

# VHFA Job Aid

## Processing, Closing & Delivery

**This overview is not intended to detail or include all processing and closing requirements and is not a replacement for the VHFA Program and Procedural Guide or the U.S. Bank HFA Lending Guide.**

Lenders are responsible for underwriting, closing and loan delivery. The most restrictive requirements for U.S. Bank, VHFA and the underlying mortgage (FNMA, FHLMC, FHA, VA, RD) apply. See [VHFA Program and Procedural Guide](#), [U.S. Bank HFA Lending Guide](#) and the FNMA, FHLMC, FHA, VA or RD guide as applicable.

### PROCESSING

- For information on VHFA compliance requirements, go to [VHFA Program and Procedural Guide](#)
- For information on loans in process, go to the VHFA Loan Origination Center <https://loc.vhfa.org/>.
  
- VHFA Compliance Income:** Calculate the borrower income to determine the applicable VHFA program. Use the **VHFA Federal Act Income & Acquisition Cost Worksheet (VHFA Form #S-601)** available at VHFA LOC > Main Menu > Guides, Forms, and Resources. Submit supporting documents to VHFA to verify all sources of income. The combined gross annual income for **all borrowers and non-borrowing spouses** cannot exceed the VHFA income limit in effect at time of loan reservation. VHFA compliance (Federal Act) income is calculated **differently than** qualifying income. Current VHFA income limits are listed at [www.vhfa.org](http://www.vhfa.org). Lenders must report any changes prior to closing including any known increases in income expected within sixty (60) days after closing.
  
- Home Buyer Education:** All VHFA programs require at least one borrower to complete homebuyer education. Landlord education is required for 2-unit purchases. Confirm program requirements before advising clients. VHFA does not provide education, borrower must sign up for education with an acceptable Home Buyer Education provider. Direct borrowers to [www.vhfa.org](http://www.vhfa.org) to help them sign up as early in the process as possible.
  
- Reservation:** Go to the VHFA Loan Origination Center (LOC) at <https://loc.vhfa.org/> and click 'Reserve a New Loan'. Then choose the applicable VHFA program from 'Program Selection' options, then select the Loan Type. If there is a non-borrowing spouse their social security number and income is required to reserve. Supporting documents are NOT required to reserve. All applicable fields must be completed, click the **SUBMIT** button. If the submission is not successful, a message is displayed. If the reservation is not completed and submitted, the rate will not be assigned until a completed reservation is received.
  
- VHFA Compliance Checklist and Program Forms Access:** After reserving a loan retrieve the VHFA Compliance Checklist at VHFA LOC > Main Menu > View Loan Detail. Click 'Print Documents' and print the auto-populated forms. The VHFA Compliance Checklist gives loan detail and the document checklist in the stacking order to deliver documents to VHFA for compliance review.
  
- Compliance Review Submission:** VHFA's review is for VHFA program compliance only. To submit the VHFA Compliance Checklist and the supporting documents, click 'Document Images' on the Loan Detail Screen.  
**NOTE:** Incomplete and outdated VHFA forms will not be accepted.
  
- VHFA Compliance Review Response:** Upon completion of VHFA's review
  - VHFA sends status updates to the designated recipient for your organization.
  - Lenders can access unsatisfied condition report at LOC > Main Menu > *Unsatisfied Conditions Report*.
  - Unsatisfied conditions for individual loans are found at LOC > Main Reports > *Loan Detail*.
  - To satisfy conditions, upload documents to LOC > Main Menu > *Loan Detail* > *Document Images*.
  
- VHFA Conditional Commitment Access (Post-Closing Document Checklist):** When the loan file is satisfactorily completed, VHFA will issue a Conditional Commitment for the first mortgage, and if applicable a Conditional Commitment for the ASSIST mortgage. The VHFA Conditional Commitment **does not** include instructions for delivering to U.S. Bank.
  - **First Mortgage:** Download the VHFA Conditional Commitment and closing documents from VHFA LOC > Main Menu > Loan Detail > Print Documents. The VHFA Conditional Commitment gives loan details and the checklist in stacking order for the required post-closing documents for delivery to VHFA.
  - **ASSIST:** Download ASSIST Conditional Commitment and closing documents from VHFA LOC > Main Menu > Loan Detail > Print Documents. The VHFA ASSIST Conditional Commitment gives loan details and the checklist in stacking order for the required post-closing documents for delivery to VHFA. The ASSIST Conditional Commitment must be submitted in addition to the VHFA Conditional Commitment for the first mortgage. Assist loans have their own VHFA Loan number. Use the ASSIST loan number to retrieve the ASSIST Loan Detail OR use the first mortgage number to retrieve the first mortgage Loan Detail, scroll down to 'Other Mortgages' and click the hyperlink.

