MITAS
RATE LOCK / RESERVATION, ADFA PRE & POST CLOSING PRESENTATION

Arkansas Development Finance Authority
ADFA PROGRAMS

ADDI  SECOND MORTGAGE

MOVE-UP  FIRST MORTGAGE

DPA  SECOND MORTGAGE

MCC+  TAX CREDIT

+ Available: Stand Alone
MOVE-UP

Qualifying for the First Mortgage

First Lien - 30-Year, Fixed-Rate Mortgage Program:
VA, RD, FHA, HFA Conventional Less than 80% AMI & Conventional Greater 80% AMI

Follow Conforming Loan Limits for each program guidelines

NEW! Maximum Borrower’s Qualifying Income Limits $137,000
As in February 24, 2020.

Non-Occupant Co-Borrowers allowed with FHA Loans only
Single Family Detached, Townhomes, & Condos allowed

Follow Product Guidelines from each program: Looking for ACCEPT Recommendation, on LPA; and APPROVE/ELIGIBLE, on DU.
MOVE-UP

Qualifying for the First Mortgage

No First-Time Homebuyer Requirement: Primary Residence only

Authorized lenders receive daily rates & make loan reservations:
Reservations made from 9:00am to 7:00pm; working business days only

Down-payment Assistance Programs are stackable: ADDI or DPA, and MCC.

Manufactured Housing allowed for FHA, VA & RD Loans

Loan Funding Fee ($200) & Tax Servicing Fee ($71.50)
BOTH: netted at purchase by Master Servicer.

**Lender’s have the options to charge an Origination Fee of 1.00%**
# Homebuyer Education Class for ADFA Programs

<table>
<thead>
<tr>
<th>ADFA Homebuyer Education Course Requirement</th>
<th>One Borrower</th>
<th>Both Borrowers</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any Loan + ADDI</td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>HFA Advantage Conventional + DPA</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Any other Loan + DPA</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>

*Course must be completed by at least one borrower, if all are first time homebuyers by Freddie Mac guidelines. Follow each program’s specific guidelines to meet compliance.*
## MOVE-UP: Program Guidelines

<table>
<thead>
<tr>
<th>MOVE-UP, FIRST MORTGAGE</th>
<th>FHA</th>
<th>VA</th>
<th>RD</th>
<th>HFA ADVANTAGE CONVENTIONAL 95 or 97%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median Credit Score</td>
<td></td>
<td></td>
<td></td>
<td>NEW! 640</td>
</tr>
<tr>
<td>Max DTI</td>
<td></td>
<td></td>
<td></td>
<td>45.000%</td>
</tr>
<tr>
<td>Underwriting</td>
<td>LPA or DU</td>
<td>DU</td>
<td>GUS</td>
<td>LPA only</td>
</tr>
<tr>
<td></td>
<td><strong>No Manual Underwriting</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefits</td>
<td>No first-time Homebuyer Requirement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ADFA down payment assistance programs available: ADDI, DPA, or Mortgage Credit Certificate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Interest Rate is the same: Regardless of Credit Score/Lender/Down Payment/Loan Amount, etc.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Two HFA Conventional options:</strong> Lower MI than other Conventional Loans, and it’s available as a stand-alone product</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Back</td>
<td>DPA: POC Items + $100 available at Closing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ADDI: POC Items, no cash back</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## HFA ADVANTAGE CONVENTIONAL

### Program General Guidelines

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Freddie Mac HFA Advantage</strong></td>
<td><strong>97% LTV ; 105% TLTV</strong></td>
</tr>
<tr>
<td><strong>Maximum Ration</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Credit Score</strong></td>
<td><strong>640</strong></td>
</tr>
<tr>
<td><strong>Debt-To-Income</strong></td>
<td>Maximum is <strong>45.000%</strong></td>
</tr>
<tr>
<td><strong>Underwriting</strong></td>
<td>LPA (No Manual Underwriting permitted)</td>
</tr>
<tr>
<td><strong>Restrictions</strong></td>
<td>• Max Income Limits <strong>$97,720</strong></td>
</tr>
<tr>
<td></td>
<td>• Conforming Loan Limits</td>
</tr>
<tr>
<td></td>
<td>• Primary Residence Only</td>
</tr>
<tr>
<td></td>
<td>• Lower Interest Rate</td>
</tr>
<tr>
<td></td>
<td>• Lower Mortgage Insurance</td>
</tr>
<tr>
<td></td>
<td>• No First Time Homebuyer Requirement</td>
</tr>
<tr>
<td><strong>Two Options</strong></td>
<td><strong>“Move-Up Conventional Less Than 80% AMI”</strong></td>
</tr>
<tr>
<td></td>
<td><strong>“Move-Up Conventional Greater Than 80% AMI”</strong></td>
</tr>
</tbody>
</table>
HFA Conventional Loan Options

