



California Housing Finance Agency

1121 "L" Street, 7th Floor Sacramento, CA 95814

Program Bulletin

May 24, 2000

Program Bulletin #2000-10

To: CHFA Approved Lenders

DOCUMENT DELIVERY REQUIREMENTS

CHFA is modifying the purchase delivery requirements for all loans delivered to the Agency for purchase effective **July 1, 2000**. This modification to CHFA's delivery document procedures has been necessitated by the numerous errors and missing documents discovered in many of CHFA's servicing examinations. The loan servicing examinations have disclosed numerous situations where originators and loan Servicer's have failed to adhere to the Agency's documentation requirements. In addition, the Agency has also experienced problems in its 100% Loan Program with the delivery of the Agency's CHAP second Trust Deeds.

To mitigate the problems now faced by the Agency, and as a result of lender input at the Agency's lender meeting held on April 5, 2000, the Agency will adopt a new document delivery procedure for submission of documents for loan purchase. The new loan purchase documentation requirements shall be as follows:

FIRST TRUST DEEDS

The following documents shall be required for purchase:

- Mortgage Submission Voucher Part II – Purchase Submittal and Lender Certification – (MSV-II) Rev. 5/17/00
- Original executed Promissory Note endorsed over to the "California Housing Finance Agency";
- Title Company certified copy of the fully executed Deed of Trust;
- Title Company certified copy of the fully executed Assignment(s) of the Deed of Trust to the Agency; and
- HUD 1 Settlement Statement.

SECOND TRUST DEEDS

The following documents shall be required for purchase:

- Original executed CHAP Promissory Note endorsed to the "California Housing Finance Agency";
- Title Company certified copy of the fully executed CHAP Deed of Trust;
- Title company certified copy of the fully executed Assignment(s) of the (CHAP) Deed of Trust; and
- Title Company certified copy of the fully executed Request for Notice of Default (of the first mortgage).

Within sixty (60) days after loan closing, for CHAP second Trust Deeds only, the following documents shall be submitted to the Agency.

- ALTA Lender Title Policy insuring both the first and second mortgages, with the Agency as the insured (policy may list the insured as the originating lender and successors and assigns).

(Note: the "CHAP Addendum Mortgage Submission Voucher Part II: Post Purchase Submittal" is no longer required.)

CHFA will require errors or omissions to be corrected and missing documents to be submitted prior to purchase of both first and second loans. CHFA will require errors found in the deeds of trust to be corrected by Reformation of the Permanent Deed of Trust as applicable. CHFA has supplied a Reformation of the Permanent Deed of Trust (see Program Bulletin #2000-09 for a copy of the aforementioned form or CHFA's Web Page) for use by originating lenders to correct applicable errors and omissions as necessary.

Please note that CHFA's loan file documentation requirements for Program and policy compliance review and conditional approval (prior to closing) remains unchanged.

Questions regarding this bulletin should be directed to "CHFA, Single Family Programs," at 1121 L Street, 7th Floor, Sacramento, CA 95814; or by phone (916) 324-8088; or by fax (916) 324-6589. You may access and print copies of these and other CHFA forms from our web page at www.chfa.ca.gov.