Role of Participating Lender

The Authority's homeownership mortgage programs (the "Programs") are available to all eligible home buyers purchasing a qualifying home for primary residence in the State of Iowa. However, a borrower may only access the Programs by financing a home purchase through one of the Authority's Participating Lenders. A Participating Lender is a lender who has applied to become a Participating Lender in the Programs and who, upon approval of an application, has entered into a fully executed Mortgage Origination Agreement (MOA) with the Authority and its servicer. A Participating Lender agrees to originate, process, underwrite, fund, and close mortgages qualified for purchase into the Programs. Upon delivery and purchase of a qualifying mortgage, the Authority will pay the lender a servicing release fee in accordance with the MOA. The lender may charge and collect such fees from the Borrower and/or seller as the Authority may from time to time specify in the Program Manual or as otherwise specified by the Authority, including any applicable secondary mortgage market fees. In order to fulfill its role, a Participating Lender shall maintain staff with demonstrated knowledge of the applicable eligibility criteria for the Programs and the related documentation requirements for successful delivery of mortgage loans to be purchased into the Programs pursuant to the Authority's policies and procedures.

Participating Lender Criteria

In order to become a participating lender, an applicant must demonstrate the expertise, capacity, and financial stability to provide affordable mortgage services and meet the specific criteria listed below.

1. Be a State of Iowa or Federal financial institution and provide copy of license documentation thereof.
2. Provide evidence of active mortgage origination in the State of Iowa by all offices (branches) who will be originating mortgages eligible for the Authority's programs.
3. Maintain originating offices physically located in Iowa or within 20 miles of the State of Iowa border where Iowa home buyers seeking mortgages may easily and in person go to the originating office. The office must have been located in the State of Iowa or within twenty miles of the border for at least one year prior to application submission. If a loan originator in the office has been an IFA participating lender with another lender and can document ten purchased FirstHome and/or Homes for Iowans loans in the last year, IFA may consider a waiver of the one-year requirement.
4. Have the appropriate agency approvals, be knowledgeable and have ability to perform credit and property underwriting in compliance with Fannie Mae and/or Freddie Mac, FHA, VA and/or RD guidelines as applicable. (Lenders may utilize contract underwriting provided by private mortgage insurance companies or contract with the master servicer as a participating correspondent lender but may not pass the fee for these services to the homebuyer or seller.)
5. Ensure that all staff (and any third-party contractors or third-party originating lenders) are knowledgeable about the Authority's homeownership programs and the guidelines thereof; practice prudent mortgage lending policies; utilize the most current underwriting criteria applicable for the specific loan type; and have procedures in place to protect the home buyers from fraud, misrepresentation or negligence.
6. Have systems in place to electronically register loans and upload scanned Adobe documents via Lender Online®, the lender portal to the Authority and the master servicer's lender portal. This includes the ability to access the internet, convert loan

documents to Adobe, and upload those documents to the respective entity.
7. Attend lender training offered by IFA and other designated mandatory training.
8. Have a warehouse line of credit or deposits available for funding mortgages.

9. Provide a copy of errors and omissions insurance and financial institution bond insurance.
10. Demonstrate the financial capacity to repurchase mortgages that do not meet performance and quality standards as defined in the Mortgage Origination Agreement.
11. Be able to service the initial payment(s) for any mortgage which is not delivered or purchased before payments are due.

Participating Lender Application Process

The Authority generally maintains an "open window" for lender applicants to become a Participating Lender. However, the Authority may, from time to time, suspend accepting lender applications at its discretion. Additionally, any lender whose participation in the program has been terminated will not be readmitted as a Participating Lender until the lapse of one year and sufficient documentation, to the satisfaction of the Authority, has been provided addressing the termination issue.

To apply to become a Participating Lender, a lender applicant must submit one electronic version of the entire package via e-mail of the application package to the following address: Lender.Inquiry@iowafinance.com

The necessary forms may be viewed on the website at www.iowafinance.com under the Homeownership Resource page.

If you have questions, please contact Homeownership Director.
Rhonda Kimble, (515) 452-0455.

