



In this issue

- [Policy updates](#)
- [MCC Tax Requirements for 2021](#)
- [Our apologies](#)
- [Hazard Insurance Premiums](#)
- [MSHDA COVID-19 response plan](#)
- [Programs extend foreclosure moratorium](#)
- [Important reminders](#)
- [Continuing education for your real estate agent partners](#)

Questions?

For the quickest response please [email us](#). This email is monitored throughout the day by homeownership staff.

Current interest rates

Current rates can be found on [Lender Online](#), in the Bulletin Board.

MI Home Loan no DPA
3.25% APR 3.348%

MI Home Loan up to \$7,500 DPA
3.875% APR 3.976%

- Loans previously reserved must adhere to existing original rate, no rate drop.
- Expired or expiring reservations will be extended

FEBRUARY 2021

Policy updates

The following updates to MI Home Loan policies are effective immediately.

Underwriting

Uniform Residential Loan Application (URLA) - MSHDA will follow all GSE requirements related to required timelines on the MI Home Loan(bond) program. For loans with new Automated Underwriting Systems (AUS) submission on or after March 1, the new URLA is required. If a legacy AUS file was submitted prior to the mandate, the submitted file may use the legacy 07/05 (Rev. 06/09) URLA. All GSE updates and announcements must be followed.

Paying off debt to qualify - The maximum debt to income ratio on a MSHDA loan cannot exceed 45%. Paying off debt to qualify is allowed if it meets loan type guidelines and the debt is paid off before MSHDA approves the loan.

Additionally, MSHDA will no longer require revolving debt accounts be closed.

Non-arms length transactions - MSHDA has eliminated the requirement on non-arms length transactions that appraised value cannot exceed 115% of the purchase price.

Deferred Action for Childhood Arrivals (DACA) - FHA recently announced they will permit DACA status recipients to apply for FHA- insured mortgages. MSHDA will permit DACA status on MI Home Loan files for both FHA and Conventional loans. Lenders are required to meet all applicable guidelines and provide the supporting documentation in the submission package. Flex Loans will need to follow the additional requirements established by US Bank. Please refer to U.S. Bank Seller Guide Update SEL-2021-04.

Closing reminders

to the worse case scenario rate.

- Property change will require a new reservation at the current posted rate per our **reservation policy change from March 9, 2015**. Reservation form needs to be completed and faxed to 517-335-7081.

Homeownership management

Director - [Mary Townley](#)
517-335-9931

Program and Business Development Manager - [Carol Brito](#)
517-335-9818

Operations Manager - [Chris Blank](#)
517-335-9779

Business Development Specialists

Click on the map below to find the representative that services your area.

[Nancy Baker](#)
517-899-4450

[Darren Montreuil](#)
248-921-1206

[Eric Dusenbury](#)
517-242-8169

Initial Escrows to LoanCare need to adhere to the following:

- Must be sent via **WIRE/ACH** - do not send checks.
- Lenders must complete the LoanCare Sale Funds Description Form and email lc-cashtransfer@loancare.net the day of the wire.

Wire instructions and the Sale Funds Description form are available on [Lender Online](#) under Program Documents-MI Home Loan.

Mortgage Electronic Registration System (MERS) Mortgage - MERS mortgages are **not allowed** on the MI Home Loan (bond) program.

Flex Loan-US Bank does accept MERS mortgages. Additional Flex Loan closing instructions may be found on the US Bank [website](#).

Post close/final documents reminders

Holder on FHA loans - Remember to transfer the holder information in FHA Connection to MSHDA #21696 after the loan has been purchased.

MCC Tax Requirements for 2021

Effective Feb. 15, MSHDA requires the federal returns for tax years 2018, 2019 and **2020** on all new MCC submissions. The 2020 federal tax return is required to be submitted with every MCC file before a commitment can be issued. There will be no exceptions.

Our apologies

We would like to note the following corrections to information contained within the article about our 2020 top lenders and loan officers.

Western Region

- Hayley Woodworth, Michigan Mortgage
- Amy Hendrickson, Michigan Mortgage

Please accept our apologies Hayley and Amy!

Hazard Insurance Premiums

All closing packages for the MI Loan program must include proof that a years' premium for hazard insurance has been received by the insurance company prior to loan purchase. This policy is



effective immediately. Every closing package must contain one of the following items.

- Policy stating premium amount paid in full.
- Canceled check, copy of front and back showing check has cleared.
- Paid receipt from insurance agent or insurance company.

If insurance is being paid at closing, the closing package still must contain one of the above items to confirm the payment was received.

Escrow funds cannot be advanced to cover the yearly premium. Lenders will be required to cover any shortages in the escrow before the loan will be purchased.

MSHDA COVID-19 response plan

The COVID-19 pandemic has impacted Michigan residents in many ways. Some have experienced significant housing insecurity, health disparities, and economic challenges. These obstacles are not new and were not brought on by the coronavirus, but in many ways, they have been amplified during the pandemic.

Knowing the effects of these challenges may linger for many months and years to come, MSHDA in partnership with Public Policy Associates, have drafted a COVID-19 Response and Recovery Plan. The plan aims to ensure our response to the immediate and future housing needs of Michigan residents and partner organizations meets the demands of these unprecedented times.

You can [view the full plan](#), including actions to date, and the next steps toward equitable housing recovery for all Michiganders. We took some immediate actions this year, but this plan will guide our work until at least 2022.