Borrowers must qualify based on Income

“Move-Up” Conventional Greater than 80% AMI
Greater than 80% AMI

• Borrowers qualifying income above 80% AMI
• Slightly Higher Interest Rate
• Standard Mortgage Insurance required. See, Section 4701

“Move-Up” Conventional Less than 80% AMI
At or Below 80% AMI

• Borrowers qualifying income at or below 80% AMI
• Lower Interest Rate
• Allow minimum MI coverage (chartered)

AMI = Area Medium Income
HFA Conventional Loan Options

Borrowers must qualify based on Income

<table>
<thead>
<tr>
<th>Interest Rate</th>
<th>“Move-Up” Conventional Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.375%*</td>
<td>Greater than 80% AMI</td>
</tr>
<tr>
<td>3.750%*</td>
<td>Less than 80% AMI</td>
</tr>
</tbody>
</table>

* Interest Rate on February 26, 2020
MORTGAGE INSURANCE COVERAGE:  
CONVENTIONAL LESS THAN 80% AMI

<table>
<thead>
<tr>
<th>LTV</th>
<th>Standard Conventional</th>
<th>HomeReady Conventional</th>
<th>HFA Conventional Less than 80%AMI</th>
<th>HFA Conventional Greater than 80%AMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>95.01 - 97.00%</td>
<td>35%</td>
<td>25%</td>
<td>18%</td>
<td>35%</td>
</tr>
<tr>
<td>90.01 – 95.00%</td>
<td>30%</td>
<td>25%</td>
<td>16%</td>
<td>30%</td>
</tr>
<tr>
<td>85.01 – 90.00%</td>
<td>25%</td>
<td>25%</td>
<td>12%</td>
<td>25%</td>
</tr>
<tr>
<td>80.01 – 85.00%</td>
<td>12%</td>
<td>12%</td>
<td>6%</td>
<td>12%</td>
</tr>
</tbody>
</table>

HFA Conventional Less than 80% AMI Benefits:

- Lower down payment required
- Conventional monthly mortgage insurance automatically ends when the LTV drops to 78%.
  - Single Premium coverage is Life of Loan with no additional cost.
- Lower monthly payments for HFA Advantage can result in substantial savings over time.
ADDI

Program Guidelines

1. 10% OF PURCHASE PRICES, UP TO $10,000
2. SOFT 2ND MORTGAGE (NO PAYMENTS): Forgivable after 5-year term
3. FUNDS QUALIFICATIONS: Down Payment, Closing Cost, and POCs
4. INCOME RESTRICTIONS BY COUNTY: see website: https://homeloans.Arkansas.gov
5. NO FIRST TIME HOMEBUYER REQUIREMENT
6. PRIMARY RESIDENCE ONLY
**ADDI**

*Arkansas Dream Down-payment Initiative*

1. **INCOME RESTRICTED**: 80% HUD’s Area Medium Income or Below

2. **HOMEBUYER EDUCATION COURSE**: due *prior to closing* by both borrowers

3. **HEALTH QUALITY & SAFETY INSPECTION**: Additional Inspection required

4. **5 YEAR REQUIREMENT**: Second Mortgage, forgivable at 1/60th per month with no payments—after living in the property for 5 years
ADDI: HQS Inspection
Health Quality & Safety Inspection—HUD

**INSPECTION TIME:** 20-30 minutes - average

**FEES:** ADFA will pay for Initial & Final Inspections (Max. 2)

**INSPECTORS:** Realtors can pick their own inspector.
New Inspectors approval can take up to 10 business day!

**INSPECTION:** ADFA dispatches the inspector once the compliance package has been reviewed and approved by ADFA—typically after appraisal comes in.
DPA: Down Payment Assistance

