



MFM Bulletin: 016-2023

Date: May 10, 2023

Subject: MSHDA Homeownership Lender Letter updates

MSHDA has recently released their May 2023 Homeownership Lender Letter with updates regarding a Streamlined Down Payment Assistance Program, Property Improvement Program, Marketing/Training and MSHDA Contacts, and Loan Origination/Closing/Purchasing/Servicing updates and reminders.

Please see below for the complete MSDHA Lender Letter and contact the MFM Underwriting department (underwriting@memberfirstmortgage.com) if you have any questions or concerns.

Thank you



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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
5.75% APR 5.863%

MI Home Loan with DPA
6.375% APR 6.493%

- Loans previously reserved must adhere to the existing original rate, no rate drop.
- Expired or expiring reservations will be extended to the worst-case scenario rate.
- Property change will require a new reservation at the current posted rate per our **reservation policy change from March 9, 2015**. The reservation form, available on Lender Online under Program Documents,

May 2023

Streamlining Down Payment Assistance Program

MSHDA Down Payment Assistance will now be streamlined by offering one DPA program for \$10,000. Previously only available in select zip codes throughout the state, MI 10K DPA will now be available to all eligible homebuyers and homeowners in Michigan, helping to make housing more attainable for Michiganders by eliminating one of the most common barriers to homeownership: the down payment.

What you need to know:

- Applies to reservations made on or after Monday, May 8, 2023.
- Zip code restrictions have been eliminated.
- Max financing is not required.
- All other MSHDA MI Home Loan and MI 10K DPA requirements still apply.
- Product specifications are available on [Lender Online](#).

The \$7,500 DPA program will no longer be available beginning May 8. Reservations made prior to May 8, 2023 for the \$7,500 DPA program will remain in effect and cannot be changed to MI 10K DPA.

Loan Origination Updates & Reminders

Appraisal Guarantee Policy

MSHDA will accept transactions of DPA loans when the appraised value comes in lower than the sales price. The borrower is required to pay the difference, in addition to their 1% contribution. MSHDA DPA funds cannot be used to pay the shortage.

Uploading Loan Submissions

eDocs must be uploaded in **PDF format ONLY**. For permanent electronic storage purposes, we cannot accept jpeg/gifs, Word or Excel documents, or any other format other than PDF. Also, do not use symbols in the file name, as this can cause saving issues.

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

Customer Service/Final Docs Manager - [Sarah Bohne](#)
517-241-2630

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



Tax Returns Required

On a MI Home Loan, three years of signed federal tax returns, or transcripts, are required to be submitted when purchasing in a **non-targeted** area. This requirement is for all adults intending to occupy the home, excluding adult children that are full-time students. The only exception for the documentation is if the borrower(s) have at least a three-year history showing on their credit report with **no** mortgages showing in the **entire** history.

Debt-to-Income (DTI) Limit

MSHDA's maximum DTI is 45%. Any loan submitted for origination/underwriting review exceeding this limit will be returned to Lender for restructure. Any closed loan submitted for purchase exceeding this limit, will not be purchased.

Any changes after the commitment is issued must be resubmitted to MSHDA for review and approval **before** the loan is closed.

Loans Submitted with Underwriter Signed Transmittals

Loans must be fully underwritten, and approved by the Lender's underwriter, before submitting to MSHDA. All approvals, including mortgage insurance (MGIC and ARCH only), must be included in your upload. Make sure to hit SUBMIT after uploading.

Loans In Order of Submission Checklist

Loans must be scanned and uploaded in the exact order of the Loan Submission Checklist. This allows for faster and more accurate review by MSHDA underwriters and auditors. The Loan Submission Checklist is available on Lender Online at <https://lenderportal.hown.housing.systems/>

Closing/Purchasing Updates & Reminders

Service Release Premium (SRP)/Incentive Chart Reminder

The amount of SRP MSHDA pays a lender is mostly determined by the lender.

Here are some tips to help you receive the maximum amount:

- Upload the closing package as soon as you can after closing.
- When you are notified that there are conditions, clear them as fast as you can.

The goal is to get the package uploaded and conditions cleared within 15 calendar days of closing.

The chart below shows how the premium decreases as time elapses.

