IHDA TAX CODE COMPLIANCE REVIEW WORKSHEET
(For lender use in determining tax code compliance)

Designed to assist lender in determining borrower eligibility for IHDA program (income, purchase price, first time home buyer (or exempt), qualified dwelling. Lender required to certify that loan is compliant on separate form.

IHDA PROGRAM _____ **DATE CLOSED** _____

IHDA loan number(s): 1st_____ **2nd**_____

MCC #:_____

LENDER _____

CONTACT info (name, phone, email) _____

ORIGINATOR / LO Contact Info (name, phone, email)

_____

Borrower/Co-Borrower Name(s) _____**Household size:** _____

Property Address
_____**County:**_____

County Purchase Price Limit $_____ **County Income Limit $**_____

Purchase Price: $_____ **Appraised Value: $**_____

Base Loan Amt. $_____**+ UFMIP/FF**_____ **= Total 1st Mtge.$**_____

2nd/DPA Loan Amt. $_____ **(verify all loan amounts are correct in MITAS BEFORE submission to IHDA)**

Household Income

Income Calculator - Lender must retain original
_____ Annual Income Calculator fully completed and
_____ Certification has been signed by lender (mandatory)

Income Certification – Lender must retain original
_____ Income Certification – must be completed, signed & dated by borrower and lender PRIOR to close
_____ Household occupants must agree with income calculator

Income Documentation
_____ Income calculation is supported by pay stubs dated within agency regulations (must show total year to date earnings)
_____ Income from all sources (Interest, Dividend, Bonus, Part Time, Alimony, Child Support, Self- Employment, EBay/PayPal, Soc. Security, etc.) has been included in annual income calculation
_____ Income from non-purchasing (non-borrowing) spouse waiving homestead is included in total annual calculation **AND**
_____ **3** year's signed tax returns ** (or 3 years IRS transcripts) are included in documentation **AND**
_____ 30 days consecutive pay stubs showing gross year to date earnings, pay stubs must be current as per agency regulations
_____ Income from HH occupant aged 18 or over for all current employment is documented with 30 days consecutive pay stubs which show year to date earnings
_____ IF no income is earned by non-borrowing spouse or by HH occupant 18 or over, a **signed LOX** FROM the non-borrower occupant re: income earned or received from any source is in file.
_____ Documentation to support income derived from all sources is provided (i.e. Signed YTD P & L, SS letter or evidence of at least 3 month's direct deposit, 1099, letter from pension board, etc.)
_____ Income total must include income from ALL sources, AND from ALL Household members 18 or over. If it does not, recalculate totals and obtain relevant documentation (such as signed statement certifying no other income from any source).

W2's for MOST RECENT tax year (All programs)
_____ ALL W2's from most recent/previous year for all employers included in file
_____ Prior VOE's for ALL jobs in which borrower is no longer employed (verbal is okay)
_____ IF additional employment discovered, income total is included in IHDA's income calculator

Copies of SIGNED FEDERAL TAX RETURNS (or transcripts directly from IRS) for most recent 3 years with ALL schedules as applicable, must be submitted EVEN IF buyer is not required to be first time home buyer: ***

Buyer signed tax return/transcript from IRS _____ tax tear 20 _____
Buyer signed tax return/transcript from IRS _____ tax year 20 _____
Buyer signed tax return/transcript from IRS _____ tax year 20 _____

Spouse/Co-Buyer signed tax return/transcript from IRS _____ tax year 20 _____
Spouse/Co-Buyer signed tax return/transcript from IRS _____ tax year 20 _____
Spouse/Co-Buyer signed tax return/transcript from IRS _____ tax year 20 _____

***** If non-borrowing spouse: IRS transcripts or 3 years' signed Federal tax returns or fully completed, signed & notarized tax affidavit is in file.**

HO - 004

IMPORTANT NOTE: **IF LOAN CLOSES AFTER April 15, signed tax return(s) for most recent filing year is (are) required. Loan cannot be purchased until we have the tax return for the most recent filing year.**

Income Documentation continued:

Bank Statements

_____ 2-**3** consecutive month's current bank statements for all accounts have been provided (check for deposits that could be income)

_____ Review bank statement for additional deposits which could be income; if income is noted, request appropriate documentation (such as: signed YTD P & L, copy of court order for child support, signed statement re: deposits, etc.)

_____ Interest/dividend income is included in total income

Home Buyer Status

_____ Buyer is a first time home buyer:

_____ No real estate is listed on credit report

_____ Tax returns show no deduction for real estate taxes or mortgage interest

_____ OR Buyer is not required to be 1st time home buyer due to the following

_____ Buyer is Qualified Veteran (DD214 and/or COE in file)\

_____ Buyer is purchasing in targeted area. List Census Tract # _____

_____ Program does not require Bor. to be 1st time home buyer. List Program _____

Current ownership of Mobile home – All FTHB and MCC

_____ IF buyer currently lives in a mobile home, PHOTOS of the hitch and axles are located in file

_____ Home is a single-wide mobile home (Primary residence of a double-wide mobile in last 3 years disqualifies buyer)

Credit Report

_____ Included in file

_____ No recent or large loan amounts on credit report, which could be home loans

_____ No mortgage loan appears on credit report OR

_____ Signed LOX (why buyer qualifies for program) ~ or~ evidence of sale of other real estate (HUD1/CD) in file.

_____ Credit Scores are within program parameter (660 FHA loans committed 12/1/2015 & after / 680 conventional >95% / 640 FNMA, VA, USDA).