1. FROM $1,000 UP TO $10,000

2. 10-YEAR AMORTIZATION TERM: 2nd Repayable Mortgage

3. RATE, SAME AS FIRST MORTGAGE: No First Time Homebuyer requirement

4. NO ADDITIONAL INSPECTIONS: Required by ADFA

5. NO HOUSEHOLD INCOME LIMIT

6. NO PURCHASE PRICE RESTRICTION (No Jumbo Loans)

7. FUNDS QUALIFICATIONS: Down Payment, Closing Cost, and POCs
MORTGAGE CREDIT CERTIFICATE

How does a borrower qualify?

1. BORROWER MUST BE ONE OF THE FOLLOWING:
   A. 1st Time Homebuyer (no primary residence ownership within last 3 years)
   B. Purchasing home in a Targeted County
   C. Be a Veteran or spouse of a Veteran

2. INCOME RESTRICTED: IRS Income restriction by County, and number of household occupants

3. PURCHASE PRICE LIMIT: $270,000
# PROGRAMS REVIEW

<table>
<thead>
<tr>
<th></th>
<th>MOVE-UP</th>
<th>DPA</th>
<th>ADDI</th>
<th>MCC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>Conforming Loan Limits</td>
<td>From $1,000 up to $10,000</td>
<td>10% of purchase price, up to $10,000</td>
<td>Up to $2,000 as a Federal Tax Credit</td>
</tr>
<tr>
<td>Rate</td>
<td>Rate Set Daily</td>
<td>Matches 1&lt;sup&gt;st&lt;/sup&gt; Mortgage</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>ADFA Program Term</td>
<td>1&lt;sup&gt;st&lt;/sup&gt; Mtg. Purchase (30yrs): VA, RD, FHA, and HFA Conventional</td>
<td>2&lt;sup&gt;nd&lt;/sup&gt; Mortgage: 10-Year Amortization Repayable</td>
<td>2&lt;sup&gt;nd&lt;/sup&gt; Mortgage: 5-Year Soft/ Forgiven at 1/60&lt;sup&gt;th&lt;/sup&gt; per month</td>
<td>Life of the Loan for up to 30-years</td>
</tr>
<tr>
<td>Homebuyer Education Course</td>
<td>Follow each Agency specific Programs Guidelines</td>
<td>ADFA does not required an HBE Course on DPA</td>
<td>Pre-Purchase Homebuyer Education Class to ALL Borrowers (HUD Approved)</td>
<td>N/A</td>
</tr>
<tr>
<td>Income Limits</td>
<td>Qualifying Income: Max. $137,000</td>
<td>No Income Limits: Subject to 1&lt;sup&gt;st&lt;/sup&gt; Mortgage Income Limits</td>
<td>Household Income 80% AMI or Below: by country &amp; number of Occupants</td>
<td>Household Income Limits</td>
</tr>
<tr>
<td>Inspection</td>
<td>No requirement from ADFA</td>
<td>No Inspection</td>
<td>HQS Inspection Required</td>
<td>No Inspection Required</td>
</tr>
<tr>
<td>Principal Reduction</td>
<td>N/A</td>
<td>Yes</td>
<td>Yes: Only on HFA Conventional from a 97% down to a 95%.</td>
<td>N/A</td>
</tr>
<tr>
<td>Borrower (s)</td>
<td>MOVE-UP, DPA, ADDI, and AIS GRANT does not require the Borrower (s) to be 1&lt;sup&gt;st&lt;/sup&gt; Time Homebuyer. For MCC, Borrower must be one: 1&lt;sup&gt;st&lt;/sup&gt; THB, Veteran, Veteran’s Spouse or purchase property in a Targeted County</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **ADFA Program Term**: 1<sup>st</sup> Mtg. Purchase (30yrs): VA, RD, FHA, and HFA Conventional
- **Homebuyer Education Course**: Follow each Agency specific Programs Guidelines
- **Income Limits**: Qualifying Income: Max. $137,000
- **Inspection**: No requirement from ADFA
- **Principal Reduction**: N/A
- **Borrower(s)**: MOVE-UP, DPA, ADDI, and AIS GRANT does not require the Borrower(s) to be 1<sup>st</sup> Time Homebuyer. For MCC, Borrower must be one: 1<sup>st</sup> THB, Veteran, Veteran’s Spouse or purchase property in a Targeted County
All Borrowers using any ADFA program are subject to:

