POST CLOSING
- CLOSERS TRAINING -
ARKANSAS DEVELOPMENT FINANCE AUTHORITY
Arkansas Development Finance Authority

Homeownership Program Guidelines

- ADFA Move-Up
- Down Payment Assistance (DPA)
- Arkansas Dream Down-payment Initiative (ADDI)
- Mortgage Credit Certificate (MCC)

Eligible Property Types
- Single Family Detached
- Planned Unit Developments (PUDs): Townhomes or Condos
- Manufactured Housing: allowed only on government loan products (FHA, VA, USDA)
- Duplex: FHA

ALL FILES ARE REVIEWED IN THE ORDER THEY ARE RECEIVED

1 Commerce Way, Suite 602
Little Rock, AR 72202
https://Homeowners.arkansas.gov

Like Us on Facebook: ARHomeFinancing
ADFA PROGRAMS

ADDI
SOFT SECOND MORTGAGE

DPA
REPAYABLE SECOND MORTGAGE

MCC+
FEDERAL TAX CREDIT

MOVE-UP+
FIRST MORTGAGE

Available: Stand Alone

Arkansas.gov
ADFA Daily Rate Email

Contact us to sign-up!

Send an email to one of our Compliance Team members to be added to the list:

Denise Wells
Single Family Assistant Manager
(501) 682-5466
Denise.Wells@arkansas.gov

Leslie Quisenberry
Single Family Compliance
(501) 682-5930
Leslie.Quisenberry@arkansas.gov

Whitney Barwick
Single Family Compliance
(501) 682-5860
Whitney.Barwick@arkansas.gov

Sharora Jones
Single Family Compliance
(501) 682-5923
Sharora.Jones@Arkansas.gov

1 Commerce Way, Suite 602
Little Rock, AR 72202
(501) 682-5900

Arkansas Development Finance Authority

DAILY INTEREST RATE SHEET

<table>
<thead>
<tr>
<th>MOVE-UP</th>
<th>QUALIFYING INCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>FHA, VA, RD</td>
<td>$137,000</td>
</tr>
<tr>
<td>HFA CONVENTIONAL AT AND LESS THAN 80% AMI</td>
<td>FREDDIE MAC</td>
</tr>
<tr>
<td>HFA CONVENTIONAL GREATER THAN 80% AMI</td>
<td>$137,000</td>
</tr>
</tbody>
</table>

ADFA DPA

10 YEAR FIXED RATE SECOND MORTGAGE
SAME AS ADFA MOVE-UP INTEREST RATE

RATE LOCK / RESERVATION DISCLOSURE: ADFA may be notified prior to closing of any Conventional reservations made for less than 80% AMI but discovered to be greater than 80% AMI — the rate will be changed to the greater than 80% AMI rate as so it is treated. If ADFA is not notified and the loan closes at the lower rate this loan will be eligible for purchase by FreddieMac due to the difference in the AMI coverage.
LENDER PORTAL: Login-In Information
HTTPS://ADFA/MITAS.COM/LENDERPORTAL

Enter Credentials:
- Lender No. (ADFA assigned)
- Username (case sensitive)
- Password (case sensitive)

NEW Implementations:
- ADFA doesn’t have access to ID’s or Passwords
- CONTACT YOUR COMPANY’S Key Contact Person
- Click the "FORGOT PASSWORD"
ADFA COMPLIANCE: Overview Review Process

ADDI & MCC REQUIRE A COMPLIANCE REVIEW:
- Programs with household income limits
  - Income must be verified and approved prior closing for all household members
- ADFA Pre-Closing Review
  - Checklist & Checklist items must be review and approved
- Once Loan File has been approved, closing documents and award letters can be downloaded from Lender Portal

MOVE-UP & DPA REQUIRE A NON-COMPLIANCE REVIEW:
- Programs without household income limits
  - Income verification documents do not have to submitted
  - Each mortgage lender is responsible to ensure Borrower (s) meet program guidelines along with AUS – Approval, or Accept Recommendation
- Closing documents and award letters can be downloaded from Lender Portal
- Once Loan Closed, closing documents will be required to be submitted for review.
RESERVATION SCREEN:
Main Menu Screen

