days of closing are paid.

Note: New York City taxes are paid quarterly and the Master Servicer requires The Seller to include the frontage tax (if the property is not metered) in the escrow account. The Seller must not collect for Pumping Stations and Meter charges.

A separate check for the tax service fee check of \$75.00 should be made payable to M&T Bank and should be attached to the inside cover of the loan file. (Please note effective with applications dated August 1, 2016 this fee is increasing to \$82.50)

Note:

There must be a complete copy of the title search.

4. Hazard Insurance

A legible copy of the hazard insurance policy or binder along with a paid receipt for the first year's premium must be included in the file.

As of the Closing Date, the mortgagee clause of the Hazard Insurance Policy must read as follows:

**State of New York Mortgage Agency
c/o M&T Bank
P.O. Box 5738
Springfield, OH 45501-5738**

5. Flood Insurance

A legible copy of the Flood Insurance Policy or Binder along with a paid receipt for the first year's premium must be included in the file if property is in a flood zone.

6. Private Mortgage Insurance (if applicable)

It is imperative that the file include the PMI certificate. At the time of closing, The Seller is required to notify the PMI Company that the coverage has been assigned to:

**State of New York Mortgage Agency
c/o M&T Bank
Attn: Mortgage Servicing Department
P.O. Box 1288
Buffalo, NY 14240-1288**

Note: PMI is not required for a DPAL.

The enclosed Statement of Monthly Requirements for Escrow Accrual must be completed and included with the Mortgage Loan file. ([Exhibit 5](#))

7. MERS Requirements

For all loans closed in the name of MERS, the loan must be assigned out of MERS to SONYMA. A copy of the assignment transferring from MERS to SONYMA must be included in the loan packages and sent to both M&T Bank and SONYMA. The originating lender is responsible for deactivating loans in MERS and ensuring MERS compliance.

For further direction regarding MERS requirements for SONYMA loans, review the [SONYMA Post Closing Requirements](#).

E. CONTACT INFORMATION

Contacting M&T Bank:

- If the Seller has any questions regarding the above outlined procedures, please contact the Mortgage New Loan Setup team at NEWLOAN@mtb.com. Please note this address is for the Seller only.
- If borrowers have questions regarding their mortgage, they can contact M&T Customer Service at 1-800-724-2224.

Contacting SONYMA:

To determine the status a loan purchase with SONYMA, Sellers can access <https://www.sonymaonline.org/> or call SONYMA at 1-800-382-4663.

F. IRS W-9 FORM

The Master Servicer is required by the Federal Government to solicit for tax identification numbers (Social Security Numbers) from new Mortgagors who will have an escrow account on which interest will be paid. They normally solicit for tax identification numbers at the loan closing by having the Mortgagor(s) complete an IRS W-9 form. A blank W-9 form can be found [here](#).

Note to the Sellers: Please fill in all information in (brackets).

IRS W-9 FORM COMPLETION INSTRUCTIONS

Please review the instructions on both the front and back of this form to become familiar with the information required by the IRS. Briefly, the information required by the borrower includes:

1. Name - Enter the borrower's name shown on the mortgage account. If a co-borrower, enter that name as well
2. Address - Enter the street address
3. City, State and Zip Code - Enter the address, city name, state and zip code.
4. Account Number - Leave blank
5. Taxpayer Identification Number - Enter either the borrower's Social Security number or the borrower's Employer Identification number. (See guidelines on back of W-9 form to determine which number to enter)
6. Signature - The borrower, after entering the information at the top of the form, should sign on the signature line
7. Date - The date the form was prepared should be entered

G. NYS FORM RP-954

New York State property tax collectors require a Form RP-954 to be submitted for mortgaged properties with a tax escrow account. The Form RP-954 provides authorization by the Mortgagor(s) for the Servicer to receive property tax bills. Enclosed is a sample copy of this form as well as instructions on how it should be completed by the Mortgagor(s). A blank RP-954 form can be found [here](#).

FORM RP-954 COMPLETION INSTRUCTIONS

The information required by the borrower includes:

1. Date - Enter the loan closing date
2. Name(s) - Enter the mortgagor(s) name on the mortgage account
3. Address of Property Subject on Tax Escrow Account - Enter property street address
4. City/Town (4) State and Zip Code (5) County - Enter the city or town name, state, zip code, and county of the property address
5. Property Identification - Enter the property tax identification number as shown on the property assessment roll
6. Owner's Mailing Address - Enter the mortgagor's mailing address
7. Signature(s) - The mortgagor(s) are required to sign on the signature line
8. Date - Enter the date of the mortgagor(s) signature

**SAMPLE GOOD-BYE LETTER
(ON LENDER'S
LETTERHEAD)**

November 2, 20XX

Borrower
Borrower
Address
City, State ZIP

RE: Mortgage Account #: XXXXXXXXXX

Dear Customer:

We are writing to notify you that the servicing of your SONYMA mortgage loan [including any second mortgage for a Down Payment Assistance Loan (DPAL)] will be transferred from *(Lender Name)* to M&T Bank. This is a common practice in the mortgage industry and will not affect the terms and conditions of your mortgage.