Third Party Originators

Third Party Originators are permitted to originate loans for purchase into the Authority's Programs pursuant to a correspondent agreement with a Participating Lender. A third-party originating lender is a lender who has entered into a correspondent arrangement with a Participating Lender. The Participating Lender provides underwriting and closing oversight of the mortgage process, takes ownership of the mortgage via table funding or assignment prior to delivery to the Authority's servicer and ensures and warrants the delivered mortgage meets the Program parameters.

In general, only Participating Lenders will be listed on the Authority's Participating Lender list. However, a third-party originator may be included on the Authority's Participating Lender list, if the following criteria are met:

1. Lender is a State of Iowa or Federal financial institution and has documented institution status.
2. Lender has provided evidence of active mortgage origination in the State of Iowa by all offices (branches) who will be originating mortgages eligible for the Authority's programs.
3. Maintain originating offices physically located where Iowa home buyers seeking

mortgages may easily and in person go to the originating office. The office must be located in the State of Iowa or within twenty miles of the border.

Lender updates contact information as staffing or location changes occur and at least annually with annual financial reports to the Authority.

Maintaining Participating Lender Approval

To remain as a Participating Lender, the lender must:

1. Actively deliver mortgages eligible for the Authority's program. The minimum mortgage delivery standards for every six months for lenders lending in an MSA area is five delivered mortgages or if lending in only rural areas (non-MSA) one closed mortgage delivery Participating Lenders that have not met the minimum delivery standards above may be excluded from participation in the Program. The lender may re-apply in accordance with the policy in the Participating Lender Application Process section above.
2. Actively promote the Authority's homeownership mortgage programs which includes providing information to eligible homebuyers and encouraging all home buyers to request the free Owner's Iowa Title Guaranty Certificate. Additionally, Participating Lenders shall include IFA first mortgage product information with any and all mortgage product information the lender makes available to Iowa home buyers.
3. Comply with all terms of the Mortgage Origination Agreement and the homeownership program guidelines.
4. Notify the Authority if any regulatory agency suspends, removes approval status or assumes a managing role of the lender's operations or significant changes in mortgage lending operations.
5. Provide updated contact information as staffing or location changes occur and at least annually to the Authority.
6. Provide Annual Recertification Checklist and requested documents to the master servicer by respective due dates.

At its sole discretion, the Authority reserves the right to suspend, modify, or terminate an approval should a Participating Lender fail to perform or provide information as required or requested according to the Mortgage Origination Agreement or as required by other program guidance. Suspension or termination will be in accordance with the terms of the Mortgage Origination Agreement.

Homeownership Participating Lender Application

Please review the Lender Participation Guidelines, execute appropriate documents listed below and attach all other evidence to the package. Please email completed packages to Lender.inquiry@iowafinance.com. Should you have questions or concerns, please contact homeownership Director. Rhonda Kimble, Iowa Finance Authority, (515) 452-0455

Lender Name: _____

Type of Institution (Mortgage Company, Bank, etc.):_____

Address: _____

_____

Lender has continuously operated a mortgage loan origination office within the state of Iowa or within 20 miles of the State of Iowa border since _____(Date). (Mortgage loan origination office being defined as an office open to the public and staffed for accepting applications, processing and closing first mortgage loans secured by single family residences located in Iowa).

The total number of offices or branches of Lender which originate mortgage loans, and which would originate mortgage loans under the Program is _____.

The volume of permanent first mortgage loans secured by single family residences located in the State of Iowa (not including second, subordinate, commercial or construction loans) originated, processed, and closed by the Iowa offices of Lender within the most recent calendar year was:

Number of Loans: _____ Total Dollar Volume $_____

Lender gives the Iowa Finance Authority the authority to audit the records of Lender necessary to verify the information contained in this Certificate and understands that any false information provided herein will result in exclusion or termination from participation in the Program.