- Modify Reservation
- Print Forms
- Manage Documents
- Cancel Reservation
- Request Extension

**Main Menu**

**Loan Information**
- Application Number: 10000037
- Reservation Expires on: 2/20/2021
- Mortgagor Last Name: Hamilton
- Lender: Loan Officer: Generic Agency User for Testing
- Lender Reference Number: 90012345
- Product Group: ADFA Products
- Product Type: ADFA Move-Up Government Loan
- Program Type: ADFA Move-Up
- Loan Amount: $182,650.00
- Interest Rate: 3.500%
- Term: 360 Payments
- Property Address: Street Address: 51 Constitution Road
- City: Little Rock
- State: AR Zip: 72201
- First Name: Alexander
- Last Name: Hamilton
- Primary Mortgagor
- Middle Name: Elizabeth
- Last Name: Hamilton
- Spouse

**Loan Status History**
- 12/21/2020: Incomplete Reservation
- 12/22/2020: Reservation

**Outstanding Conditions**
- Type: Compliance Conditions
- No.: 1
- Created: 12/22/2020
- Due By: 2/5/2021
- Description: Upload all required Program Documents

**Reservation History**

**Outstanding Conditions**: ADFA

Communication Window to the Lender

1st Mortgage Reservation Confirmation

2nd Mortgage Reservation Confirmation
RESERVATION OPTIONS:
Modify Reservation & Print Forms

PRINT Reservation Confirmation

CAN'T CHANGE LOAN TYPE
PRE-CLOSING

FILLING OUT & PRINTING DOCUMENTS
ADDI PRE-CLOSING DOCUMENTS

- ADDI: Most fields will auto-populate; entire form should be filled out!

### PRE-CLOSING CHECKLIST: LENDER INFORMATION—SECTION I

<table>
<thead>
<tr>
<th>COMPANY NAME</th>
<th>LENDER’S NAME</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EMAIL:</th>
<th>PHONE:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### BORROWER INFORMATION—SECTION II

<table>
<thead>
<tr>
<th>BORROWER</th>
<th>PHONE:</th>
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<tbody>
<tr>
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</table>

<table>
<thead>
<tr>
<th>BUYER’S REALTOR</th>
<th>PHONE:</th>
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<tbody>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SELLER’S REALTOR</th>
<th>PHONE:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>MAX. INCOME LIMIT</th>
<th>HOUSEHOLD SIZE:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BORROWER’S TOTAL HOUSEHOLD INCOME (ANNUAL)</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PROPERTY ADDRESS</th>
<th>COUNTY:</th>
<th>ZIP CODE:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Reservation is made 15 DAYS from Closing Date**

*Inspector must be approved with ADF*
ADDI PRE-CLOSING DOCUMENTS

• ADDI: All documents are required, please upload at the same time!

- ADDI Pre-Closing Checklist
- ADDI Notice to Homebuyer (signed and dated by Borrower(s) and Lender)
- Typed Uniform Residential Loan Application
- Lender Approval
- Verification of Employment/Income (Current Income/Check Stubs)
- Latest Federal Tax Returns with W-2’s; one per year only (signed and date by Borrower(s))
- Real Estate Contract
- First 2 pages of Appraisal
- Homebuyer Counseling Certificate

ADDI: ADFA Compliance Approval is required prior closing the loan and printing closing Documents!
MCC PRE-CLOSING DOCUMENTS

- MCC: Most fields will auto-populate; entire form should be filled out!

### PRE-CLOSING CHECKLIST

**LENDER INFORMATION—SECTION I**

- **MCC RESERVATION #**
- **STAND ALONE MCC:** □ YES  □ NO
- **COMPANY NAME**
- **LENDER’S NAME**
- **PHONE:**
- **EMAIL:**

**BORROWER INFORMATION—SECTION II**

- **BORROWER**
- **PHONE:**
- **EMAIL:**
- **CO-BORROWER**
- **PHONE:**
- **EMAIL:**

Reservation is made **15 DAYS** from Closing Date
MCC PRE-CLOSING DOCUMENTS

- MCC: All documents are required, please upload at the same time!

