



Reducing Loan Deficiencies Tip Sheet

Get your loans purchased faster by avoiding the most common Minnesota Housing loan deficiencies.

Funding or Compliance Approving Loans

Immediately post-closing, complete the **Funding Approve** (compliance approval) step in our online commitment system **before** shipping the loan package to the servicer. To complete the Funding Approve step:

1. Search for your loan under the Loan Management Feature.
2. Click on Funding Approve.
3. Verify and complete all information in the commitment system to match the closing documents.
4. Click on Update and then on Funding Approve.
5. Click the Funding Approval checkbox and then click on "I approve the funding of the loan."

If you do not complete the "Funding Approve" step, the servicer will put the loan on the deficiency report (formerly exceptions report), which will say, "Compliance Approval Required."

For more detailed instructions, reference the Funding Approve section of the [Loan Commitment System Process Guide](#) (slide 61).

Assignments and Endorsements

The most common assignment and endorsement errors include leaving the "Pay to the Order of" blank, forgetting the signature, and assigning and endorsing the mortgage incorrectly.

First Mortgages

- Use industry-standard documents for the assignment of mortgage. The Minnesota Department of Commerce provides these forms on its [Uniform Conveyancing Forms](#) page as a convenience to the public.
- Close in the lender's name.
- Be assigned to **U.S. Bank National Association**.
 - The wording in bold must be printed verbatim on the assignment.
 - If the assignment asks for an address, the address should be: 17500 Rockside Road, Bedford, OH 44146.

- Endorse the note as follows:

Pay to the Order of:

U.S. Bank National Association

Without Recourse

By: _____ (signature)

XYZ Mortgage Corporation (full legal name)

John Doe, Vice President (typed name & title)

Second Mortgages

- Use industry-standard documents for the assignment of mortgage. The Minnesota Department of Commerce provides these forms on its [Uniform Conveyancing Forms](#) page as a convenience to the public.
- Close in the lender's name.
- Be assigned to **Minnesota Housing Finance Agency**.
 - The wording in bold must be printed verbatim on the assignment.
 - If the assignment asks for an address, the address should be: 400 Sibley Street, Suite 300, St. Paul, MN 55101.
- Endorse the note as follows:
Pay to the Order of:
Minnesota Housing Finance Agency
Without Recourse
By:_____ (signature)
XYZ Mortgage Corporation (full legal name)
John Doe, Vice President (typed name & title)

Questions?

Reach the [Partner Solutions Team](#) at 651.296.8215 or 800.710.8871 between 7:30 a.m. and 5:00 p.m. on business days.