

# Mortgage Loan Programs

## Start Up Process Guide



Application Phase

### Lender

### US Bank Home Mortgage – MRBP Division

### Minnesota Housing

Collects application and signed purchase agreement. Explains and discloses Subsidy Recapture (see Federal Subsidy Tax overview), Borrower Affidavit and confirms preliminary eligibility including:

- Acquisition cost
- No personal property in purchase agreement
- Deferred Loan Program or Monthly Payment Loan Program
- First-time homebuyer status
- Income
- Intent to occupy as principal residence

If preliminarily approved, commits first and second mortgage loan on HDS SF Web Application. Use Forms Generator to print out FHA DPA commitment format at time of loan commitment (for FHA loans with DPA).

Posts program guidelines/rates.

- First and second mortgage loan commitment available on HDS SF Web Application.
- Existing and new construction properties: 60 days **purchased** by US Bank MRBP.
  - Rates will vary by product, program and DPA chosen.

Transmits data on loan commitments daily.

Receives electronic transfer of commitment data from HDS SF Web Application.

Processing/Underwriting Phase

Gathers information:

- Underwrite loan to FHA, VA, RD or Conventional (HFA Preferred™ or HFA Preferred Risk Sharing™) guidelines.
  - Start Up compliance review (including optional Income Eligibility Calculation and Acquisition Cost Worksheets), and 3 years federal tax returns/transcripts or affidavit.
- Consult manuals at [mrpb.usbank.com](http://mrpb.usbank.com) and [mnhousing.gov](http://mnhousing.gov).

Underwrites to US Bank MRBP loan product descriptions and Start Up program guidelines including:

- First-time homebuyer status
- Income eligibility
- Principal residency
- Acquisition cost
- Appraised value
- Credit score/DTI limits
- Deferred Payment Loan
- Monthly Payment Loan
- Homebuyer education
- New construction or existing property
- All other Minnesota Housing and US Bank manual guidelines

If correspondent UW services used.

Issues underwriting approval. Lender remains responsible for Start Up and downpayment and closing cost loan compliance review and approval.

Assembles Minnesota Housing documents to execute at closing:

- Borrower Affidavit
- Property Seller Affidavit
- Notice to Veterans Consent (VA)
- Subsidy Recapture Disclosure Statement
- Deferred Payment Loan or Monthly Payment Loan
- Mortgage Deed Amendment
- Notice to Buyers (FHA and RD)
- FHA Award Letter (FHA with DPA)

Returns to HDS system to update/verify data prior to closing.

Loan Closing Phase

Executes Minnesota Housing documents. Funds and closes the loan(s) in lender's name. Charges 1% origination fee to borrower. Endorses note and assigns mortgage to US Bank NA at closing.

Obtains Funding Approval in commitment system.

Agency and bond eligibility verified. Fund Approval granted if loan is compliant.

Receives electronic data transfer of Fund Approved loans.

Transmits data on loans in Fund Approval stage daily.

Sends purchase package to US Bank MRBP within 10 days of closing, including all documents as required by the US Bank MRBP Purchase Checklist.

Reviews purchase package and if approved:

- Purchases the loan
- Pays lender 1.5% service release premium (SRP)

Post Closing Phase

Sends final documents to US Bank MRBP within 120 days.

Serves the loan(s), working with borrower in cases of delinquency, default or foreclosure.