MCC PRE-CLOSING CHECKLIST

Please upload the following items, along with this check list, into MITAS to ADFA for review/approval prior to setting a closing date:

- MCC Pre-Closing Checklist
- Lender Loan Approval
- Copy of Completed Loan Application
- Copy of Real Estate Contract
- Most Recent One-Year Federal Tax Returns with all schedules and W-2’s for all occupants of home over 18 years of age (NON-TARGETED COUNTIES ONLY)
- Verification of Income for all occupants in home over 18 years of age
- Tri-Merge Credit Report (NON-TARGETED COUNTIES ONLY)
- Exhibit A—executed Notice to Borrower(s) of Potential Recapture Tax
- Exhibit B—executed MCC Application for Conditional Commitment, Certification & Affidavit
- Exhibit C—executed MCC Disclosure
- Exhibit I—executed Non-Borrower Occupant Income Affidavit, if applicable

MCC: Most obtain and fill out all Exhibits!

***ADFA Must Receive a completed Commitment Package within 30-days of Reservation Date***
MCC PRE-CLOSING DOCUMENTS

• MCC: All Exhibits are required, please upload completed and at the same time!

• Exhibit A – Must be signed, dated by Borrower (s).
• Exhibit B – Must Check CORRECT BOXES, such as new or existing; targeted or non-targeted; filed Federal Tax or not; etc. Must be signed, dated by Borrower (s).
• Exhibit C – Must be signed and dated by Borrower (s), and notarized.
• Exhibit E – Must be signed and dated by Borrower (s), and notarized. Also, Check (a) or (b).
• Exhibit I – If applicable, form must be filled out on its entirely per household income earner member who are over 18 years old, other than the Borrower (s). Must be signed & dated by household member (s), and notarized.
In a Non-Targeted County all household member need to be first time homebuyers, unless a Veteran or Spouse of one.

Make sure to select (a) or (b) accordingly to the Borrower(s) application.
GETTING READ TO CLOSE
ADFA AND OTHER FEES
**ADFA FEES**

- **ServiSolutions Fees**
  - $200 Loan Funding Fee, *followServiSolutions Guidelines*
  - $71.50 Tax Servicing Fee, *followServiSolutions Guidelines*

- **MOVE-UP Fees**
  - Lenders can charge up to 1% Origination Fee

- **ADDI Fees**
  - ADFA allows a $50 Lender Application Fee to borrower, not required.
  - Borrowers can receive cash back at closing to cover POC items only.

- **DPA Fees**
  - ADFA allows a $50 Lender Application Fee to borrower, not required.
  - Borrowers can receive cash back at closing to cover POC items, and up to $100 cash back.

- **MCC Fees**
  - Half One Percent Issuance Fee (.5%) – *on Stand Alone MCCs only*
    - Waived Fee when:
      - Use Move-up as First Mortgage
      - Veterans & Spouse of a Veteran (DD214 Form)
  - Lender Fee per Certificate $150 – goes to Lender
  - MCC Reissue Certificate Fee (Refinance) $150 – goes to ADFA
1. Fill out the proper fields:
   • Date: Requested date (today’s)
   • Borrower & Property Address
   • Second Mgt. Amount: Finalized Amount
   • Interest Rate: Auto populates

2. Email back:
   • Award.Letters@Arkansas.gov
   • ADFA Underwriter signs Awards Letter and sends back to sender for closing.