- 

Then Borrowers qualify for assistance based on each specific program income limits:

- **ADDI**
  - Household Income Limit: Under 80% HUD AMI by County

- **DPA:**
  - No Income Limit

- **HFA Conventional:**
  - At or below Freddie Mac 80% AMI

- **MCC**
  - Household Income Limit: Under MCC AMI by County

**Qualifying Income**

$137,000

AMI = Area Median Income
FIRST RESERVATION

How to make a First Mortgage Reservation
HOW TO LOG IN:

• To get your MITAS log in credentials contact anyone from the compliance team:
  
  Denise.Wells@adfa.arkansas.gov
  Virginia.Wright@adfa.arkansas.gov
  Leslie.Quisenberry@adfa.arkansas.gov
  Dean.Norman@adfa.arkansas.gov

• To make a reservation, visit: https://adfa.mitas.com/mitas/
LOG IN PAGE...

- On the first page enter your credentials:
  - Select from the drop down your **Profile** (Lender, Broker, Servicer, Administrator)
  - Originator Number
  - Branch Number
  - Username
  - Password (case sensitive)
MAKING A RESERVATION

• Once logged-in, to make a reservation select REGISTER BY PROGRAM

Other options:

• **View Loan Pipeline**: previous reservations in the works.
• **View Loan Detail**: retrieve a loan reservation by loan and lender loan number.
• **Address Maintenance**: lender contact information maintenance screen, password, etc.
• **Reports**
PROGRAM TYPE

MAKE A SELECTION, You can choose one of the following:

- Move-Up (First Mortgage), or
- Mortgage Credit Certificate (MCC) reservation by country
  - Targeted
  - Non-Targeted

For this example we will use Move-Up

Click on the Back button to return to the main menu, or click on a Program from the list below, if available.

<table>
<thead>
<tr>
<th>Program Type</th>
<th>Current Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>MCC Targeted Counties</td>
<td></td>
</tr>
<tr>
<td>MCC Non-Targeted Counties</td>
<td></td>
</tr>
<tr>
<td>&quot;ADFA Move-Up&quot; Government (FHA, VA, RD)</td>
<td>3.6250%</td>
</tr>
<tr>
<td>ADFA Move Up Conventional-Freddie Mac-Qualifying Income 80% AMI and under</td>
<td>4.0000%</td>
</tr>
<tr>
<td>ADFA Move Up Conventional-Freddie Mac-Qualifying income over 80% AMI</td>
<td>4.6250%</td>
</tr>
</tbody>
</table>

* Rate will auto populate
ENTER RESERVATION INFORMATION

- The next screen below will show the Loan Information screen.
PROPERTY INFORMATION

- Complete at least all the fields as shown below in order to obtain a successful reservation.
ADDITIONAL INFORMATION

- Enter **loan officer** information, if this screen prompts, and complete **ALL** fields.
MORTGAGOR SCREEN

- Complete at least all the fields as shown below in order to obtain a successful reservation.
CO-MORTGAGOR SCREEN

- Complete at least all the fields as shown below in order to obtain a successful reservation.
MOVE UP: RESERVATION CONFIRMATION

Click SUBMIT to get your Confirmation. Then PRINT.

Do not forget to print your Reservation Confirmation for your records.

NOTE:
If the reservation is over the Qualifying Income Limit, it will show as an “Incomplete Reservation.”
MOVE UP: RESERVATION CONFIRMATION

Click SUBMIT to get your Confirmation. Then PRINT.

Do not forget to print your Reservation Confirmation for your records.
SECOND RESERVATION

How to make a Second Mortgage Reservation
RESERVATION:
SECOND MORTGAGE: **ADDI** or **DPA**

This is the screen that will appear once the First Reservation has been placed.

