



Best Practices



June 2020 – Top Quality Findings

June 16, 2020

- Correspondent Lending
- Housing Finance Agency (HFA)

Top Quality Findings

U.S. Bank provides information to help lenders submit complete loan files for purchase. This information provides the most recent Quality Findings and Best Practices to cure.

| Rank | Document/Finding | Common Errors | Best Practice |
|------|--|--|---|
| 1 | HUD – 92900-A/VA 1802-A | <ul style="list-style-type: none"> • Not signed pre-closing by borrower before underwriting. • Final not signed by the lender, borrower and underwriter. • Not completed accurately by all parties, particularly page 2, sec V. | <ul style="list-style-type: none"> • Page 2, Part IV and Part V must be signed and dated by the borrower prior to underwriting submission. • Please review the attached <i>Instructions for completing HUD 92900-A</i> job aid. • Documentation is required per U.S. Bank and/or Agency guidelines. |
| 2 | Verification of Existence of Business (VOB) or Verbal Verification of Employment (VVOE) | <ul style="list-style-type: none"> • Documentation not present in loan file. • Documentation expired prior to closing | <ul style="list-style-type: none"> • Agency: VVOE- within 10 business days prior to Note date, and VOB within 15 days prior to Note date. • Portfolio: VVOE within 5 days prior to Note date, and VOB within 15 days prior to Note date. • Documentation is required per U.S. Bank and/or Agency guidelines. |
| 3 | VA – Transfer Loan Servicing | <ul style="list-style-type: none"> • Lenders are reporting a loan Paid in Full to VA when submitting the loan to US Bank for purchase. • This causes a system disconnect between GNMA and U.S. Bank loan pools resulting in GNMA thinking the loans are not insured. | <ul style="list-style-type: none"> • Please trigger a TRANSFER LOAN SERVICING event in VALERI (VA's Servicing System) instead of reporting the loan as Paid In Full when delivering a loan to U.S. Bank for purchase. • Documentation is required per U.S. Bank and/or Agency guidelines. |
| 4 | Docs do not support Income/Salary per U.S. Bank Portfolio or Investor Guidelines | <ul style="list-style-type: none"> • Year to date pay stubs. • Required W-2 Form(s). • Variances with above documents and income amount used to qualify. | <ul style="list-style-type: none"> • Documentation is required per U.S. Bank and/or Agency guidelines. |
| 5 | Documentation does not support the amount of liquid funds to close | <ul style="list-style-type: none"> • Evidence of gift fund transfer. • Source of large deposits. • Bank statements, reserves. • Sale of previous home. | <ul style="list-style-type: none"> • Documentation is required per U.S. Bank and/or Agency guidelines. |
| 6 | Omitted Debt and Liabilities <ul style="list-style-type: none"> • Omitted debt not documented • All liabilities from all sources not included in total obligations | <ul style="list-style-type: none"> • Supporting documentation not provided and is required for any debts omitted on the credit report from qualifying ratios. • Liabilities from all sources has not been included in qualifying DTI. | <ul style="list-style-type: none"> • Documentation is required per U.S. Bank and/or Agency guidelines. • Omitted debt is any debt excluded from the DTI. Lenders must provide required documentation supporting why the debt was omitted. • Liabilities can be from bank statements, payroll documents, and are to be included in DTI. |

The best practice as outlined above refers to existing policy as outlined in the Correspondent Seller and HFA Division Lending Guides. Lenders are encouraged to review the **COVID-19 Frequently Asked Questions (FAQ)** for any temporary flexibilities currently in place.

Loan Delivery Checklists

U.S. Bank utilizes multiple methods to reduce loan quality findings and eliminate potential delays in purchase including the use of the loan delivery and underwriting checklists located in the **Correspondent Seller and HFA Lending Guides** (1100: Exhibits, Forms, & Checklists). Please remember to send a complete loan package, including all credit/underwriting documents, to avoid pre-funding and post-funding deficiencies and quality findings. Lenders may not receive notice of loan deficiencies for all items included on the checklist, however, we do require the credit package along with the full closed loan package.