To ensure a smooth transfer to your new servicer, beginning with your first payment, please make payable and mail all payments to M&T Bank, beginning with your first payment. Payments and correspondence directed to M&T Bank should be sent as follows:

Payments

M&T Bank
P O Box 62182
Baltimore, MD 21264-2182

Correspondence

M&T Bank
Attn: Customer Service
P O Box 1288
Buffalo NY 14240-1288

In January 20XX, *(Lender Name)* will send you a mortgage statement reflecting activity on your loan from January 1, 20XX through the date that SONYMA purchases your loan. M&T Bank will furnish you with a statement from SONYMA's purchase date through December 31, 20XX. You will need to combine this information when filing your tax returns.

Please refer to the enclosed notice for more detailed information concerning this transfer. It has been our pleasure to have served you. Please feel free to contact us at 1-800-xxx-xxxx if you have any questions concerning this transfer.

Sincerely,

John Doe
Vice President
Residential Mortgages

SAMPLE**NOTICE OF ASSIGNMENT, SALE OR TRANSFER OF SERVICING RIGHTS**

We are writing to advise you that the servicing of your mortgage loan, that is, the right to collect payments from you, is being transferred from (*Lender Name*) to M&T Bank effective (*closing date*).

The assignment, sale or transfer of the servicing of your mortgage loan does not affect any term or condition of the mortgage instruments, other than terms directly related to the servicing of your loan.

Except in limited circumstances, the law requires that your present servicer (*Lender Name*) send you this notice at least 15 days before the effective date of transfer. Your new servicer must also send you this notice no later than 15 days after this effective date.

Your present servicer is (lender name). Our business address is (Lender's address). If you have any questions relating to the transfer of servicing from your present servicer, please contact our Customer Service Department at 1-800-XXX-XXXX between the hours of XX am and XX pm Monday – Friday. This is a toll free number.

M&T Bank is your new servicer. Their business address is: PO Box 1288, Buffalo NY 14240-1288. Their toll-free number is: **1-800-724-2224**. If you have any questions relating to the transfer of servicing to your new servicer, please contact their Customer Service Department between 8:30 a.m. and 8:00 p.m. (EST) Monday through Friday.

(*Lender Name*) will stop accepting payments from you effective (*closing date*). M&T Bank will begin accepting payments from you on (*day after closing date*). Please send all payments due on or after that date to M&T Bank.

The transfer of servicing rights may affect the terms of or the availability of mortgage life, disability or any other type of optional insurance in the following manner: This coverage will XXX

During the 60-day period beginning on the effective date of transfer of the servicing of any mortgage loan, if the transferor servicer (rather than the transferee servicer that should properly receive payment on the loan) receives payment on or before the applicable due date (including any grace period allowed under the mortgage loan instruments), a payment may not be treated as late for any purpose.

**Originating Lender's Name
Address
City, State ZIP**

M&T Bank Closing Transmittal for SONYMA Flow Loans

Effective 7/22/2016

Seller/Lender Name: _____

Preparer Name: _____

Preparer Phone Number: _____

Preparer Email Address: _____

Borrower Last Name(s): _____

Instructions:

Please complete this form and include it with the loan file, which is to be sent to M&T Bank within 5 business days of loan closing. For timely processing, please include all documents in the order listed below and do not include original documents in the file.

Please Indicate:

Is this a SONYMA Remodel New York Loan? (Y/N) _____

Is this loan a Cooperative Share Loan (Co-op)? (Y/N) _____

Does this loan include a Down Payment Assistance Loan (DPAL)? (Y/N) _____

Does this loan include a First Home Club Grant? (Y/N) _____

Are there any other Grants included with this loan? (Y/N) _____

- If yes, please list them here:

Check Requirements:

Please include all checks with the loan file for timely processing.

