

12 – LOAN PURCHASE AND DELIVERY



IN GENERAL

The entire closed Mortgage Loan package should be reviewed for completeness and accuracy before shipping to ServiSolutions or Lakeview Loan Servicing for purchase. The loan must close within 50 days of reservation and purchased by ServiSolutions or Lakeview Loan Servicing within 60 days of reservation.

AMORTIZED LOAN BALANCE

When Mortgage Loans are purchased, loan servicer will determine the principal balance and current escrow reserves, based on an amortized balance. ServiSolutions or Lakeview Loan Servicing will purchase loans on a non-delinquent, normal payment, normal escrow disbursement status.

TIMING AND DELIVERY OF CLOSED LOANS

The closed mortgage loan package is to be received by correct loan servicer within 10 days of loan closing.

1. Lenders must check the closed loan package to confirm all items listed on the Funding Checklist are included in the package. Loans will not be funded if any of the items on the checklist are missing or incorrect.
2. All First Mortgage loans purchased by ServiSolutions or Lakeview Loan Servicing will require mandatory registration with MERS. No assignments will be accepted for first or second mortgages. Lenders must transfer all applicable rights in MERS to ServiSolutions or Lakeview Loan Servicing immediately after purchase.
3. Utilize the provided File Stacking Order Checklist (ServiSolutions) or Delivery File Checklists Credit and Closing (Lakeview Loan Servicing) as found on the Commission's Website at <http://www.wshfc.org/sf/HAforms.html>

Upon completion of the closed loan file compliance review, the mortgage loan(s) will be funded if the file is complete and is in compliance with all requirements. Closed loan packages will not be funded until all required fundable documentation has been received and all compliance issues cleared.

PENALTIES WITHHELD FROM FUNDING.

Lenders have 10 days from loan closing to deliver the complete closed loan package to ServiSolutions or Lakeview Loan Servicing. A loan is considered to be in a fundable condition

when a complete closed loan package is delivered without errors or missing documents. Also, loans with delinquent payments will not be purchased.

ServiSolutions:

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 purchased. 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. This section does not override any applicable lock expiration period. Extension fees may be required by Washington State Housing Finance Commission if the loan is not funded by the applicable expiration date. The amounts of all fees and penalties are subject to change. Please refer to the current schedule of penalties and fees located at www.servsol.com for the most current information.

ServiSolutions will be under no obligation to review or purchase mortgage files delivered after the Final Loan Submission Date.

The Request for Funding Checklist Form list all the documents required for submission of a closed loan package to ServiSolutions for purchase. The file must be delivered with the documents in the order shown on the funding checklist.

Lakeview Loan Servicing:

Loans must not be aged more than 45 days from the loan closing date until the time the loan is delivered to Lakeview for purchase. This includes the date the credit and closing file is received and the loan is eligible for purchase. All loans must be purchased by Lakeview within 60 days of the note date. Original notes will be returned to the lender's warehouse bank as requested by the lender for loans that will not be purchased.

DELIVERY ADDRESS

For ServiSolutions:

Loan packages must be sent to the following address. Follow up conditions may either be faxed to 334-244-9213, or sent to the following address, according to document requirements:

ServiSolutions
Attn: Funding and Delivery
7460 Halcyon Pointe Drive, Suite 200
Montgomery, AL 36117

Email address for suspense conditions: WSHFPostClosing@ahfa.com

ServiSolutions will review each file to verify that all documentation is complete and that the loan file is in conformity with the terms and conditions of the Program Manual and the Mortgage Origination Agreement.

For Lakeview Loan Servicing:

Loan packages can be delivered electronically at www.lakeviewcorrespondent.com, Seller Portal or mailed to:

Lakeview Loan Servicing, LLC, c/o MRN Cubed, LLC
6201 Technology Drive, Suite 104
Frisco, TX 75034

WIRE/ACH TRANSFER INSTRUCTIONS

ServiSolutions:

If ACH transfer instructions change, immediately notify ServiSolutions by faxing the revised “Funding Authorization Form” to the attention of ServiSolutions Funding and Delivery Department at 334-244-9213 listing one account. The Funding Authorization Form can be found on the Commission’s Website. ServiSolutions will not be responsible for ACH transfers if the notification was not sent. ServiSolutions offers lenders the option to receive funds via wire transfer to a designated account at the lender’s direction. A fee of \$20 per wire transaction will be netted out of your funding if you choose this option. However, ACH transfers will remain available free of charge.