## CLOSING

**Lenders are responsible for the closing process, including providing the closing agent with the forms required by VHFA**

**VHFA Conditional Commitment (Post-Closing Delivery Checklist):** Review the VHFA Conditional Commitment for the standard documents VHFA requires for signature at closing and post-closing delivery. Any additional forms the lender receives that constitute a material change or provide additional information, must also be submitted.

- **Lender compensation** is based on the number of days from reservation to U.S. Bank purchase. Delays in post-closing delivery and/or clearing deficiencies can result in reduced compensation.
- **Lender Fees** cannot exceed the usual and customary. Lenders may not collect any fees for originating a VHFA first mortgage that a non-VHFA borrower would not be assessed.
- **Lender Fee for MOVE MCC** up to \$500.00 processing fee in addition to only those reasonable fees for processing the financing as a borrower applying for financing that was not combined with an MCC.
- **Fees for Standalone MCC** are \$500.00 borrower paid fee due to VHFA and up to a \$500.00 processing fee to lender in addition to only those reasonable fees for processing the financing as a borrower applying for financing that was not combined with an MCC.

**ASSIST Conditional Commitment (Post-Closing Delivery Checklist):** Review the ASSIST Conditional Commitment for the standard documents VHFA requires for signature at closing and post-closing delivery.

- **ASSIST loans** cannot have **any** fees charged at closing, including for origination, processing, and recording.
- **ASSIST eligible uses** are limited to down payment and usual and customary closing costs associated with the VHFA first mortgage, except for per diem interest and costs financed including MI. Contributions received for down payment and/or closing costs (subordinate financing, seller contribution, grants, etc.) must be applied before ASSIST. ASSIST funds exceeding the total down payment and/or eligible closing costs, may NOT be disbursed to the borrowers or applied as a principal reduction.

## DELIVERY

### Deliver Closing Documents to VHFA and U.S. Bank Simultaneously and Immediately After Closing

<b>VHFA Conditional Commitment</b>	Upload Commitment and required documents to <i>LOC &gt; Main Menu &gt; Loan Detail &gt; Document Images</i> .
<b>VHFA <u>ASSIST</u> Conditional Commitment</b>	Upload Commitment and required documents to <i>LOC &gt; Main Menu &gt; ASSIST Loan Detail &gt; Document Images</i> .
<b>VHFA ASSIST Unrecorded Security Instruments</b>	Deliver the original VHFA ASSIST Note, unrecorded Deed with Exhibit A and ASSIST Disclosure directly to VHFA according to VHFA Closing Agent Instructions for VHFA Loans (Form #S-2015C).
<b>U.S. Bank Closed Loan Delivery Checklist</b>	Upload checklist and supporting documents using U.S. Bank DocVelocity/Ellie Mae AIQ. See <a href="#">U.S. Bank HFA Lending Guide</a> . <b>IMPORTANT:</b> Review U.S. Bank requirements for fees (i.e., Tax Service, funding) due at closing.

**VHFA Post-Closing Conditions**

- VHFA sends post-closing status updates to the designated post-closing recipient for your organization.
- Lenders can access unsatisfied condition report at *LOC > Main Menu > Unsatisfied Conditions Report*.
- Unsatisfied conditions for individual loans are found at *LOC > Main Menu > Loan Detail*.
- To satisfy first mortgage conditions, upload to *LOC > Main Menu > Loan Detail > 'Document Images'*.
- To satisfy ASSIST conditions, upload to *LOC > Main Menu > Loan Detail > 'Document Images'*. Use ASSIST #.

**U.S. Bank Purchase:** U.S. Bank purchases loans after receipt and acceptance of all documents required by U.S. Bank Closed Loan Delivery Checklist, and issuance of VHFA Post-Closing Approval. If necessary, lenders are responsible for servicing until U.S. Bank purchases first mortgage. See [U.S. Bank HFA Lending Guide](#) for escrow requirements, funding adjustments, wiring, and post-funding.

**VHFA Reimbursement for ASSIST:** VHFA reimburses lender after VHFA issues ASSIST Post-Closing Approval and U.S. Bank purchases the first mortgage. VHFA will not reimburse unless the first mortgage is purchased by U.S. Bank.

<p style="text-align: center;"><b>VHFA Homeownership Department:</b></p> <p>General Questions: <a href="mailto:vhfahomeownership@vhfa.org">vhfahomeownership@vhfa.org</a></p> <p>Loan Level/Processing/Underwriting Questions: <a href="mailto:homeownershipdept@vhfa.org">homeownershipdept@vhfa.org</a></p>	<p style="text-align: center;"><b>US Bank HFA Customer Care:</b></p> <p style="text-align: center;"><a href="mailto:hfacustomer@usbank.com">hfacustomer@usbank.com</a></p> <p style="text-align: center;">Phone: (800) 562-5165</p> <p style="text-align: center;">(option 1 general questions, option 2 policy questions)</p>
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