Document Name	Included (Y/N)	Comments:
Escrow Deposit <i>*Should match the Initial Escrow Payment (G) on the Closing Disclosure</i>		
Tax Service Fee <i>\$75.00 – for applications dated before August 1, 2016</i> <i>\$82.50 – for applications dated on or after August 1, 2016</i>		
Flood Certificate Fee - \$2.00 <i>*Only required if flood insurance vendor is not CoreLogic</i>		

Required Documents – Please send in the order listed below:

Document Name	Included (Y/N)	Comments:
Note		
Unrecorded Mortgage <i>*With Legal Description of the property</i>		
Additional copy of the Legal Description		
Unrecorded Assignment of Mortgage (Form 202)		
New York State RP-954		
Additional copy of New York State RP-954		
Mortgage Loan Application (1003)		
IRS W-9 <i>*Required for all borrowers)</i>		
Complete Appraisal <i>*Including census tract, flood information, and appraised value</i>		
Closing Disclosure / HUD1 for First Mortgage		

Initial Escrow Disclosure Statement <i>*Utilizing 2 month cushion, less MIP/PMI</i>		
Escrow Accrual Sheet		
Last Tax Receipts		
Tax Search		
Hazard Insurance Policy		
Flood Insurance Policy, If Applicable		
Life of Loan Flood Zone Determination Certification		
Pool Insurance Certificate		
Private Mortgage Insurance Certification, If Applicable		
PMI Disclosure Statement, If Applicable		
Final Title Policy or Preliminary Title Insurance Report		
Remodel NY Maximum Mortgage Worksheet, If Applicable		

Co-op Requirements, If Applicable – Please send in the order listed below:

Document Name	Included (Y/N)	Comments:
UCC1 <i>*Filed by the lot and block – valid until termination</i>		
Filed UCC1CAAd		
UCC3		
SONYMA Assignment of Loan		

Second Mortgage Grant Requirements, If Applicable– Please send in the order listed below:

Document Name	Included (Y/N)	Comments:
Unrecorded DPAL Enforcement Note & Mortgage		
Closing Disclosure / HUD1 for DPAL Mortgage		
Unrecorded Assignment of Second Mortgage for DPAL (Form 202)		
Filed UCC1 for DPAL		
Filed UCC1CAAd for DPAL		
UCC3 for DPAL		
Notes for Non-DPAL Grants and All Other Grant Documentation		

Please send copies of all applicable documents listed above to:

M&T Bank
Attn: Mortgage New Loan Set Up
1 Fountain Plaza, 4th Floor
Buffalo, NY 14203

Lender Resources:

- Requirements for Transferring Servicing to SONYMA’s Master Servicer, M&T Bank
 - <http://www.nyshcr.org/assets/documents/TransferServicing.pdf>
- To determine the status of your loan purchase with SONYMA, follow the link below
 - <https://www.sonymaonline.org/>

Date:

Name
Address
City, State, Zip

Loan Number:

Initial Escrow Account Disclosure Statement

This is an estimate of activity in your escrow account during the next 12 months based upon payments anticipated to be made from your account.

Month	Payments to Escrow Account	Payments from Escrow Account	Description	Escrow Account Balance
Initial Deposit				\$252.72
Nov	\$43.89			43.89
Dec	\$43.89		County Tax	87.78
Jan	\$43.89			131.67
Feb	\$43.89			175.56
Mar	\$43.89			219.45
Apr	\$43.89			263.34
May	\$43.89			307.23
Jun	\$43.89			351.12
Jul	\$43.89			395.01
Aug	\$43.89	\$274.00	Insurance	164.90
Sep	\$43.89			208.79
Oct	\$43.89			252.68

(Please keep this statement for comparison with the actual activity in your account at the end of the escrow accounting computation year.)

Cushion Selected by Servicer: **\$43.89**

Your monthly payment for the coming year will be \$669.87 of which \$625.98 will be for principal and interest and \$43.89 will go into your escrow account.

Should you have additional questions concerning this statement, please contact our Customer Service Department at 1-800-XXX-XXXX.

STATEMENT OF MONTHLY REQUIREMENTS FOR ESCROW ACCRUAL No. _____

Mortgagor _____

Address _____

Re: Property _____

INSURANCE	EXP. DATE	TERM	PREMIUM	PAYMENT	NO. MOS.	TOTAL ACCRUAL
Fire						
Flood						
P.M.I. or F.H.A.						
TAX	DUE		ANNUAL AMOUNT			
City or Village Tax						
Sewer Rent						
County Tax						
School Tax						
Escrow Accrual						
Principal and Interest						
Total Payment						

Plot and Parcel Number or Tax Number _____

Township _____

School District _____

City of Village _____

IT WILL BE NECESSARY FOR YOU TO PAY THE FOLLOWING TAX BILL WHICH WILL BE DUE AND PAYABLE WITHOUT PENALTY ON _____.

_____ CITY TAX _____ SCHOOL TAX _____ COUNTY TAX _____ VILLAGE TAX

Thereafter, all real estate taxes in connection with this mortgage will be paid by M&T Bank, from the tax escrow account established on your behalf.

It is required by M&T Bank that the entire bill be paid by that date.

The undersigned agrees to pay the above tax by _____ and mail a copy of the paid bill to:

M&T Bank
 Escrow Department
 P.O. Box 1288
 Buffalo, New York 14240

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