Lakeview Loan Servicing:

Lakeview Loan Servicing will wire to the lender’s warehouse bank according to the instructions provided by the warehouse bank on the Bailee Letter received with the original note.

Wire instructions will be required in lieu of the Bailee Letter on the following approved exceptions:

- o Sellers with Tri-Party agreements
- o Sellers with a Master Bailee
- o Sellers with a Regulated Financial Institution parent
- o Warehouse Banks not issuing Bailee Letters

In these cases, Wire Instructions should be delivered with the Original Note.

LOAN PURCHASE SCHEDULE/FUNDING

ServiSolutions:

ServiSolutions will issue an ACH or wire on single and multiple fundings each Wednesday and Friday for each lender. A breakdown of the multiple lender's fundings will be included with the ACH or wire. Any discrepancies should be directed to the Funding and Delivery Department. Only one set of ACH/wiring instructions will be accepted from each lender. Lenders are allowed one change to the wiring instructions per calendar year. Subsequent changes to ACH/wiring instructions will result in a \$500 fee per transaction.

In general, fundable closed mortgage loan packages received by the close of the business day on Monday of each week will be funded on Friday and those received by the close of business on Thursday will be funded on Wednesday of the next week once approved by Washington State Housing Finance Commission.

The funding amount for both first and second mortgages will consist of:

1. Scheduled unpaid principal balance.
2. Servicing Release Premium per the Program Guidelines (first mortgages only).
3. Interest from the closing date through the purchase date or interest from the last paid installment date to purchase date at the loan's per diem rate.

Mortgage Lenders should carefully review the information contained on the funding summary report for accuracy. If changes or adjustments are required, the Mortgage Lender should immediately notify the Funding and Delivery Department at 334-244-9200.

Lakeview Loan Servicing:

Lakeview Loan Servicing will purchase loans every day except on federal holidays. A purchase advice is generated for each loan. Lenders can view the Purchase Advice at www.lakeviewcorrespondent.com on the day of funding. The Purchase Advice will itemize the payments in the funding wire. Any fees due to Lakeview Loan Servicing will be netted from the wired funds (i.e. Funding fee, Flood Transfer Fee, Tax Service Fee, or interest charges).

PURCHASE PRICES

Borrower Points	Loan Sale by Lender to Servicer	Net Compensation to Lender
1.00	101.00%	2.00%
0.00	102.00%	2.00%

FEES TO ServiSolutions

Amounts to be deducted from funding will consist of:

1. Penalties and/or extension fees assessed (as applicable).
2. Flood notification transfer fee of \$10 (not required for flood certification from Corelogic or ServiceLink a Black Knight Financial Services Company).
3. MERS Fee of \$50.00 (if applicable)
4. \$65 Tax Service
5. \$40 Electronic Upload Fee
6. \$40 Program Application Fee for second mortgage (as applicable).

FEES to Lakeview Loan Servicing

Amounts to be deducted from funding will consist of:

1. \$65.00 Tax Service Fee
2. \$10.00 Flood Certification Transfer Fee
3. \$40.00 Electronic Upload Fee
4. \$40.00 Program Application Fee for second mortgage (as applicable)
5. Penalties and/or extension fees assessed (as applicable).

LOAN SUSPENSIONS (CURATIVES)

After a closed file review is done, suspense conditions are emailed to the Mortgage Lender's contact person. This email lists any documents needed to complete the file or any corrections that need to be made to documents before the loan may be purchased.

Conditions required prior to loan purchase or separate follow up documentation must be clearly identified with ServiSolutions or Lakeview Loan Servicing loan number and the Mortgage Lender loan number.