3. Letter must be sign by Borrower (s) at closing.
### OUTSTANDING CONDITIONS

**Pre & Post-Closing**

<table>
<thead>
<tr>
<th>Type</th>
<th>No.</th>
<th>Condition</th>
<th>Date</th>
<th>Due Date</th>
<th>Status</th>
</tr>
</thead>
</table>
| Post Closing Conditions 2     | 2   | Need Move Up Closing Disclosure  
| Post Closing Conditions 3     | 3   | Title field on loan application is incorrect  
Please correct the "Title to be held in" field on loan application to match the borrower’s name(s) and upload corrected copy | 3/3/2021 | 3/8/2021 | Unresolved |
| Post Closing Conditions 4     | 4   | Debt to Income Ratio is above 45%  
ADFA does not allow for debt to income ratio above 45%. Please upload AUS findings with a debt to income ratio of 45% or below. | 3/3/2021 | 3/8/2021 | Unresolved |
| Post Closing Conditions 5     | 5   | ADFA numbers are not correct on Post Closing Checklist  
DPA number not listed | 3/3/2021 | 3/8/2021 | Unresolved |
| Post Closing Conditions 6     | 6   | Need DPA Note  
The DPA Note was missing from the uploaded package. Please upload the DPA Note for review. | 3/3/2021 | 3/8/2021 | Unresolved |
RESERVATION SCREEN:
Main Menu Screen: Go to Loan Look up

Outstanding Conditions: ADFA
Communication Window to the Lender
MANAGE DOCUMENTS: Clearing Outstanding Conditions!

DO NOT FORGET:
- Make sure to check your Outstanding Conditions box.
- Our Compliance Team will no longer send out emails with outstanding conditions***

You can download the Conditions List
MANAGE DOCUMENTS:
Uploading Documents

- Look for the Checkmark
- Look up what was uploaded previously
- Look for the Checkmark
MANAGE DOCUMENTS: Uploading Documents

Once done, click: 

ALSO, You will be able to drag files to and drop them on top of the “UPLOAD” box to get them upload.
MANAGE DOCUMENTS: Uploading Documents

Once all the documents have been uploaded, make sure to click SUBMIT, under the “Loan Details” screen, in order to complete the process and your file will be assigned to one of ADFA Underwriters.

DO NOT FORGET TO CLICK “SUBMIT” after uploading documents

This will complete the uploading process, and it will place your loan file on the queue. Once submitted the message will disappear, and the “Submit” button.
POST CLOSING
PRINTING DOCUMENTS
POST-CLOSING CHECKLIST:
MOVE-UP

Automatically Fillable Checklist, but must:
- Make sure all information is correct
- Fill out what’s missing
- Make sure to have all items in list while submitting all at once and submit checklist also!

1. Move-Up Post-Closing Checklist
2. Lender Loan Approval (AUS: LPA, DU, GUS)
3. Final Loan Application, signed & dated by Borrower(s) and Lender
4. Closing Disclosure, signed at closing for 1ST Mortgage
5. Homebuyer Education Certificate (if Conventional or a First Time Homebuyer)
6. Freddie Mac, Less than 80% AMI: Home Possible Income & Property Eligibility Tool- First Page
MOVE-UP POST-CLOSING DOCUMENTS

Freddie Mac Conventional Income Limits

A copy of this screen will need to be included in the post-closing checklist, including:

- Property Address
- Income Limits
ADDI & DPA POST-CLOSING DOCUMENTS

• ADDI: ALL Borrower(s) must SIGN, must be NOTORIZED (if applicable)
  • ADDI Promissory Note: *filled out* (Non-Borrowing Co-Signer, must sign)
  • ADDI Mortgage (Non-Borrowing Spouse, must sign)
  • ADDI Mortgage Subsidy Agreement (Non-Borrowing Spouse, must sign)
  • ADDI Award Letter

• DPA: ALL Borrower(s) must SIGN, must be NOTORIZED (if applicable)
  • DPA Promissory Note: *filled out* (Non-Borrowing Co-Signer, must sign)
  • DPA Mortgage (Non-Borrowing Spouse, must sign)
  • DPA Award Letter

• MCC…

50 DAYS
Closing Package Due from Reservation/Locked Date
MCC POST-CLOSING DOCUMENTS

• MCC: All Exhibits are required, please upload completed and at the same time!

  • Exhibit E – Must be signed and dated by Borrower (s), and notarized.
  • Exhibit F – Must be signed and dated by Seller (s), and notarized.
  • Exhibit G – Must be signed and dated by Lender. Must enter ALL information!
  • Exhibit P – Must enter ALL information! See next slide.
  • MCC County Income Limit Sheet – Must be filled out, and scan back to ADFA. A copy must be given to the Borrower (s).