Questions



Correspondent: Please contact your Account Executive or the Client Support Area at 800.200.5881, option 1.

HFA: Please contact the Housing Finance Agency Hotline at 800.562.5165, option 1 for the HFA Customer Care Team.



INSTRUCTIONS FOR COMPLETING HUD-92900-A: For FHA, all sections must be completed on Page 1 except for sections 14,16,19, and 21(f).

HUD/VA Addendum to Uniform Residential Loan Application

OMB Approval No. VA: 2900-0144 (exp. 11/30/2019)
 HUD: 2502-0059 (exp. 03/31/2019)

| | | | | |
|--|----------------------------------|---|---------------------------------------|---|
| Part I - Identifying Information (mark the type of application) | | 2. Agency Case No. (include any suffix) | 3. Lender/Mortgagee Case No. | 4. Section of the Act (for HUD cases) |
| <input type="checkbox"/> VA Application for Home Loan Guaranty <input type="checkbox"/> HUD/FHA Application for Insurance under the National Housing Act | | | | |
| 5. Borrower's Name & Present Address (Include zip code) | | 7. Loan Amount (include the UFMP if for HUD or Funding Fee if for VA) \$ | 8. Interest Rate % | 9. Proposed Maturity yrs. mos. |
| 6. Property Address (including name of subdivision, lot & block no. & zip code) | | 10. Discount Amount (only if borrower is permitted to pay) \$ | 11. Amount of Up Front Premium \$ | 12a. Amount of Monthly Premium \$ /mo. |
| | | 12b. Term of Monthly Premium mos. | 13. Lender/Mortgagee I.D. Code | 14. Sponsor / Agent I.D. Code |
| 15. Lender/Mortgagee Name & Address (include zip code) | | | 16. Name & Address of Sponsor / Agent | |
| Type or Print all entries clearly | | | 17. Lender/Mortgagee Telephone Number | |
| FHA Sponsored Originations | Name of Loan Origination Company | Tax ID of Loan Origination Company | NMLS ID of Loan Origination Company | |

VA: The veteran and the lender hereby apply to the Secretary of Veterans Affairs for Guaranty of the loan described here under Section 3710, Chapter 37, Title 38, United States Code, to the full extent permitted by the veteran's entitlement and severally agree that the Regulations promulgated pursuant to Chapter 37, and in effect on the date of the loan shall govern the rights, duties, and liabilities of the parties.

| | | |
|---|---|---|
| 18. First Time Homebuyer? a. <input type="checkbox"/> Yes b. <input type="checkbox"/> No | 19. VA Only Title will be Vested in: <input type="checkbox"/> Veteran <input type="checkbox"/> Veteran & Spouse <input type="checkbox"/> Other (specify) | 20. Purpose of Loan (blocks 9 - 12 are for VA loans only) (1) <input type="checkbox"/> Purchase Existing Home Previously Occupied (2) <input type="checkbox"/> Purchase Existing Home Not Previously Occupied (3) <input type="checkbox"/> Finance Improvements to Existing Property (4) <input type="checkbox"/> Refinance (Refi) (5) <input type="checkbox"/> Purchase New Condo. Unit (6) <input type="checkbox"/> Purchase Existing Condo. Unit (7) <input type="checkbox"/> Construct Home (proceeds to be paid out during construction) (8) <input type="checkbox"/> Finance Co-op Purchase 9) <input type="checkbox"/> Purchase Permanently Sited Manufactured Home 10) <input type="checkbox"/> Purchase Permanently Sited Manufactured Home & Lot 11) <input type="checkbox"/> Refi. Permanently Sited Manufactured Home to Buy Lot 12) <input type="checkbox"/> Refi. Permanently Sited Manufactured Home/Lot Loan |
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9-12 are VA only

HUD Instructions: The capitalized terms used in this form refer to those terms as used in the relevant sections of the current version of Single Family Housing Policy Handbook, HUD 4000.1.