How the SRP is Calculated

Incentive Chart

Days After Closing (and/or after conditions posted)	Total Purchase Price (% of loan balance + .75 SRP)
15 or fewer *	102.00
16 through 30 *	101.75
More than 30, but before first payment due *	101.50
On or after first payment due, but before second due *	101.25
On or after second payment due *	100.75

* Closing package received and acceptable for purchase using Calendar Days

Lender Warranty Document Update

The Lender Warranty, which is required in all post-closing submission packages, has been revised in paragraph (b) (i); "100%" has been replaced with "80%". Lender Online has been updated with the latest revision dated (2-23).

The new Lender Warranty template is available on Lender Online under Program Documents/MI Home Loan/Closing Information and Forms. The newest version, dated (2-23), should be used going forward. The older version dated (11-16) showing "100%" in paragraph (b) (i) will also be accepted until further notice but is no longer available on Lender Online.

As always, the form must be printed on the lender's letterhead stationery and must be signed. A copy in the submission package is sufficient.

Title Commitment Endorsements

As a reminder, the title commitment must have the following endorsements:

ALTA 9 Comprehensive (required on all loans)
ALTA 8.1 Environmental (required on all loans)
ALTA 4 Condominium (if applicable)
ALTA 7 Manufactured Home (if applicable)

Property Improvement Program

If you are interested in offering your customers a MSHDA Property Improvement (PIP) Loan (FHA Title 1), please contact Mary Townley at townleym1@michigan.gov.

Improvements must substantially protect or improve the basic livability or utility of the single-family or manufactured home. Major systems repairs/replacement and energy efficiency updates are possible including roofing, insulation, siding, windows, doors, heating, air condition, plumbing, electrical, garage and deck construction, attic and basement finishing, septic and sewer.

Loan Servicing Update

Loancare has updated all lender Secure File Transfer (SFT) folders with the MSHDA Subservicing Handbook and exhibits. The naming convention of each exhibit is the document name followed by the exhibit number referenced in the handbook.

The MSHDA Subservicing Handbook includes procedures for delivery, escrow funds, FHA Connection and additional Loancare information.

The handbook also includes Loancare contact information and links for system access, delivery and funds wired to Loancare.

Please access your folder on the Loancare SFT site to update your team on these procedures for an effortless delivery of your loan.

Marketing, Training and Contacts

Competitive Conforming Loan Product

For a competitively priced Conforming product, with no price adjustment for FICO, LTV, or loan size, consider MSHDA's MI Home Loan Non-DPA product. For more details, see the Product Specification on Lender Online, under Program Documents. If you need help marketing MSHDA's products, reach out to your [Business Development Specialist](#) for more information.

New Online Homebuyer Education Class

On September 1st, 2022, MSHDA approved Freddie Mac's CreditSmart online Homebuyer Education class.

MSHDA approved online Homebuyer Education providers are:

- Freddie Mac CreditSmart
- Fannie Mae HomeView
- eHome America
- Framework

Additionally, MSHDA accepts Homebuyer Education certificates of completion from HUD approved [Housing Counseling agencies](#). **Homebuyer Education classes may be delivered in-person or online.)**

Reminder: All homebuyers applying for a MSHDA MI Home Loan that includes a down payment assistance loan, must complete a Homebuyer Education class and receive a certificate of completion from one of the four MSHDA approved online providers listed above or a HUD approved Housing Counseling agency.

The Homebuyer Education certificate of completion is valid for 12 months for MSHDA products.

***Please see the attached, updated [MSHDA Homebuyer Education Requirements flyer](#).**

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 of the staff who can assist you.

Underwriters

- Laurie Temple at temple@michigan.gov.
- Jamie Nancy at nacyj@michigan.gov.
- Mark Adkins at adkinsm@michigan.gov.
- Stephen Luke at lukes@michigan.gov.
- Terry Walters at waltersT2@michigan.gov.
- Lisa Tiffany at tiffanyl3@michigan.gov

Funding

- Rebecca Leiby at leiby@michigan.gov.
- Tammy Harney at HarneyT1@michigan.gov
- Casey Schultz at SchultzC5@michigan.gov
- Heather Williams at williamsh4@michigan.gov

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!

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.



MSHDA Brand Guidelines and Logo Request

Please review MSHDA's [Brand Guidelines](#) before you use any of MSHDA's brand elements, such as name, logo, or colors on any of your advertising or marketing materials. This includes your websites, social media accounts, and print materials.