To make the Second Reservation just click on **RESERVE SECOND**, right on this screen...
1. Once the reservation for the First Mortgage has been successful and submitted, click on **RESERVE SECOND**, as shown below:

![Image of Reserve Second button]

2. Select Second Mortgage: **ADDI, DPA**; or **AIS GRANT** (Conventional only) then **SUBMIT**

![Image of program selection]

**For this example we will be using DPA**
SECOND MORTGAGE: DPA

Enter all fields as shown above in order to obtain a successful reservation:
1. Loan Info (under Loan Amount enter amount of down payment assistance needed).
2. Property Info
3. Mortgagor
4. Co-Mortgagor

SF-CONVENTIONAL (set as default on second mortgages)

Double Check the Term…it should populate automatically.
RESERVATION CONFIRMATION:
SECOND MORTGAGE: DPA

Once Second Mortgage reservation was successful, click on PRINT DOCUMENTS and PRINT your RESERVATION CONFIRMATION.
MCC RESERVATION

How to reserve a Mortgage Credit Certificate
MAKING A RESERVATION

- Same process as reserving the First Mortgage Move-Up, from the MAIN MENU
PROGRAM TYPE

MAKE A SELECTION, For this example we will use MCC

Mortgage Credit Certificate (MCC) reservation by country
- Targeted
- Non-Targeted

Click on the Back button to return to the main menu, or click on a Program from the list below, if available.

<table>
<thead>
<tr>
<th>Program Type</th>
<th>Current Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>MCC Targeted Counties</td>
<td></td>
</tr>
<tr>
<td>MCC Non-Targeted Counties</td>
<td></td>
</tr>
<tr>
<td>&quot;ADFA Move-Up&quot; Government (FHA, VA, RD)</td>
<td></td>
</tr>
<tr>
<td>ADFA Move Up Conventional-Freddie Mac-Qualifying Income 80% AMI and under</td>
<td>3.6250%</td>
</tr>
<tr>
<td>ADFA Move Up Conventional-Freddie Mac-Qualifying income over 80% AMI</td>
<td>4.0000%</td>
</tr>
<tr>
<td>ADFA Move Up Conventional-Freddie Mac-Qualifying income over 80% AMI</td>
<td>4.6250%</td>
</tr>
</tbody>
</table>

* Rate will auto populate
ENTER RESERVATION INFORMATION

• Proceed with all the other screens just as making the first mortgage reservation:

Click SUBMIT to get your Confirmation. Then PRINT.
MCC: PRINTING DOCUMENTS

Always print (needed)

Borrower must sign

Only for occupants 18 or older who are not on the loan.

Pre-Closing MCC Forms:
1. Checklist, and
2. Exhibits: A, B, C, and maybe I.
INCOMPLETE RESERVATION

How to properly fix an incomplete reservation
Incomplete Reservation What’s next...?

- From the loan detail menu SELECT, **LOAN APPLICATION**, this will allow you to review the entered information. Make sure to fill in all fields as indicated on the previous slides.

Stay on this screen to reserve a **2ND MORTGAGE** if you reserved a MOVE-UP.

If you reserved an MCC and wish to reserve a **1ST MORTGAGE MOVE UP** go back to MAIN MENU and repeat this steps, starting at page 5 of this presentation.
PRE-CLOSING DOCUMENT UPLOAD

How to Uploading Compliance Pre-Closing Documents
PRE-CLOSING UPLOADING DOCS

- How to upload documents from the initial screen.

**For this example we will be using ADDI**
Find your corresponding loan:

Listed below are the programs that are currently active. Click on a program to see your loan pipeline.

Program Type:
- DPA - Down Payment Assistance
- MCC Targeted Counties
- MCC Non-Targeted Counties
- "ADFA Move-Up" Government (FHA, VA, RD)
- "ADFA Move-Up" Conventional
- "ADFA MOVE-UP CHOICE" CONVENTIONAL-Same as "Move Up" with a grant of 4% of the first mortgage loan amount
- ADDI/HOME Downpayment Assistance

Listed below are the status summaries of your loan pipeline. Click on a status to see a list of the individual loans.

<table>
<thead>
<tr>
<th>Tracking Status</th>
<th>Loan Count</th>
<th>Loan Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incomplete Reservation</td>
<td>1</td>
<td>$0.00</td>
</tr>
<tr>
<td>Reservation</td>
<td>3</td>
<td>$14,500.00</td>
</tr>
</tbody>
</table>

Listed below are the loans in the status. Click on a loan to view detailed information.