The most common curatives occur for: a missing note; incorrect endorsement to the note; incomplete copy of the Deed of Trust, missing Closing Disclosures; missing or incomplete hazard policy/declaration page, tax, mortgage insurance, or flood information.

FIRST PAYMENT/NOTICE OF ASSIGNMENT

Lenders are responsible for servicing the loan until purchased by the loan servicer to include the payment of all required escrow disbursements for each loan during the period from closing to purchase.

The originating lender retains the loan servicing rights and benefits until the loan servicer purchases the loan. The originating lender will perform all servicing duties until that time.

Servicing and benefits rights transfers to the loan servicer at the time of loan purchase. Lender will be sent a reminder along with the purchase payment advice to send out their goodbye letter to the borrower. ServiSolutions or LoanCare, LLC will send the borrowers a Notice of Sale, Assignment or Transfer and two temporary payment coupons at the time of loan purchase.

ServiSolutions:

The first payment due to ServiSolutions will be determined based upon when the Notice of Sale, Assignment or Transfer is sent. If the loan is purchased (purchase date) on or before the 10th of the month, the first payment due to ServiSolutions will be the next scheduled monthly payment due date. After the 10th, the effective date will roll to the following scheduled monthly payment due date. The lender must transfer the loan to ServiSolutions through the MERS system immediately after purchase.

Examples

- A loan that closed on 6/2/16 is received in our office on 6/8/16 and is able to be purchased prior to 6/10/16 will fund at the original note amount with no late delivery penalty.
- A loan that closed on 5/23/16 is received in our office by 6/15/16 and is able to be purchased anytime prior to Day 41 (7/2/16) will fund based on a lender provided pay history (if applicable). No delivery penalty fee will be assessed. In cases where loans may be purchased after the 10th of the month but before the first payment is due (no pay history available), the loan will be purchased at the amortized balance for the next payment.
- A loan that closed on 6/24/16 is received in our office by 7/28/16 and is purchased anytime between 8/3/16- 9/1/16 (Day 41-70) will fund based on lender provided pay history. The lender will be charged a penalty fee of 50 basis points (0.50%) of the principal purchased. If the loan is purchased prior to the 10th of the month, first payment date to ServiSolutions will be next scheduled monthly payment due date. If the loan is purchased after the 10th of the month, the effective date of first payment to ServiSolutions will roll to the following scheduled monthly payment due date.
- A loan that closed on 6/24/16 is received in our office by 7/28/16 and remains unpurchaseable as of 9/2/16 (Day 71) will be not be purchased. Notes will be returned via lender provided overnight labels.

Lakeview Loan Servicing:

Lakeview assumes Seller will collect scheduled payments that have already become due. For Loans purchased fewer than 15 days prior to the next payment due, Lakeview will amortize down one more payment so the scheduled purchase balance is lower than the current unpaid principal balance. A pay history is required after two payments.

For scheduled balance Loans funded between the 1st and 15th day of the month, the Effective Date of Transfer is the 1st day of the following month. For Loans funded after the 15th day of the month, the Effective Date of Transfer is the 1st day of the second month following the Sale Date. It is Seller's responsibility to continue servicing the loan and collecting payments up to the Effective Date of Transfer and to forward all curtailments received during this time.

HAZARD INSURANCE PREMIUM

A copy of the Declaration Page showing the first annual premium is paid in full should be included with the Loan Closing Package. ServiSolutions and Lakeview Loan Servicing will also accept a copy of the binder with the policy number and paid receipt.

FLOOD INSURANCE

Please see Section 2 for additional information.

FHA MONTHLY INSURANCE PREMIUM

ServiSolutions:

ServiSolutions will be responsible for all monthly MIP payments on the mortgage loan. The Mortgage Lender will be responsible for the remittance of all up-front premiums due to HUD.