- Lender Application and Transmittal Form
- Executed Mortgage Origination Agreement
- Lender Contact Information
- Lender Payment Instructions-Wire and EFT/ACH
- Iowa license or other documentation to legally originate mortgages in Iowa
- Evidence of warehouse line
- Evidence of FHA Direct Endorsement, VA Automatic Authority, Fannie Mae Approval, Freddie Mac Approval, USDA Approval-*Please attach all appropriate agency approval letters to this application.*

Lender is currently an approved FHA Direct Endorsement Lender: ☐ Yes ☐ No
FHA Number:

Lender is currently an approved VA Automatic Lender: ☐ Yes ☐ No

Lender is currently an approved and eligible Lender for FNMA: ☐ Yes ☐ No
FNMA Number:

Lender is currently an approved and eligible Lender for FHLMC: ☐ Yes ☐ No
FHLMC Number:

Lender is currently an approved and eligible Lender for RD/USDA: ☐ Yes ☐ No

- Lender Federal ID #
- Fidelity Insurance Bond Policy or ACORD Certificate
- Errors and Omissions Insurance Policy or ACORD Certificate
- Lender's Most Recent Audited Financials
- Lender's Most Recent Quarterly Financials
- Reference List of Other Investors to whom Lender has sold loans
- Quality Control Plan
- Resumes of Underwriters and Principal Operating Officers
- Board Resolution
- Completed and Executed W-9
- Lender Hiring Procedure Certification
- Executed Annual Recertification Acknowledgement

The undersigned officer ("Lender") hereby certifies that the information contained in this certificate is true and accurate and acknowledges that this information may be used by the Iowa Finance Authority (the "Authority") and the master servicer in determining qualifications of Lender as an Eligible Mortgage Lender under the Authority's Homeownership Mortgage Program (the "Program").

Dated this _____day of_____, _____.

Lender: _____ By: _____

Address: _____ Title _____

Email: _____ Phone: _____

Participating Lender Contact Information

Please indicate the IFA Participating Lending Institution and the name, title and signature of the individual authorizing this form. The Main Contact will be the individual responsible for contacting IFA regarding access to IFA's reservation system, Lender Online, and employee changes affecting IFA programs. Note: The person authorizing this request represents that they have the authority to represent the appropriate contact information in accordance with the Mortgage Origination Agreement.

Lending Institution: _____

Mailing Address: _____

City, State, County, Zip Code: _____

Main Phone Number: _____

Website: _____

Main Contact: _____

Main Contact Telephone: _____

Main Contact Email: _____

Customer Service Telephone: _____

Administrator for web portals: IFA-Lender Online and Master Servicer-Lender Connection

Administrator Name:_____

Administrator Email: _____

Administrator Telephone: _____

Person Authorizing this Request: _____ Title: _____

Signature: _____ Date: _____

Branch Information

Please list all branches within the organization that will originate IFA mortgages including all loan originators, underwriting, shipping, and processing contacts for each branch. Please add additional pages as necessary. Sign up for Homeownership Newsletters and Rates here.

Branch Address: _____

City, County, Zip Code: _____

Telephone: _____

Branch Main Contact: _____ Telephone: _____

Branch Main Contact email: _____

Underwriting Contact: _____ Telephone: _____

Underwriting Contact email: _____

Shipping Contact: _____ Telephone: _____

Shipping Contact email: _____

Processing Contact: _____ Telephone: _____

Processing Contact email: _____

LO Contact 1: _____ Telephone: _____

LO 1 email: _____

LO Contact 2: _____ Telephone: _____

LO 2 email: _____

LO Contact 3: _____ Telephone: _____

LO 3 email: _____

LO Contact 4: _____ Telephone: _____

LO 4 email: _____

Branch Information

Please list all branches within the organization that will originate IFA mortgages including all loan originators, underwriting, shipping, and processing contacts for each branch. Please add additional pages as necessary. Sign up for Homeownership Newsletters and Rates here.

Branch Address: _____

City, County, Zip Code: _____

Telephone: _____

Branch Main Contact: _____ Telephone: _____

Branch Main Contact email: _____

Underwriting Contact: _____ Telephone: _____

Underwriting Contact email: _____

Shipping Contact: _____ Telephone: _____

Shipping Contact email: _____

Processing Contact: _____ Telephone: _____

Processing Contact email: _____

LO Contact 1: _____ Telephone: _____

LO 1 email: _____

LO Contact 2: _____ Telephone: _____

LO 2 email: _____

LO Contact 3: _____ Telephone: _____

LO 3 email: _____

LO Contact 4: _____ Telephone: _____

LO 4 email: _____

Payment Instructions – Wire and EFT

Name of Mortgage Lender: _____

Loan Proceeds and w/2nd loan funds are wired directly from the master servicer to the participating lender.