Part II – Lender/Mortgagee Certification

21. The undersigned lender/mortgagee makes the following certifications to induce the Department of Veterans Affairs to issue a certificate of commitment to guarantee the subject loan or a Loan Guaranty Certificate under Title 38, U.S. Code, or to induce the Department of Housing and Urban Development - Federal Housing Commissioner to issue a firm commitment for mortgage insurance or a Mortgage Insurance Certificate under the National Housing Act.

- A. The loan terms furnished in the final Uniform Residential Loan Application and this Addendum are true, accurate and complete.
- B. (1) The information contained in the initial Uniform Residential Loan Application and this Addendum was obtained from the Borrower by an employee of the undersigned lender/mortgagee or its duly authorized agent and to the best of lender/mortgagee's knowledge is complete and accurately represents the information obtained by the lender/mortgagee as of the date the Borrower provided the information to the undersigned lender/mortgagee or its duly authorized agent.
 (2) The information contained in the final Uniform Residential Loan Application, which was signed by the Borrower at the time of settlement, was obtained by an employee of the undersigned lender/mortgagee or its duly authorized agent and to the best of lender/mortgagee's knowledge is complete and accurately represents the information obtained by the lender/mortgagee as of the date verified by the lender/mortgagee.
- C. The credit report submitted on the subject Borrower (and Co-Borrower, if any) was ordered by the undersigned lender/mortgagee or its duly authorized agent from the credit agency which prepared the report and was received directly from said credit agency.
- D. The Verifications of Employment, Deposit, Rent and Mortgage, as applicable, were requested and received by the lender/mortgagee or its duly authorized agent without passing through the hands of the Borrower or any Interested Third Party and are to the best of lender/mortgagee's knowledge accurate.
- E. To the best of my knowledge, neither I nor any other Participant (as that term is clarified in HUD Handbook 4000.1, II.A.1.b.ii.(B)) in this Covered Transaction (as that term is clarified at 2 C.F.R. § 180.200) is suspended, debarred, under a limited denial of participation, or otherwise restricted under 2 C.F.R. part 2424 or 24 C.F.R. part 25, or under similar procedures of any other federal agency.

Items "F" through "H" are to be completed as applicable for VA loans only.

F. The names and functions of any duly authorized agents who developed on behalf of the lender/mortgagee any of the information or supporting credit data submitted are as follows:

| Name & Address | Function (e.g., obtained information on the Uniform Residential Loan Application, ordered credit report, verifications of employment, deposits, etc.) |
|----------------|---|
| | |

If no agent is shown above, the undersigned lender/mortgagee affirmatively certifies that all information and supporting credit data were obtained directly by the lender/mortgagee.

- g. The undersigned lender/mortgagee understands and agrees that it is responsible for the omissions, errors, or acts of agents identified in item F as to the functions with which they are identified.
- h. The proposed loan conforms otherwise with the applicable provisions of Title 38, U.S. Code, and of the regulations concerning guaranty or insurance of loans to veterans.

| | | |
|---|---|--------------------------|
| Signature of Officer of Lender/Mortgagee | Title of Officer of Lender/Mortgagee | Date (mm/dd/yyyy) |
| Required on Final 92900-A | | |

WARNING: This warning applies to all certifications made in this document. The knowing submission of a false, fictitious, or fraudulent certification may be subject to criminal and civil penalties, including confinement for up to 5 years, fines, and civil penalties. 18 U.S.C. §§ 287, 1001 and 31 U.S.C. §3729

Part III - Notices to Borrowers *****NOTE: When Question 25(3) (a)/(b) is applicable, its answer indicates whether the FHA Amendatory Clause is or is not required.*****

