

7 – RESERVATION PROCESS



IN GENERAL

Program funds may be reserved using a first-come, first-served reservation system. Funds may be reserved once an individual has a fully executed (signed by both buyer and seller) Purchase and Sale Agreement, has demonstrated completion of a Commission sponsored Homebuyer Education seminar, has completed a loan application with a Mortgage Lender, and appears to meet Program compliance.

MAKING A RESERVATION

The Mortgage Lender can reserve funds using the On-line Reservation System described in the following pages of this section. Rate locks on a reservation may be made from 9:00 am – 4:00 pm Prevailing Pacific Time Monday through Friday excluding holidays.

MAKING A RESERVATION COMBINED WITH THE MORTGAGE CREDIT CERTIFICATE PROGRAM

If also using the Mortgage Credit Certificate Program (MCC) in conjunction with the Home Advantage program, a separate reservation and a separate approval to close the loan is required by the Commission. It is highly recommended to send in the Pre-Closing Compliance package and receive an approval from the Commission prior to locking the rate for the Home Advantage program.

MANDATORY DELIVERY DATES

Lenders will have 40 days from the date of closing to clear the loan exception with no penalty. If the loan is not cleared until 41 days from the date of loan closing, the lender will be charged a late delivery fee of 50 basis points (0.50%) of the principal purchase. Applicable extension fees still apply. If the file is not cleared by the 71st day from the date of loan closing, original Notes will be returned to the lender and the loan(s) will not be purchased. Lenders not meeting mandatory delivery dates will pay extension fees as described below. Lenders not meeting mandatory delivery dates on a regular basis are subject to removal from the Program at the sole discretion of the Commission.

EXTENSIONS TO RESERVATIONS

An extension (either 7, 15 or 30 days) to a reservation must be made electronically in writing by 4:00 pm **prior** to the expiration of the lock and sent to homedocs@wshfc.org for approval using the Rate Lock Extension Form provided on our Website at <http://www.wshfc.org/sf/HAforms.html>. These fees are sent via ACH Transfer to the Commission at loan closing. If the request for an extension is made post-closing, the Lender will ACH Transfer the funds to the Commission upon receipt of invoice from Commission.

Extensions will **not** be accepted via telephone, fax, or through an email to an individual employee of the Commission. An extension will require approval by the Commission and will be subject to market conditions. A fee of .09375% of the loan amount will be applied to 7 day extensions. A fee of .18750% of the loan amount will be applied to 15 day extensions. A fee of .037500% of the loan amount will be applied to 30 day extensions. Fees may be higher depending on market conditions. An acknowledgement of the received email and approval will be sent back to the Lender on the same business day for all extensions made prior to 4:00 pm and a condition with the appropriate fees will be posted to Mitas.

If the Lender fails to extend the lock prior to expiration of the reservation, the Commission is not obligated to purchase the loan.

CHANGES TO A RESERVATION

Changes to a loan reservation can be made by the Lender on-line until a file is submitted for pre-closing compliance approval and then afterwards by emailing changes to homedocs@wshfc.org. Changes can be made for the following reasons:

1. Increasing or decreasing the loan amount
2. Increasing or decreasing the purchase price
3. Adding or deleting Borrower
4. Changing the amount of Downpayment Assistance

EXPIRED RESERVATIONS AND CHANGES IN PROPERTY

The Commission's loan reservation policy authorizes the Lender to make a reservation for funds on behalf of the borrower(s) for a set period of time (lock period). After completing the reservation, the Lender may not cancel and re-reserve funds to obtain a lower interest rate. This policy applies to both existing and expired loan reservations. Extensions to existing or expired reservations are at the sole discretion of the Commission and fees will apply.

Extensions to an expired reservation will be based on worst pricing methodology. Worst case pricing is defined as the minimum of the following:

1. Original rate lock price plus 30 day extension fee
2. New reservation based on current pricing

In the event the purchase and sale contract is terminated and **the lock has expired**, if the borrower subsequently enters into a contract for a different property, the Lender may complete a new reservation for funds. However, the higher of the two rates apply.

In the event the purchase and sale contract is terminated and the Borrower subsequently enters into a contract for a different property **within the lock period**, the Lender must provide to the Commission the new property address and loan amount. The Lender will be expected to deliver the loan within the lock period.