Lakeview Loan Servicing:

Lakeview Loan Servicing requires the lender to be responsible for all monthly MIP payments for the months the lender is collecting the payment. Lakeview will be responsible for making the monthly insurance payment for loans purchased when the first payment due date on the Note is also the first payment due to Lakeview

CONVENTIONAL MORTGAGE INSURANCE PREMIUMS (ServiSolutions Only)

The first monthly mortgage insurance premium on a conventional loan is due at the time the loan closes. Mortgage Lenders are responsible for the initial monthly premium.

Example 1

The Mortgage Lender closed the mortgage loan on January 5, based on the Closing Disclosure settlement date. The first loan payment is due on the note on February 1, and ServiSolutions purchases the mortgage loan on January 15. The mortgage loan has monthly PMI premiums, and the PMI premium for one month was collected at closing and immediately sent to the mortgage insurance company. ServiSolutions will pay the February installment.

Note: ServiSolutions will purchase the loan at the balance after the February 1 payment has been applied, reflecting the March 1 payment as the first payment owed to ServiSolutions from the borrowers.

Example 2

When using a single premium option, Mortgage Lender will collect the loan level pricing adjustment at closing and ServiSolutions will pay the mortgage insurance company the premium upon loan purchase.

POST CLOSING DETAILS OF ORIGINATION CHARGES – ITEMS PAYABLE IN CONNECTION WITH LOAN

The Mortgage Lender must provide a breakout of all items payable by the buyer and seller as shown on the Post Closing Review Checklist (15.20.1-2) and in the File Stacking Order to ServiSolutions or Delivery File Checklists Credit and Closing Checklist to Lakeview Loan Servicing (15.22.1-4). Lenders are encouraged to use the form provided by the Commission if fees are not broken out in the Final Closing Disclosure or HUD-1 Settlement Statement (as applicable).

FINAL DOCUMENTS

The lender is to submit the final mortgage loan documentation consisting of the original recorded first mortgage, title policy, MIC, etc., to ServiSolutions or Lakeview Loan Servicing within 120 days of closing. The recorded Deed of Trust for the Down Payment Assistance Program is to be delivered to ServiSolutions or Lakeview Loan Servicing also within 120 days of closing of the second mortgage loan.

ServiSolutions:

Fannie Mae ID # - 261330008.

A completed Final Documents Transmittal (15.28) must be included for each loan.

Send the Final Documents Transmittal And Documents To:

ServiSolutions

Attn: Final Documents

7460 Halcyon Pointe Drive, Suite 200

Montgomery, AL 36117

Lakeview Loan Servicing:

Send Final Documents to:

Indecomm Global Services
FD-BV-9902
1260 Energy Lane
St Paul, MN 55108

COMMON EXCEPTIONS THAT DELAY PURCHASE

1. The Borrower's name must be typed under their signatures on the Note and Deed of Trust. This includes 2nd mortgages.
2. Incomplete packages are not acceptable. ServiSolutions and Lakeview Loan Servicing cannot purchase Mortgage Loans that are incomplete. Please review the applicable checklist and ship a complete file. Incomplete files slow up the purchase process.
3. 1st Mortgage Loans must be endorsed and assigned to ServiSolutions or Lakeview Loan Servicing, LLC as applicable. 2nd Mortgage Loans must be closed in the name of the Washington State Housing Finance Commission.
4. When recorded documents require a correction, fax a letter of intent to re-record ServiSolutions or upload a letter of intent to re-record to Lakeview Loan Servicing that includes the correction being made and to which documents. Do not wait for the original document to be returned.
5. Marital status needs to be indicated on the Deed of Trust for both the 1st and 2nd mortgages.
6. Fannie Mae 1st Mortgage liens must be endorsed and assigned to ServiSolutions a department of the Alabama Housing Finance Authority. FHA, VA, and USDA loans 1st Mortgage liens must be endorsed and assigned to Lakeview Loan Servicing, LLC. All 2nd Mortgages must be closed in the name of the Washington State Housing Finance Commission.
7. Separate Closing Disclosure or HUD-1 Settlement Statements (as applicable) are required for the 1st and 2nd mortgages.