Public reporting burden for this collection of information is estimated to average 6 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number can be located on the OMB Internet page at <http://www.reginfo.gov/public/do/PRAMain>. Privacy Act Information: The information requested on the Uniform Residential Loan Application and this Addendum is authorized by 38 U.S.C. 3710 (if for DVA) and 12 U.S.C. 1701 et seq. (if for HUD/FHA). The Debt Collection Act of 1982, Pub. Law 97-365, and HUD's Housing and Community Development Act of 1987, 42U.S.C. 3543, require persons applying for a federally insured or guaranteed loan to furnish his/her social security number (SSN). You must provide all the requested information, including your SSN. HUD and/or VA may conduct a computer match to verify the information you provide. HUD and/or VA may disclose certain information to Federal, State and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. It will not otherwise be disclosed or released outside of HUD or VA, except as required and permitted by law. The information will be used to determine whether you qualify as a mortgagor. Any disclosure information outside VA or HUD/FHA will be made only as permitted by law. Failure to provide any of the requested information, including SSN, may result in disapproval of your loan application. This is notice to you as required by the Right to Financial Privacy Act of 1978 that VA or HUD/FHA has a right of access to financial records held by financial institutions in connection with the consideration or administration of assistance to you. Financial records involving your transaction will be available to VA and HUD/FHA without further notice or authorization but will not be disclosed or released by this institution to another Government Agency or Department without your consent except as required or permitted by law. Caution. Delinquencies, defaults, foreclosures and abuses of mortgage loans involving programs of the Federal Government can be costly and detrimental to your credit, now and in the future. The lender in this transaction, its agents and assigns as well as the Federal Government, its agencies, agents and assigns, are authorized to take any and all of the following actions in the event loan payments become delinquent on the mortgage loan described in the attached application: (1) Report your name and account information to a credit bureau; (2) Assess additional interest and penalty charges for the period of time that payment is not made; (3) Assess charges to cover additional administrative costs incurred by the Government to service your account; (4) Offset amounts owed to you under other Federal programs; (5) Refer your account to a private attorney, collection agency or mortgage servicing agency to collect the amount due, foreclose the mortgage, sell the property and seek judgment against you for any deficiency; (6) Refer your account to the Department of Justice for litigation in the courts; (7) If you are a current or retired Federal employee, take action to offset your salary, or civil service retirement benefits; (8) Refer your debt to the Internal Revenue Service for offset against any amount owed to you as an income tax refund; and (9) Report any resulting written off debt of yours to the Internal Revenue Service as your taxable income. All of these actions can and will be used to recover any debts owed when it is determined to be in the interest of the lender and/or the Federal Government to do so.

Part IV - Borrower Consent for Social Security Administration to Verify Social Security Number

I authorize the Social Security Administration to verify my Social Security number to the Mortgagee identified in this document and HUD/FHA, through a computer match conducted by HUD/FHA. I understand that my consent allows no additional information from my Social Security records to be provided to the Mortgagee, and HUD/FHA and that verification of my Social Security number does not constitute confirmation of my identity. I also understand that my Social Security number may not be used for any other purpose than the one stated above, including resale or redisclosure to other parties. The only other redisclosure permitted by this authorization is for review purposes to ensure that HUD/FHA complies with SSA's consent requirements. I am the individual to whom the Social Security number was issued or that person's legal guardian. I declare and affirm under the penalty of perjury that the information contained herein is true and correct. I know that if I make any representation that I know is false to obtain information from Social Security records, I could be punished by a fine or imprisonment or both. This consent is valid for 180 days from the date signed, unless indicated otherwise by the individual(s) named in this loan application.

Read consent carefully. Review accuracy of social security number(s) and birth dates provided on this application.

Signature(s) of Borrower(s) Date Signed Signature(s) of Co - Borrower(s) Date Signed

Required Prior to Submission to UW

Required Prior to Submission to UW

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Part V - Borrower Certification

22. Complete the following for a HUD/FHA Mortgage.

22a. Do you own or have you sold other real estate within the past 60 months on which there was a HUD/FHA mortgage? [Yes] [No] [NA] Is it to be sold? [Yes] [No] [NA] 22b. Sales Price 22c. Original Mortgage Amt

22d. Address:

22e. If the dwelling to be covered by this mortgage is to be rented, is it a part of, adjacent or contiguous to any project subdivision or group of concentrated rental properties involving eight or more dwelling units in which you have any financial interest? [Yes] [No] If "Yes" give details.