  • Exhibit K – Must be signed and dated by Borrower (s), and notarized. Must enter ALL information! If the property type is a Manufactured Home.
MCC POST-CLOSING EXHIBITS

• Exhibit P Notice to Mortgagor for Determining Recapture Tax

ARKANSAS DEVELOPMENT FINANCE AUTHORITY
MORTGAGE CREDIT CERTIFICATE PROGRAM

EXHIBIT P
NOTICE TO MORTGAGOR FOR DETERMINING IF RECAPTURE TAX IS OWED

The purchase of the residence listed at # 4 below includes a mortgage subsidy offered by the Internal Revenue Service called a Mortgage Credit Certificate. As a result, pursuant to Section 143 of the Internal Revenue Code of 1986, you may, at the time at which you sell the residence, be subject to a special "recapture tax" for Federal income tax purposes. You should consult your tax advisor at the time of sale of the property to determine the amount, if any, of this "recapture tax" you may be required to pay. The following information will assist you in determining the amount you may be required to pay.

AUTO-POPULATED FIELDS:
1. Mortgagor Name
2. Co-Mortgagor Name
3. Closing Date
4. Address
5. Target or Non-Targeted
6. Loan Amount

MANUAL FIELDS:
7. Recapture Tax Calculation
MCC POST-CLOSING EXHIBITS

• Exhibit P Notice to Mortgagor for Determining Recapture Tax

PAGE 2

MANUAL FIELDS:
• Re-enter Recapture Tax Amount entered/calculated on Page 1 Number 7.
• Same number on both sections; Section B and Section C Number (i).

PAGE 3

MANUAL FIELDS:
• Collect Signatures
MCC POST-CLOSING EXHIBITS

County Income Limit Sheet

Complete all applicable Exhibits:
- Make sure all information is correct
- Exhibit P & County Income Limit Sheet go together. (A copy must be given to the borrower).
MOVE-UP: Most Avoidable Mistakes

• MOVE-UP: First Mortgage
  • ADFA MOVE-UP CHECKLIST - missing
  • 1003
    • DPA goes on
      “SECTION 4. LOAN AND PROPERTY INFORMATION” AND answer “YES” under “SECTION 5. Declarations”, “Question C”
    • ADDI goes on
      “SECTION 4. LOAN AND PROPERTY INFORMATION” with a payment of “zero”, OR answer “YES” under “SECTION 5. Declarations”, “Question C” (filling out both sections is fine, also).
  • Not submitting Final Lender Loan Approval
ADDI & DPA: Most Avoidable Mistakes

- **ADDI: Forgivable/Soft Second Mortgage**
  - ADFA ADDI CHECKLIST - **missing**
    - How many will be in the household
    - Phone numbers for the inspectors to contact for HQS Inspection
    - Processor Contact Information

- **DPA: Repayable Second Mortgage**
  - ADFA DPA CHECKLIST - **missing**
  - Not signing and dating the final 1003
MCC: Most Avoidable Mistakes

- MCC: Mortgage Credit Certificate
  - ADFA MCC CHECKLIST
  - Missing Exhibits A, B, C, etc. **Incomplete Files are not review!**
  - Exhibit E: make sure date on 2nd paragraph is the same date as on Exhibit B
  - Not signing Exhibit G—Lender Signature Required
  - Exhibit P: not including closing date, County Income Limit Sheet, and entering wrong loan amounts or Recapture Tax amounts.

**Income Verification**

- ADFA Only needs VOE and current Pay-Stubs (within 30 days) no past employers.
- Borrowers no signing Federal Tax Returns (ADFA does not need Arkansas State Taxes)

**When something changes on the Loan, it needs to be corrected on MITAS before printing out documents**
OUTREACH TEAM

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(501) 551-1276
Kyle.Putman@arkansas.gov

Issac Morales
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issac.Morales@arkansas.gov

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Public Information Officer
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Derrick.Rose@arkansas.gov

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