List credit scores: _____/_____/ _____ and _____/_____/_____

Property Requirements

_____ Copy of signed purchase agreement / contract AND all addenda

_____ Address on contract agrees with address on affidavits

_____ Copy of purchase agreement includes all riders, all signatures.

_____ No unacceptable clauses included – e.g. seller credit exceeds agency regulations; purchase agreement includes excess personal property, etc.

_____ Contract signed ***only*** by borrowers to be obligated on note (**no non-borrowers are permitted to sign contract**, such as non-borrowing spouse). No non-occupant co-borrowers permitted.

_____ Purchase price is below IHDA program limit

_____ Copy of APPRAISAL

_____ **IF** property appraises **over** purchase price limit, loan is disqualified if buyer and seller are related.

_____**Are** there any extenuating circumstances such as needed repairs? If so, provide repair/completion cert/inspection

_____ Property is **5 acres or less**

_____ Manufactured home is prohibited for commitments dated 12/1/2015 or after.

IHDA Forms/Requirements – Original documentation must be retained by lender

(As of 5/19/2015, lender is permitted to forward COPIES of original IHDA documentation to IHDA via upload). Lender must have originals in their file with certified facsimile of IHDA docs permitted to be sent to IHDA.

IHDA Submission Cover and Data Summary

_____Each section must be fully completed; upload copy

Buyer Affidavit (Use form dated 8/2014) - **required for ALL transactions**

_____ Property address completed including street number, direction, street name, city/town, zip – incl. legal if desired

_____ Affidavit is signed by borrower, co-borrower / non borrowing spouse *(as applicable)

_____ Affidavit signed **PRIOR TO CLOSE**

_____ Signatures are properly notarized

Seller Affidavit Use form dated 8/2014 – **Purchase transactions, ALL programs** (note: FNMA REO can use 2009 affidavit)

_____ Property address completed including street number, direction, street name, city/town, zip – incl. legal

_____ Affidavit is signed by **seller PRIOR TO CLOSE** and

_____ Signatures are properly notarized

Signed Servicing Letter for 2nd

_____ Signed by borrower, dated at close

Tax Code Compliance Certification

_____ Signed by lender, dated

Income Calculator w/signed Certification

_____ Signed by Lender at close

IHDA Income Certification

_____Fully completed, including **#3**, signed by borrower and dated

Recapture Notice
_____ Signed by borrower and spouse/all buyers, dated **PRIOR TO CLOSE. (**Remember that only one recapture can apply. If MCC, no MRB recapture would be signed.)

IF MCC ~ MCC documents properly **completed, signed and notarized PRIOR TO CLOSE:**

_____MCC 25 _____ MCC26 _____MCC28 _____MCC29 _____MCC RECAPTURE

MCC documents properly **completed, signed and notarized AT CLOSE or after:**

MCC32 _____ MCC33 _____ and

_____ CHECK FOR $350.00 payable to Illinois Housing Development Authority sent to IHDA's Lockbox
_____ Copy of MCC registration/commitment

~OR~

MCC Opt Out Letter
_____ Signed and dated with reason shown

1st Time Home Buyer Counseling Cert. signed by borrower(s). – Purchase transactions, ALL programs
_____ A Certificate of Completion for each borrower for First Time Home Buyer Counseling/Training in file.
Counseling Agency & Cert #: _____
Date of training_____(valid for one year)

Copy of DD214/COE/Evidence of military status – to document exempt status, or for VA loans
_____ Copy of Certificate of Eligibility, DD214 OR Service Record – evidence of veteran / active duty status
Note: May need "Alive and Well Statement" if on active duty overseas and VA loan transaction

HUD-1/CD
_____ Signed, borrower name correct, address correct, loan amount correct as reserved in MITAS, closing date entered into MITAS

MITAS Reservation/Commitment(s) – All programs
_____ Loan closed at rate as per commitment/loan closed as committed
_____ Loan amount (Base and Total) has been updated in MITAS

NOTE: LOAN MUST BE PURCHASED WITHIN **60** DAYS OF RESERVATION. NO CANCELLATIONS AND RE-RESERVATIONS PERMITTED UNLESS PROPERTY FELL THROUGH

Miscellaneous issues:
_____ Copy of divorce decree/property settlement/court order for child support/credit LOX's, other LOX's, etc.
_____ Copy of birth certificate / marriage certificate or other documentation to validate increase in HH size, name change, etc.
_____ **Tax Affidavit (if MCC, original MCC27) properly completed when borrower/spouse not required to file Federal tax return for any given year.
_____ DTI must be 45.00% or less
_____ No manual underwrite

NOTE: YOU WILL BE CONTACTED IF ADDITIONAL DOCUMENTATION IS REQUIRED AS A RESULT OF QUALITY CONTROL REVIEW.

12/01/2015 and after:

- NO MANUFACTURED HOMES
- CREDIT SCORE MINIMUM 660
- MAX DTI HAS ALWAYS BEEN 45.00%; NO EXCEPTIONS
- NO MANUAL UNDERWRITES FOR ANY LOAN TYPE; AUS APPROVE/ACCEPT ONLY