23. Complete for VA-Guaranteed Mortgage. Have you ever had a VA home Loan? [Yes] [No] IMPORTANT: If you are certifying that you are married for the purpose of VA benefits, your marriage must be recognized by the place where you and/ or your spouse resided at the time of marriage, or where you and/or your spouse resided when you filed your claim (or a later date when you become eligible for benefits) (38 U.S.C. § 103(c)). Additional guidance on when VA recognizes marriages is available at <http://www.va.gov/opa/marriage/>.

24. Applicable for Both VA & HUD. As a home loan borrower, you will be legally obligated to make the mortgage payments called for by your mortgage loan contract. The fact that you dispose of your property after the loan has been made will not relieve you of liability for making these payments. Payment of the loan in full is ordinarily the way liability on a mortgage note is ended. Some home buyers have the mistaken impression that if they sell their homes when they move to another locality, or dispose of it for any other reasons, they are no longer liable for the mortgage payments and that liability for these payments is solely that of the new owners. Even though the new owners may agree in writing to assume liability for your mortgage payments, this assumption agreement will not relieve you from liability to the holder of the note which you signed when you obtained the loan to buy the property. Unless you are able to sell the property to a buyer who is acceptable to VA or HUD/FHA and who will assume the payment of your obligation to the lender, you will not be relieved from liability to repay any claim which VA or HUD/FHA may be required to pay your lender on account of default in your loan payments. The amount of any such claim payment will be a debt owed by you to the Federal Government. This debt will be the object of established collection procedures.

25. I, the Undersigned Borrower(s) Certify that:

- (1) I have read and understand the foregoing concerning my liability on the loan and Part III Notices to Borrowers.
(2) Occupancy: HUD Only (CHECK APPLICABLE BOX)
(a) I, the Borrower or Co-Borrower will occupy the property within 60 days of signing the security instrument, and intend to continue occupancy for at least one year; or
(b) I do not intend to occupy the property as my primary residence. Occupancy: VA Only
(a) I now actually occupy the above-described property as my home or intend to move into and occupy said property as my home within a reasonable period of time or intend to reoccupy it after the completion of major alterations, repairs or improvements.
(b) My spouse is on active military duty and in his or her absence; I occupy or intend to occupy the property securing this loan as my home.
(c) I previously occupied the property securing this loan as my home. (for interest rate reduction loans).
(d) While my spouse was on active military duty and unable to occupy the property securing this loan, I previously occupied the property that is securing this loan as my home. (for interest rate reduction loans). Note: If box 2b or 2d is checked, the veteran's spouse must also sign below.
(e) The veteran is on active military duty and in his or her absence, I certify that a dependent child of the veteran occupies or will occupy the property securing this loan as their home. Note: This requires that the veteran's attorney-in-fact or legal guardian of the dependent child sign the Borrower's Certificate below.
(f) While the veteran was on active military duty and unable to occupy the property securing this loan, the property was occupied by the veteran's dependent child as his or her home (for interest rate reduction loans). Note: This requires that the veteran's attorney-in-fact or legal guardian of the dependent child sign the Borrower's Certificate below.
(3) Mark the applicable box (not applicable for Home Improvement or Refinancing Loan) I have been informed that (\$) is:
(a) The reasonable value of the property as determined by VA or;
(b) The statement of appraised value as determined by HUD / FHA
Note: If the contract price or cost exceeds the VA "Reasonable Value" or HUD/FHA "Statement of Appraised Value", mark either item (a) or item (b), whichever is applicable.
(a) I was aware of this valuation when cash from my own resources at or between the contract purchase price value. I do not and will not have contractual obligation on account of the difference between contract purchase price value and the appraised value. I do not and have no unpaid contractual obligation on account of the difference between contract purchase price value and the appraised value. I and anyone acting on my behalf are, are aware of the difference between the contract purchase price or cost and the appraised value, with respect to the property related to this loan, and I am aware of my legal status, age and administrative status, and I am aware of the applicable law.
(b) I was not aware of this valuation when I completed the transaction at the contract purchase price value. I do not and have no unpaid contractual obligation on account of the difference between contract purchase price value and the appraised value.
(4) I and anyone acting on my behalf are, are aware of the difference between the contract purchase price or cost and the appraised value, with respect to the property related to this loan, and I am aware of my legal status, age and administrative status, and I am aware of the applicable law.
(5) I am aware that neither HUD / FHA nor VA warrants the condition or value of the property.
(6) For HUD Only (for properties constructed prior to 1978) I have received information on lead paint poisoning. [Yes] [Not Applicable]
(7) I am aware that neither HUD / FHA nor VA warrants the condition or value of the property.