<table>
<thead>
<tr>
<th>Loan Number</th>
<th>Mortgator Last Name</th>
<th>Mortgator First Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>02699550</td>
<td>LENDER</td>
<td>ADFA</td>
</tr>
<tr>
<td>02706241</td>
<td>HOMEOWNER</td>
<td>SUSIE</td>
</tr>
<tr>
<td>02708556</td>
<td>WASHINGTON</td>
<td>GEORGE</td>
</tr>
</tbody>
</table>
WHAT TO UPLOAD??

Click on:
PRINT DOCUMENTS then,
Select: ADDI - Checklist
PRE-CLOSING UPLOADING DOCS
ADDI

Gather these documents listed below on the ADDI Pre-Closing Checklist:

- 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 year only (signed and dated by Borrower)
- Real Estate Contract
- First 2 pages of Appraisal
- Homebuyer Counseling Certificate
HOW TO UPLOAD DOCUMENTS

1. After **PRINTING** your ADDI Check List: Go back to **MAIN MENU** on the left side of the screen.

2. Click on **VIEW LOAN PIPELINE**

3. Click on **PRODUCT TYPE**, *in this example click on ADDI*

4. Click loan status of **RESERVATION**

5. Click on borrower's name

6. Click on blue box **DOCUMENT IMAGES**
1. **WHOLE PACKAGE UPLOADING**

   (Including Index Sheets)

2. **INDIVIDUAL UPLOADING**

   (No Index Sheets **required** for this section).
DOCUMENT UPLOAD

Use this section if you are uploading ALL documents as a WHOLE PACKAGE.

Including Index Sheets

Indexed Package to Upload

¢ Choose File | No file chosen

1

INDEX SHEET

CLOSING DISCLOSURE

CHECKLIST

INDEX SHEET
Use this section if you are uploading **INDIVIDUAL** documents, i.e. Conditions.

No Index Sheets required for this section
Don’t forget to click UPLOAD, at the bottom of the page, then on the next screen click PROCESS NOW. Your file will automatically appear in ADFA’s Underwriting Queue. You will see a notification that it has been submitted.

15 DAYS
Compliance Package Due
from Reservation/Locked Date
UPLOADING PRE-CLOSING CONDITIONS

Conditional Commitment
IN ORDER TO UPLOAD INDIVIDUAL DOCUMENTS, SIMPLY CLICK ON CHOOSE FILE OF THE COMPLIANCE DOCUMENT THAT YOU WANT TO UPLOAD.

THEN CLICK UPLOAD, AND THEN ON THE NEXT SCREEN PROCESS.

**MAKE SURE THAT YOU ARE SIGNED INTO THE CORRECT LOAN NUMBER IN MITAS.**
DIFFERENT FILES DIFFERENT SCREENS

Upload Screens are different based on the program

MORTGAGE CREDIT CERTIFICATE

DOWN PAYMENT ASSISTANCE
GETTING READY TO CLOSE

After making a reservation... What’s next?
ADFA FEES

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

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

• **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 MCC only*
  - Waived Fee when:
    - Use Move-up as First Mortgage
    - Veterans & Spouse of a Veteran (DD214 Form)
  - $150 Lender Fee per Certificate
AWARD LETTERS
& other documents needed for closing...
AWARD LETTERS
GETTING READY TO CLOSE

• Once getting Approval to CLOSE by ADFA
  • You can go in to MITAS and PRINT your AWARD LETTERS for ADDI or DPA only:
  • Main Menu>> View Loan Pipeline>>then follow each screen until getting to your loan:
AWARD LETTERS

PROCESS

1. Fill out the proper fields:
   • Date: Correct Closing Date
   • 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.
OTHER FORMS NEEDED FOR CLOSING...

• 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
OTHER FORMS NEEDED FOR CLOSING...