We understand Michigan's housing issues can't be solved by MSHDA alone. If you'd like to help us work toward solutions, help inform our Statewide Housing Plan, or are just curious about what we're doing and want to learn more, [sign up to receive updates](#).

Programs extend foreclosure moratorium

To further assist homeowners who have been affected by the COVID-19 pandemic the following extensions have been announced.

- Fannie Mae and Freddie Mac have extended the CARES Act foreclosure and Real Estate Owned eviction moratorium to Feb. 28. For more information visit the Federal Housing Finance Agency [website](#).
- The FHA extended the CARES Act foreclosure and eviction moratorium to March 31. Review [Mortgagee Letter 2021-03](#) for more information.
- The FHA extended the COVID-19 forbearance start date to March 31. Review [Mortgagee Letter 2021-04](#) for more information.
- The United States Department of Agriculture Rural Development has extended the CARES Act moratorium to March 31. Visit their [website](#) for additional information.
- Due to the ongoing COVID-19 national emergency and its impact on Veteran borrowers, the Veteran's Administration announced an extension to March 31 for properties secured by VA-guaranteed loans, including those previously secured by VA-guaranteed loans but currently in VA's REO portfolio. Additional information can be found [here](#).

Important reminders

Contacting our staff

To ensure your underwriting or funding questions are answered by the right homeownership staff, below you will find the names and contact information for the staff who can assist you.

Underwriters

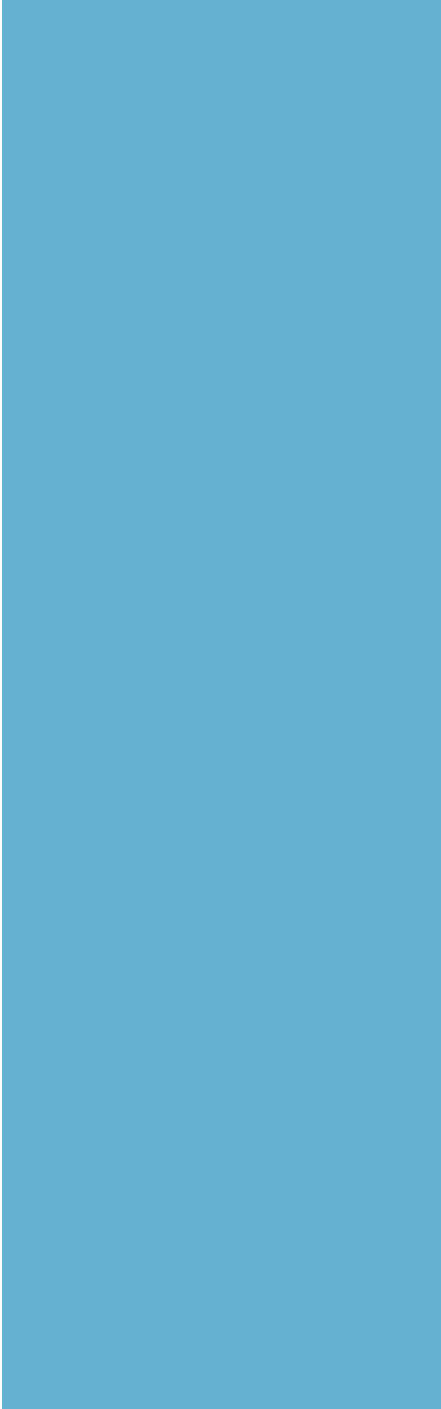
- Alison Gailey at gaileya@michigan.gov.
- Laurie Temple at templel@michigan.gov.
- Jamie Nancy at nacyj@michigan.gov.
- Mark Adkins at adkinsm@michigan.gov.
- Stephen Luke at lukes@michigan.gov.

Funding

- Jacinda Anderson at andersonj46@michigan.gov.
- Quiana Lowe at loweq@michigan.gov.
- Rachel Presley at presleyr1@michigan.gov.
- Rebecca Leiby at leibyr@michigan.gov.

Underwriting and funding turn times

MSHDA underwriting and funding turn times can be found on the bulletin board page on [Lender Online](#). Information is updated daily so you can keep your borrowers informed on expected closing dates.



You can also check the status of a file by clicking on the loan status tab on the website. Lender Online is a useful tool to locate resources like product specifications, the operating manual, income limits, targeted areas and the closing cost guide.

If you or your staff would like a virtual lender online walkthrough, contact one of our [Business Development Specialists](#) for an appointment.

Refresher training available for staff

MSHDA Business Development Specialists are available to provide MSHDA training to meet the needs of your staff. Whether your needs are specific to an area presenting challenges to your staff or more general information about our programs, individual or group training is available and can be completed by a quick phone call or a virtual meeting.

Contact your [Business Development Specialist](#) today to schedule your training.

Continuing education for your real estate agent partners

Michigan State Housing Development Authority's (MSHDA) continuing education class is available to your real estate agent partners. These classes offer them information about the great products you have that can help them sell more homes.

MSHDA's Down Payment Assistance and federal Mortgage Credit Certificate tax credit programs are both extraordinary tools available to help them market themselves more effectively. Investing in your real estate agent partners' education pays dividends down the road and highlights what you do to help them.

Your MSHDA [Business Development Specialist](#) is ready to host virtual continuing education classes for your real estate agent partners. Each class counts as one real estate continuing education credit.

Call your [Business Development Specialist](#) today to schedule a virtual continuing education class!