Payment by Bank Wire

Bank information for Wire:

ABA #: _____

Account Number: _____

Account Name: _____

Attention to: _____

Transfer funds to:

Bank Depository: _____

City, State, Zip: _____

Telephone: _____

Electronic Funds Transfers (EFT) Information

The following information may be used by the Authority for direct reimbursement of subsidy programs (Military Home Ownership Assistance grants or Community Seconds) funded by the master servicer. Note: A response *must* be provided in each line. If no account number is necessary, please state this in the account number area – please do NOT insert N/A.

Bank Information for EFT:

Bank Name: _____

Bank Address: _____

City, State, Zip: _____

Account type: ☐ Checking or ☐ Savings

ABA #: _____

Account Number: _____

Contact Person: _____

Contact Person Email: _____

Mortgage Lender's Authorized Signature: _____

Title: _____ Date: _____

Telephone: _____ Email: _____

Investor References

Investor: _____

Contact: _____

Telephone: _____ Email: _____

Nature of Relationship: ☐ Broker ☐ Correspondent

Investor: _____

Contact: _____

Telephone: _____ Email: _____

Nature of Relationship: ☐ Broker ☐ Correspondent

RESOLUTION OF BOARD OF DIRECTORS OF

_____

WHEREAS, the Lender is a _____, duly organized and validly existing in good standing under the laws of the State of _____and is duly authorized and qualified under the laws of the State of _____, to own properties and carry on its business as

it is now being conducted and as contemplated under the Mortgage Origination Agreement, and possesses all requisite power and authority to execute, deliver, perform and carry out its obligations under the Mortgage Origination Agreement, which execution, delivery and performance have been duly authorized by all necessary action of the Lender.

WHEREAS, The execution and delivery of the Mortgage Origination Agreement in the manner contemplated therein by Lender, and the performance and compliance with the terms thereof, (i) will not violate the instruments creating Lender or governing its operations, or any laws which could have any material effect whatsoever on the validity, performance or enforceability of any of the terms of the Agreement applicable to Lender or any judgment (order, writ, injunction, or degree) and (ii) will not constitute a default (or any event which will constitute a default with notice or lapse of time) or a breach of any contract, agreement, or other instrument to which Lender is a party or to which it is bound or which may be applicable to Lender or any of its assets.

WHEREAS, the Mortgage Origination Agreement, and all the necessary documents and instruments contemplated thereby have been duly executed and delivered by Lender and constitute legal, valid and binding obligations of Lender enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, moratorium, reorganization or similar laws affecting the enforcement of creditors' right or by equitable principles.

WHEREAS, the Lender is not under any cease and desist order or other order of a similar nature, temporary or permanent, of any federal or state authority, nor are there any proceedings presently in progress, or to our knowledge contemplated, which would, if successful, lead to the issuance of any other order.

WHEREAS, there is no bankruptcy, insolvency, reorganization or other similar proceedings instituted by or against Lender, and Lender has not made any assignment for the benefit of its creditors or voluntarily suspended payment of its obligations.

WHEREAS, the Lender is duly authorized to conduct business in the State of Iowa

WHEREAS, neither the execution and delivery of the Mortgage Origination Agreement by Lender nor performance by the Lender thereunder requires the consent or approval of any government instrumentality or, if such consent or approval is requires, it has been obtained.

Now therefore, be it RESOLVED, That

_____ (Name of Officer)	the _____ (Title)	_____, and (Sample Signature)
_____ (Name of Officer)	the _____ (Title)	_____, and (Sample Signature)
_____ (Name of Officer)	the _____ (Title)	_____, and (Sample Signature)
_____ (Name of Officer)	the _____ (Title)	_____, and (Sample Signature)

that a Mortgage Origination Agreement between this corporation, the Iowa Finance Authority and the Idaho Housing Finance Agency, the form and substance of which shall be acceptable to said officer(s) executing the same on behalf of this corporation; and that the execution of such agreement by one or more of the officers named above shall be conclusive evidence of this corporation's approval of the terms and conditions thereof.