- MCC: ALL Borrower(s) must SIGN, must be NOTORIZED (if applicable)
  - Exhibit E Borrowers Closing Affidavit
    1. Use **SIGNED DATE** on Exhibit B
    2. Check Section (a) or (b).
  - Exhibit F Seller Affidavit, Seller Signs
  - Exhibit G Lender Closing Certificate, Lender Signs
  - Exhibit P Determining Recapture Tax
    1. Fill in Closing Dates, and type **TARGETED** or **NON-TARGETED**
    2. **Recapture Calculation** = 6.25% X Loan Amount
       - Fill out the same number on three corresponding blanks.
       - County Income Limit, **SELECT** Corresponding County

**Exhibit P & County Income Limit go together**
COUNTY INCOME LIMIT
OTHER FORMS NEEDED FOR CLOSING

SELECT CORRESPONDING COUNTY
EXHIBIT P

ARKANSAS DEVELOPMENT FINANCIAL
Mortgage Credit Certificate (MCC)

Notice To Mortgagor For Determining If Recapture Tax

Exhibit – P

NOTE: TO BE PRESENTED TO MORTGAGOR AND SIGN TIME OF SETTLEMENT OR ASSUMPTION OF MORTGAGE

The purchase of the residence listed at #4 below includes a mortgage sub-service called a Mortgage Credit Certificate. As a result, pursuant to Section 1986 (the “Code”), you may, at the time at which you sell the residence, be subject to federal income tax purposes. You should consult your tax advisor at the time of purchase to determine if you are subject to any recapture tax. By signing this document, you may be required to pay. To determine the amount you may be required to pay:

1. Name of Mortgagor: __________________________
2. Name of Co-Mortgagor: ________________________
3. Date of Settlement (Closing) of Mortgage Loan: ____________
4. Location of Residence: _________________________
5. Principal amount of Mortgage Loan: _______________________
6. Federally subsidized amount pursuant to Section 143(m)(4)(B) of the Code: _______________________

A. Introduction

1. General: When you sell your home you may have to pay a recapture tax. This tax may also apply if you dispose of your home in some other way. If your home is sold or disposed of for less than the fair market value, you may have to pay a recapture tax. By signing this document, you may be required to pay. To determine the amount you may be required to pay:

2. Exceptions: In the following situations, no recapture tax applies:

(i) You dispose of your home later than nine months after the date of your sale.
(ii) You transfer your home to your spouse or to a family member (other than your child) as a result of your death.
(iii) You transfer your home to your spouse on a sale or exchange of property.
(iv) You transfer your home to a charity for the benefit of the public.
(v) You dispose of your home at a loss.

B. Maximum Recapture Tax

The maximum recapture tax is 10% of the lesser of (i) 50% of your net gain on the sale of your home or (ii) 50% of your net capital gain on the sale of your home. By signing this document, you may be required to pay. To determine the amount you may be required to pay:

1. If you give away your home (other than to your spouse or ex-spouse in contemplation of divorce), you must determine your actual recapture tax as if you had sold your home for its fair market value.
2. If your home is destroyed by fire, storm, flood or other casualty, there generally is no recapture tax.
3. In general, except as provided in future regulations, if two or more persons own a home and are jointly beneficiaries from the Mortgage Credit Certificate, the actual recapture tax is determined separately for each of them based on their interests in the home.
4. If you repay your Mortgage Loan in full during the nine-year recapture period and sell your home during this period, your holding period percentage may be reduced under the special rule in the Code.
5. Other special rules may apply in particular circumstances. You may wish to consult with a tax advisor or the local office of the Internal Revenue Service before selling or otherwise disposing of your home to determine how much, if any, recapture tax is required.

C. Actual Recapture Tax

The actual recapture tax, if any, is determined by the lesser of (i) 50% of your net gain on the sale of your home or (ii) 50% of your net capital gain on the sale of your home. By signing this document, you may be required to pay. To determine the amount you may be required to pay:

1. If you give away your home (other than to your spouse or ex-spouse in contemplation of divorce), you must determine your actual recapture tax as if you had sold your home for its fair market value.
2. If your home is destroyed by fire, storm, flood or other casualty, there generally is no recapture tax.
3. In general, except as provided in future regulations, if two or more persons own a home and are jointly beneficiaries from the Mortgage Credit Certificate, the actual recapture tax is determined separately for each of them based on their interests in the home.
4. If you repay your Mortgage Loan in full during the nine-year recapture period and sell your home during this period, your holding period percentage may be reduced under the special rule in the Code.
5. Other special rules may apply in particular circumstances. You may wish to consult with a tax advisor or the local office of the Internal Revenue Service before selling or otherwise disposing of your home to determine how much, if any, recapture tax is required.