25(3): Only applies if there is a completed appraisal. 25(a) is checked if the borrower has reviewed the appraised value and the Amendatory language is not required. 25(b) is checked if the appraisal has not been completed and the Amendatory Language is required.

Check "Yes" if property built before 1978. Check "N/A" if property built after 1978.

Signature(s) of Borrower(s) - Do not sign unless this application is fully completed. Read the certifications carefully and review accuracy of this application.

Signature(s) of Borrower(s) Date Signed Signature(s) of Co - Borrower(s) Date Signed

Required Prior to Submission to UW

Required Prior to submission to UW

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Direct Endorsement Approval for a HUD/FHA-Insured Mortgage

U.S. Department of Housing and Urban Development

| | | |
|---|---------------------|---|
| 1. Borrower's Name & Present Address (Include zip code) | 2. Property Address | 3. Agency Case No. (include any suffix) |
|---|---------------------|---|

Date Final Approval issued

Date auto-populates as the earlier of the Conditional Commitment Direct Endorsement (CCDE) or doc expiration date

Approved:
Date Mortgage Approved

Date Approval Expires

| | | | | | | | |
|---|-----------------------------|---------------|-------------------|-----------------|----------------------------|---------------------------|-------------------------|
| <input type="checkbox"/> Modified & approved as follows: | Loan Amount (include UFMIP) | Interest Rate | Proposed Maturity | Monthly Payment | Amount of Up Front Premium | Amount of Monthly Premium | Term of Monthly Premium |
| | \$ | % | Yrs. Mos. | \$ | \$ | \$ | Mos. |

Owner Occupancy NOT required

All conditions of Approval have been satisfied **This box must be checked on Final 92900-A**

UW checks this box at Final Approval for all ZFHA transactions

This mortgage was rated as an "accept" or "approve" by FHA's TOTAL Mortgage Scorecard. As such, the undersigned representative of the mortgagee certifies that the mortgagee reviewed the TOTAL Mortgage Scorecard findings and that this mortgage meets the Final Underwriting Decision (TOTAL) requirements for approval. The undersigned representative of the mortgagee also certifies that all information entered into TOTAL Mortgage Scorecard is complete and accurately represents information obtained by the mortgagee, that the information was obtained by the mortgagee, pursuant to FHA requirements, and that there was no defect in connection with the approval of this mortgage such that the result reached in TOTAL should not have been relied upon and the mortgage should not have been approved in accordance with FHA requirements.

Mortgagee Representative:

Signature: _____ Printed Name/Title: _____

And if applicable:

This mortgage was rated as an "accept" or "approve" by FHA's TOTAL Mortgage Scorecard and the undersigned Direct Endorsement underwriter certifies that I have personally reviewed and underwritten the appraisal according to standard FHA requirements.