Lenders who make duplicate reservations will be subject to pair-off fees.

CANCELED RESERVATIONS

Lenders can cancel their reservation on-line until a file is submitted for pre-closing compliance approval and then afterwards by emailing homedocs@wshfc.org.

If the lender cancels a reservation lender cannot re-reserve for the same property until 60 days has lapsed from the day the reservation was cancelled or the original lock will be reinstated and loan must be delivered within the original lock period or extensions fees will apply.

RESERVATION TRANSFER

At the Borrower's option, a Mortgage Lender may request that a reservation be transferred to the requesting Mortgage Lender from the Mortgage Lender who made the original reservation. The new Lender will be expected to deliver the loan within the lock period and pay extension fees as applicable. This can be done by submitting a letter or email from the Borrower to the Commission. The requesting Mortgage Lender must include a cover letter that outlines the situation and includes a letter or email from the Borrower requesting the transfer. This must be done prior to the original Mortgage Lender canceling the reservation. Only one transfer per Borrower is allowed. A Borrower may not have more than one reservation any one time.

STATUS OF LOANS

Mortgage Lenders can review status of loans on-line on a regular basis. See the **Loan Tracking Status** section of this chapter for further information and instructions.

ON-LINE RESERVATION SYSTEM

To access the On-line Reservation System, type in the following Internet address:

<https://www.mitas.com/wshfc/>

Following are step-by-step instructions for entering data onto each screen of the On-line Reservation system:

Originator Logon Screen

1. Web Profile
Choose “Lender”
2. Originator
This number is the three-digit number assigned to your organization.
3. Branch
This is the three or four digit number assigned to your branch location.
4. User Name (IN ALL CAPS – NO SPACES)
5. Password
All personnel, unless authorized in writing by the Mortgage Lender’s contact, registered with the Commission will receive a Password from the Commission prior to being authorized to enter new reservations or view the pipeline status of loans. For security purposes, if prompted to change your password, the new password must be a minimum of 5 characters.
6. Login
If all of the information you have entered on the Originator Logon Screen is correct, select the Login button.
7. Clear
If the information you have entered on the Originator Logon is incorrect, move back to the appropriate field or click on the Clear button and re-input the data.

On the next screen displayed, select the **New Loan Application** button to go to the **Available Allocations** screen.

Available Allocations Screen

Select the interest rate and fee option.

Loan Information Screen

Do not use the Data Import Button

The following information is entered:

1. Mortgagor First Name and Middle Initial (IN ALL CAPS)
2. Mortgagor Last Name (IN ALL CAPS)
3. Mortgagor Social Security Number (use the following format: XXX-XX-XXX)
4. Loan Amount (use whole dollars only)
5. Purchase Price (use whole dollars only)
6. Improve Cost (leave blank)
7. Loan Type (select appropriate entry from the drop down box)
8. Date of Expected Closing (use the following format: MO/DA/YEAR)
9. No. in Household

10. No. of Wage Earners
11. Originators Phone Number
12. Originators Fax Number
13. Lender 1st Mortgage Loan Number (if applicable)

When all of the information is keyed, click on the **Property** button at the left side of the screen.

Property Screen

The following information is entered:

1. Street
2. City
3. State (select appropriate entry from the drop down box)
4. ZIP
5. Census Tract (if new construction and you cannot verify the census tract, enter “999”)
6. County Code (select appropriate entry from the drop down box)
7. Targeted Area (select appropriate entry from the drop down box)
8. Division Area (leave blank)
9. New/Existing Construction (select appropriate entry from the drop down box)
10. Construction Type (select appropriate entry from the drop down box)
11. Check if Attached Structure
12. Construction Style (click on button for appropriate choice)(optional)
13. Year Built
14. Lot Size
15. Number of Units, Number of Rooms, Number of Bedrooms, Number of Baths (Optional)
16. Square Foot of Residence

When all of the information is keyed, click on the **Additional Information** button at the left side of the screen.

Additional Information Screen

The following information is entered:

1. Borrower Homebuyer Education Certificate Number
2. Co-Borrower Homebuyer Education Certificate Number
3. Priority Project (if applicable, select appropriate entry from drop down box)
4. No. of Elderly Persons in the Household
5. No. of Handicapped Persons in the Household

When all of the information is keyed, click on the **Mortgagor** button at the left side of the screen.