CERTIFICATION

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution presented to and adopted by the Board of Directors of _____ at a meeting duly called and held at _____on the _____ _____ day of _____, 20___, at which a quorum was presented and voting throughout; that such resolution is duly recorded in the minute book of this corporation; that the officers named in said resolution have been duly elected or appointed to, and are the present incumbents of the respective offices set after their respective names; and that such resolution remains in full force and effect on the date hereof.

Dated: _____, 20___ _____ Secretary _____ Signature

Annual Recertification Process

Current lenders will be required to provide annual documentation for re-certification to continue to participate in IFA/IHFA programs.

Lender Re-Certification Requirements

- ☐ Most recent audited financial statement (due April 1)
- ☐ Current Fidelity Insurance Bond (due upon expiration of prior policy)
- ☐ Current Errors and Omissions Policy (due upon expiration of prior policy)
- ☐ Annual Quality Control Results including discrepancies and corrections action tracking (due January 1)
- ☐ Resumes of Principal Operating Officers (due January 1)
- ☐ Resumes of Underwriters (due January 1)
- ☐ Signed Lender Hiring Procedure Certification (sample form is attached)

Annual notifications will be sent via an automated notify system. Please ensure we have a current contact email. IHFA is required to receive annual resumes for principal operating officers and underwriters to monitor any changes.

Idaho Housing and Finance Association

Attention: Rita Aafedt

565 W. Myrtle St. Boise, ID 83702

Or send via email: ritaa@ihfa.org

Recertification Acknowledgement

_____

Name

_____

Title

_____

Date

Lender Hiring Procedure Certification (required annually)

Fannie Mae, Freddie Mac and Ginnie Mae require Idaho Housing and Finance Association (IHFA), as seller, to verify that all lenders delivering loans to IHFA check all employees, including management, involved in the Origination of Mortgage Loans against specific Exclusionary Lists.

Lenders that obtain Third-Party Originated loans, or outsources portions of the Origination process, must confirm the third-party originator or outsource company has a documented procedure for checking their employees against the lists.

Excerpts from agency guidelines are below:

Fannie Mae – Section A3-03: The lender must follow a written procedure for checking all employees, including management, involved in the origination of mortgage loans (including application through closing) have been checked against the *U.S. General Services Administration (GSA) Excluded Parties List (EPL) – www.Sam.gov; the HUD Limited Denial of Participation List (LDP List)* – https://www.hud.gov/topics/limited_denials_of_participation; and the Federal Housing Finance Agency's (FHFA) Suspended Counterparty Program (SCP) - https://www.fhfa.gov/SupervisionRegulation/LegalDocuments/Pages/SuspendedCounterpartyProgram.aspx; , list on an Annual Basis.

Freddie Mac - Section 3101: The Seller represents and warrants that, as of the Note Date, no person or entity whose name is listed on the Exclusionary List performed a role designated in Section 3101.1(b)(i) in the origination or sale of a Mortgage to Freddie Mac or in the underlying real estate transaction or in the sales, quality control or Servicing functions as set forth in Section 3101.1(b)(ii). Freddie Exclusionary List can be accessed through your LPA.

HUD Handbook- Sec 4000.1: Quality Control of Lenders and Mortgagees. Checks to verify employee eligibility must be conducted at least semiannually. **Excluded Parties List** The Mortgagee must verify employee eligibility for all officers, partners, directors, principals, managers, supervisors, loan processors, loan underwriters, loan originators, and all other employees and Affiliates participating in U.S. Department of Housing and Urban Development (HUD) programs for or on behalf of the Mortgagee, using the *System for Award Management (SAM)* – www.Sam.gov

This is to certify that all employees, including management, involved in the origination of mortgage loans (including application through closing) are checked against the appropriate exclusionary lists.

Lender Name: _____

Signature: _____

Name and Title: _____

Date: _____