Direct Endorsement Underwriter Signature

DE's CHUMS ID Number

OR

UW checks this box at Final Approval for all Manually Underwritten transactions

This mortgage was rated as a "refer" by a FHA's TOTAL Mortgage Scorecard, or was manually underwritten by a Direct Endorsement underwriter. As such, the undersigned Direct Endorsement Underwriter certifies that I have personally reviewed and underwritten the appraisal report (if applicable), credit application, and all associated documents used in underwriting this mortgage. I further certify that:

- I have approved this loan and my Final Underwriting Decision was made having exercised the required level of Care and Due Diligence and in performing my underwriting review;
- I have performed all Specific Underwriter Responsibilities for Underwriters and my underwriting of the borrower's Credit and Debt, Income, Qualifying Ratios and Compensating Factors, if any, and the borrower's DTI with Compensating Factors, if any, are within the parameters established by FHA and the borrower has assets to satisfy any required down payment and closing costs of this mortgage; and
- I have verified the Mortgage Insurance Premium and Mortgage Amount are accurate and this loan is in an amount that is permitted by FHA for this loan type, property type, and geographic area.
- There was no defect in connection with my approval of this mortgage such that my Final Underwriting Decision should have changed and the mortgage should not have been approved in accordance with FHA requirements.

Direct Endorsement Underwriter Signature

CHUMS ID Number

The Mortgagee, its owners, officers, employees or directors (do) (do not) have a financial interest in or a relationship, by affiliation or ownership, with the builder or seller involved in this transaction.

UW must check the "(do not)" box at Final Approval

Borrower's Certification:

The undersigned certifies that:

- (a.) I will not have outstanding any other unpaid obligations contracted in connection with the mortgage transaction or the purchase of the said property except obligations which are secured by property or collateral owned by me independently of the said mortgaged property, or obligations approved by the Commissioner;
- (b.) One of the undersigned intends to occupy the subject property (note: this item does not apply if owner-occupancy is not required by FHA);
- (c.) All charges and fees collected from me as shown in the settlement statement have been paid by my own funds, gift funds, or acceptable Down Payment Assistance program funds, and no other charges have been or will be paid by me in respect to this transaction.

Borrower(s) Signature(s) & Date

Mortgagee's Certification:

The Mortgagee by and through the undersigned certifies that to the best of its knowledge:

- (a) The loan terms, loan type, property address, Borrower information including names, social security number, credit scores, marital status, employment status, and Borrower occupancy status, in its application for insurance and in this Certificate are true and correct;
- (b) All loan approval conditions appearing in any outstanding commitment issued under the above case number have been fulfilled and this loan closed in a manner consistent with the mortgagee's approval;
- (c) Complete disbursement of the loan has been made to the Borrower, or to his/her creditors for his/her account and with his/her consent and any escrow has been established in accordance with applicable law;
- (d) The note and security instruments are in a form acceptable to HUD and the security instrument has been recorded and is a good and valid first lien on the property described;
- (e) No charge has been made to, or paid by the Borrower, except as permitted under HUD regulations;
- (f) The copies of the note and security instruments which are submitted herewith are true and exact copies as executed and filed for record;
- (g) It has not paid any kickbacks, fee or consideration of any type, directly or indirectly, to any party in connection with this transaction except as permitted under HUD regulations and administrative instructions; and
- (h) The Mortgagee has exercised due diligence in processing this mortgage and in reviewing the file documents listed at HUD Handbook 4000.1, II.A.7.b. and the documents contain no defect that should have changed the processing or documentation and the mortgage should not have been approved in accordance with FHA requirements.

I, the undersigned authorized representative of the mortgagee certify that I have personally reviewed the mortgage documents, closing statements, application for insurance endorsement, and all accompanying documents and request the endorsement of this mortgage for FHA insurance.

| | | | |
|---|------|---|------|
| Mortgagee | | Note: If the approval is executed by an agent in the name of the mortgagee, the agent must enter the mortgagee's code number and type. | |
| Name and Title of the Mortgagee's Officer | | | |
| Signature of the Mortgagee's Officer | Date | Code Number (5 digits) | Type |