The undersigned Mortgagor(s) has (have) received and read a duplicate copy of this “Notice to Mortgagor of Information Regarding Potential Recapture Tax”.

Borrower Signs here
(Mortgagor Signature)

Co-Borrower Signs here
(Co-Mortgagor Signature)

Print Co-Borrower Name here
(Typed Name)

Date of close
(Due)
(Due)
MOVE UP, DPA ADDI & MCC
POST-CLOSING
DOCUMENT UPLOAD
1. Log in into MITAS and go to the ADFA Loan Number and PRINT the POST CLOSING CHECKLIST, for each corresponding loan.
AWARD LETTERS

ADFA FORMS REQUIRED POST-CLOSING

• MOVE-UP: Documents
  • MOVE-UP CLOSING CHECKLIST: All Items in Checklist
  • NEW! Conventional Less than 80% AMI:
    • Home Possible Income and Property Eligibility Tool – First Page

• ADDI: Documents SIGNED & NOTORIZED
  • ADDI POST CLOSING CHECKLIST: All Items in Checklist

• DPA: Documents SIGNED & NOTORIZED
  • DPA POST CLOSING CHECKLIST: All Items in Checklist

• MCC: Documents SIGNED & NOTORIZED
  • MCC POST CLOSING CHECKLIST: All Items in Checklist

50 DAYS
Closing Package Due from Reservation/Locked Date

Shippers-upload documents to ADFA
Don’t forget these!
NEW ITEM TO INCLUDE:

NEW! AIS Grant Freddie Mac: Home Possible Income and Property Eligibility Tool – First Page

TYPE PROPERTY ADDRESS

LINK:

Home Possible Income and Property Eligibility Tool – First Page

WEB ADDRESS:

DOCUMENT IMAGE – UPloading

1. Whole Package Uploading
   (Including Index Sheets)

2. Individual Uploading
   (No Index Sheets required for this section).
2. Gather the documents listed on MOVE-UP CHECKLIST. UPLOAD COMPILE LOAN PACKAGE, as below with SCAN SHEETS:

- Move-Up Post-Closing Checklist
- Lender Loan Approval (AUS: LPA, DU, GUS)
- Final Loan Application signed & dated by borrower and Lender
- Closing Disclosure signed at closing for 1st Mortgage
- Homebuyer Education Certificate (if conventional or first-time homebuyer)
- Freddie Mac, Less than 80% AMI: Home Possible Income and Property Eligibility Tool

DON’T FORGET TO CLICK UPLOAD
Follow the same process to upload post-closing documents for **ADDI & DPA**.

Follow the same process for **MCC Closing Check List**.
POST-CLOSING DOCUMENT UPLOAD

Clearing Conditions
POST-CLOSING UPLOAD: i.e. DPA

Make sure all conditions are cleared:

1. Go to Main Menu
2. Click on View Loan Pipeline
3. Select Program (i.e. DPA)
4. Only one will appear. Click on:
   a) Underwriting/Non-Compliance, OR
   b) Closing/Non-Compliance
5. Select Loan
6. It should be under: Unsatisfied Conditions

**ADFA Underwriter will send an email to notify about any Unsatisfied Conditions.**
POST-CLOSING UPLOAD: DPA

Unsatisfied Conditions

Most Common Mistakes

• Either re-upload documents needing correction
  1. Missing required sections: 1003 Loan Application, Page 3, Section 8, Item H. “Down Payment Assistance/Borrowed” YES
  2. Wrong dates or missing signatures
• Or upload missing documents
  1. ADFA Compliance does not review files until entirely uploaded
  2. Closing package must be uploaded within 15 days of closing!
...and you are DONE!
CONTACT INFORMATION:

ADFA COMPLIANCE TEAM

Denise Wells  
Compliance Manager Underwriter  
(501) 682-5466  
Denise.Wells@arkansas.gov

Dean Norman  
Compliance Underwriter  
(501) 682-5935  
Dean.Norman@arkansas.gov

Virginia Wright  
Compliance Underwriter  
(501) 682-5923  
Virginia.Wright@arkansas.gov

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

Issac Morales  
Outreach Specialist  
(501) 765-6543  
Issac.Morales@arkansas.gov

1 Commerce Way, Suite 602  
Little Rock, AR 72201