



# HOUSE KEY CLOSING/FUNDING CHECKLIST

A House Key loan is closed in accordance with standard first mortgage guidelines. This checklist is meant as a tool for closing a House Key loan and may not be all-inclusive. Please review the House Key Program Manual for additional information.

## Reservation

- All loan terms consistent with reservation (loan amount, sales price, interest rate, loan type, etc.)
- Loan has been approved to close by the Commission
- Funds for the Commission's Downpayment Assistance or Subsidy have been reserved and approved

## House Key Documents Complete

- Most current versions of forms used; see Forms Section of Program Manual at: <http://www.wshfc.org/sf/HKforms.html>
- Acquisition Cost Certification (Form 15.11)
  - o Pages 1 & 2 fully complete and consistent with Purchase/Sale Agreement, Final Closing Disclosure and any other agreements, whether written or verbal
  - o Signed by all borrowers and sellers; names and signatures consistent with file
  - o Acquisition Cost is within the maximum Acquisition Cost Limits
- Notice of Potential Recapture Tax on Sale of Your Home (Form 15.14)
  - o Signed by all borrowers
- Conventional Rider to Security Instrument (Form 15.16)
  - o Required for all loans with Conventional financing
  - o Drawn in originating Lender's name
  - o Signed by all borrowers
- Single-Family Deed of Trust Rider FHA, VA or USDA (Form 15.17)
  - o Required for all loans with FHA, VA or USDA financing
  - o Drawn in originating Lender's name
  - o Signed by all borrowers
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## Notes and Security Instruments for House Key First Mortgage Loans

- Borrower's names typed under signatures on all Note and Deed of Trust
- Used the **most recent** 1-4 family FHA, VA or Fannie Mae instruments and applicable Addendums
- If Rural Housing loan, FHA OR Conventional instruments used
- Note and Deed of Trust drawn in originating Lender's name
- Note is endorsed to Idaho Housing and Finance Association.
- Used standard late charge (5% for Fannie Mae for FHA/VA; 4% for Rural Housing loans using FHA instruments OR 5% for Rural Housing loans using Conventional instruments )
- Used appropriate Deed of Trust Rider (Conventional or FHA/VA/USDA); see Forms 15.16 or 15.17

## Notes and Security Instruments for House Key Second Mortgage Loans

- Borrower's names typed under signatures on all Note and Deed of Trust
- Used the appropriate Commission Note and Deed of Trust, with any applicable Addendums:
  - o Opportunity DPA
    - 1% Deferred Note (1-3)
    - 1% Deferred Deed of Trust (1-7)
  - o Homechoice:
    - Homechoice Note (1-3)
    - Homechoice Deed of Trust (1-6)

- Note and Deed of Trust drawn in the Commission's name (Washington State Housing Finance Commission)
- Marital status has been indicated on the Deed of Trust and Rider
- Used a 4% late charge

#### **Closing Disclosure**

- Final Closing Disclosure
- Separate Final Closing Disclosure for the second mortgage (as applicable)
- The initial Aggregate Escrow Account Statement meeting RESPA guidelines is attached
- Maximum 1% Origination charged
- \$85 tax service fee** is charged
- No amortization fee** charged to borrower or seller
- No wire transfer fee** charged to borrower
- No cash back if using Opportunity Downpayment Assistance or Subsidy programs
- No title fees charged on the Second Mortgage if using Opportunity Downpayment Assistance or Subsidy programs
- Interest credits – Loans closed after the 10<sup>th</sup> day of the months are not eligible for an interest credit
- All terms and parties on Closing Disclosure are consistent with the Acquisition Cost Certification (Form 15.11)

#### **Final Loan Application**

- Terms consistent with the Commission's reservation and Final Closing Disclosure
- Signed and dated by all borrowers and Loan Originator

#### **Miscellaneous**

- All Commission Pre-Closing Conditions have been met
- If using the Commission's Downpayment Assistance or Subsidy, the 2<sup>nd</sup> has a separate Final Closing Disclosure (as applicable)
- Title policy and/or preliminary title report includes minimum six months' history of property ownership
- If Conventional loan with LTV exceeding 80%, have PMI certificate from an acceptable carrier and coverage requirement is correct
- Have acceptable Hazard/Flood Insurance policy or binder with policy number
  - o Borrower's name, address, city, state and zip code consistent with file
  - o Dwelling coverage is equal to or greater than the Loan Amount
  - o "Replacement Cost Guaranteed" is acceptable if clearly stated on the policy or binder
  - o the Loss Payable Clause reads:  
HomeLoan Serv, a division of Idaho Housing and Finance Association, ISAOA  
P.O. Box 7899  
Boise, ID 83707
- Have standard FEMA flood certification form:
  - o States "Life of Loan" and "Transferable"
  - o Includes the flood risk zone; map and panel number; community number and status; and the date of the map used for the determination
  - o Appropriate disclosures have been signed by the borrower
- If a Power of Attorney for the borrower or seller has been used, have legible copy in the file
- Loan has a reserve/escrow account for the collection of hazard insurance, taxes, mortgage insurance premiums or risk-based premiums
- If Homechoice, Seattle, Pierce County, Tacoma or Bellingham Subsidy used, have Acknowledgement of Housing Counseling Fee (Form 4.5)
  - o Form has been signed by Housing Counselor and borrower
  - o Payment information section complete