Mortgagor Screen

The following information is entered:

1. Prior Homeowner (select appropriate entry from drop down box)
2. Date of Last Occupancy (use the following format. MO/DA/YEAR)
3. Current Address/Street
4. City
5. State (select appropriate entry from the drop down box)
6. ZIP
7. Home Phone (use the following format: XXX-XXX-XXXX)
8. Work Phone (use the following format: XXX-XXX-XXXX)
9. Ethnicity (select appropriate entry from the drop down box)
10. Gender (click on button for appropriate choice)
11. Marital Status (select appropriate entry from the drop down box)
12. Date of Birth (use the following format: MO/DA/YEAR)
13. Age at Application
14. Years of Schooling
15. Number of Dependents
16. Occupation (select appropriate entry from the drop down box)
17. Years in Profession
18. Credit Score (enter middle credit score; if no credit score, enter “999”)
19. Other Household Income (Household members other than mortgagor or co-mortgagor)
20. Income (select appropriate entry from drop down box, enter appropriate income type and monthly income)

When all of the information is keyed, click on the **Co-Mortgagor** button at the left side of the screen. If you do not have a co-mortgagor, skip the Co-Mortgagor screen section and click on the **Submit** button on the left side of the screen.

Co-Mortgagor Screen

The following information is entered:

1. Name (first, middle initial and last name IN ALL CAPS)
2. Social Security Number (use the following format: XXX-XX-XXX)
3. Current Address/Street
4. City
5. State (select appropriate entry from the drop down box)
6. ZIP
7. Home Phone (use the following format: XXX-XXX-XXXX)
8. Work Phone (use the following format: XXX-XXX-XXXX)
9. Relationship to Borrower (select appropriate entry from the drop down box)

10. Ethnicity (select appropriate entry from the drop down box)
 11. Sex (click on button for appropriate choice)
 12. Marital Status (select appropriate entry from the drop down box)
 13. Date of Birth (use the following format: MO/DA/YEAR)
 14. Age at Application
 15. Years of Schooling
 16. Number of Dependents (if different than mortgagor)
 17. Occupation (select appropriate entry from the drop down box)
 18. Years in Profession
 19. Credit Score (Optional)
 20. Income (select appropriate entry from drop down box, enter appropriate income type and monthly income)
- Please continue to key in all additional Co-Mortgagors.

Push the **Submit** button on the left side of the screen.

Confirmation of On-Line Reservation

When all of the information is keyed, click on the **Submit** button at the left side of the **Co-Mortgagor** screen. Once the **Submit** button is selected, you will receive a **Loan Detail** that you can print for your file. To print the Loan Detail, use the print option on your toolbar. The “Print Documents” button is not functioning. Please double check the last loan status listed to ensure that it shows “reservation” as the status.

Completed reservations will receive a Commission loan number. This loan number remains with the reservation throughout the origination process and becomes the permanent loan number.

If the status shows as “incomplete reservation”, it probably does not meet one of the audit checks listed below:

1. Income Limits
2. Applicable Fields Completed – all fields must be completed

2nd Mortgages

To reserve 2nd mortgage funds, stay in the **Loan Detail** screen and click on the **Reserve Second** button at the top of the screen. Select the appropriate down payment assistance program. To add a second mortgage for the same property and borrower, complete the following information in the **Additional Mortgage** screen:

1. Loan Amount for the 2nd

When all of the information is keyed, click on the **Submit** button at the left side of the **Additional Mortgage** screen. Once **Submit** button is selected, you will receive a **Loan Detail** that you can print for your file. Please double check the loan amount and the loan status to ensure that it shows “reservation” as status.

Tracking Loan Status

All loans can be reviewed on line using individual Originator codes/passwords or by using Pipeline codes/passwords assigned to each Lender. If Pipeline codes/passwords are being used, follow the steps listed in the **Originator Logon Screen** section with these changes:

Under the Web Profile, choose “Lender Inquiry”

Under Branch, enter “0” (zero)

Click on **View Pipeline** to view all loans and waiting list status.

Click on **Loan Detail** for information on a particular loan.

The **Address Maintenance** option is currently not in use.

Click on **Reports** to view status and conditions for files.